

Compassion Australia



Compassion Australia ACN 001 692 566

## Annual Financial Statements – 30 June 2023

### Contents

Financial report – 30 June 2023

This is a supplement of the full annual report.  
For more information please refer to the full annual report, which is available at:  
[www.compassion.com.au/annualreport](http://www.compassion.com.au/annualreport)

## Compassion Australia

### Directors' report

Compassion Australia is a company limited by guarantee and not having share capital, incorporated and domiciled in Australia. ABN 67 001 692 566.

Your directors present their report on the company for the year ended 30 June 2023.

#### Directors

The following persons were directors of the company at any time during the financial year and up to the date of this report:

Mr I Moody (Chair of the Board, Board member since 2008)

Mr M McCrindle (Vice Chair of the Board, Board member since 2015)

Ms M Chua (Secretary of the Board, Board member since 2012)

Mr M Jeffs (Board member since 1995)

Dr J Bond (Board member since 2002; resigned as Board Director 01 December 2022 and as a Board member on 01 July 2023)

Mr K Medwin (Board member since 2010)

Ms Irene Yu (Appointed March 2023)

Mr Jonas Golze (Appointed March 2023)

All directors resigned as members of Compassion Australia on 1 July 2023 and Compassion International became the sole member.

#### Directors' meetings

The below table details the number of directors' meetings held this financial year, as well as the number of meetings attended by each director of the company.

| <i><b>Director</b></i> | <i><b>No. of<br/>meetings<br/>held *</b></i> | <i><b>No. of meetings<br/>attended</b></i> |
|------------------------|--|--|
| Mr I Moody             | 9  | 9  |
| Mr M McCrindle         | 9  | 9  |
| Ms M Chua              | 9  | 9  |
| Mr M Jeffs             | 9  | 9  |
| Mr J Bond              | 4  | 4  |
| Mr K Medwin            | 9  | 9  |
| Ms I Yu                | 2  | 2  |
| Mr J Golze             | 2  | 2  |

\* Reflects the number of meetings held whilst the director was in office.

#### Objectives

Compassion's objectives stem from our global multiyear vision. This vision is grounded in our mission to release children from poverty in Jesus' name. It focuses on the Christian holistic development of children living in poverty, in partnership with supporters and churches, with the intent to release the most children possible from poverty with ever-increasing effectiveness and efficiency.

## **Compassion Australia Directors' report**

### **Compassion's strategy for achieving our objectives**

Over the next 5 years Compassion International has set an ambitious strategy to increase the number of program participants from 2.2 million to 3.3 million. To achieve these goals Compassion Australia aims to serve at least 200,000 participants by 2028, up from 128,000 today and grow donation income to at least \$150m p.a., 50% higher than today. We will do this by:

- growing revenue from Compassion Australia's core supporter groups; the Church, Major Givers and Individual Supporters
- entering new markets; including expanding into new geographies throughout Asia and new supporter groups in Australia.

Compassion Australia's annual report for financial year 2022-2023, can be found at:

[www.compassion.com.au/annualreport](http://www.compassion.com.au/annualreport)

### **Principal activities**

The principal activity of the company during the financial year was releasing children from poverty in developing countries.

There were no significant changes in the nature of the activities of the company during the year.

### **Review and result of operations**

Key results for the year include:

- The total income for the year amounted to \$100,404,133 (2022: \$98,333,759). This is an increase of 2.11% (2022: 1.33%) in total income for the year. The primary driver of this increase was a strong response from major givers who donated sizable sums for various projects in the field and for disaster relief during the year.
- There was an increase in global program and support costs of \$282,176 from last year (2023: \$77,507,527 compared to 2022: \$77,225,351).
- The operating surplus for the year amounted to \$1,060,710 (2022 surplus: \$1,788,631).
- Within the year, 20.70% (2022: 18.44%) of the total expenses were spent on administration and fundraising activities.
- The number of beneficiaries declined to 127,247 (2022: 128,644) which represents a decrease of 1.09% (2022: 1% increase).
- The cancellation rate for the Child Sponsorship Program increased during financial year, ending the year at 8.3% (2022: 6.8%). Ongoing economic uncertainty and inflationary pressures have resulted in an increase in the cancellation rate for this financial year. Major Giver supporters have been particularly impacted, and many have transitioned from sponsorship giving to other 'once-off' product opportunities.

Compassion's Board appreciates the continuing dedication of staff, volunteers, advocates, and advice of consultants, which has enabled the organisation to maintain a solid financial position.

### **Environmental regulations**

The company is subject to environmental regulation in respect to ownership of land and buildings. These regulations are those that apply to all land holding businesses and had no significant impact on the operation of the organisation during the financial year.

The directors are not aware of any breaches of environmental regulations.

## **Compassion Australia**

### **Directors' report**

#### **Significant changes in the state of affairs**

In the opinion of the directors, there were no significant changes in the state of affairs of the company that occurred during the financial year under review.

#### **Likely developments**

In the opinion of the directors, the company is likely to pursue its policy of releasing children from poverty in developing countries. It is expected that the company will continue to grow at its rate of ordinary growth.

#### **Matters subsequent to the end of the financial year**

All members of Compassion Australia resigned on 1 July 2023 and Compassion International became the sole member.

### **Information on Directors**

#### **Mr I Moody**

Compassion Australia Director since October 2008

##### ***Experience and expertise***

Extensive experience in marketing, major event management, strategic planning and cross denominational church engagement.

##### ***Other current directorships***

Managing Director of the Prethink Group.

Board member Highlands Church and Christian College.

##### ***Former directorships in the last three years***

Director of Darling Downs Tourism

Director of the Toowoomba Chamber of Commerce.

##### ***Special responsibilities***

Chair of the Board of Directors

Chair of the CEO and Governance Committee

Chair of the Executive Committee

#### **Mr M McCrindle**

Compassion Australia Director since October 2015

##### ***Experience and expertise***

Founder of McCrindle, an advisory, communications and research company, which count among its clients more than 100 of Australia's largest companies.

##### ***Other current Directorships***

Director, McCrindle Research

Chairman, Pacific Hills Christian Education

Director, Association of Independent Schools NSW

Director, Safeheart Foundation

Director, The Australian Leadership Foundation

##### ***Former directorships in the last three years***

Trustee, Responsible Gambling fund, NSW Government.

##### ***Special responsibilities***

Vice-Chair of Compassion Board; Member of the Risk Committee

## **Compassion Australia**

### **Directors' report**

#### **Ms M Chua**

Compassion Australia Director since October 2012

##### ***Experience and expertise***

Extensive experience in representing and advising businesses and individuals in the areas on corporate, commercial, property, estates and litigation matters.

##### ***Other current Directorships***

None

##### ***Former directorships in the last three years***

None

##### ***Special responsibilities***

Secretary of the Board

Chair of the Risk Committee

Member of the CEO and Governance Committee

#### **Mr M Jeffs**

Compassion Australia Director since July 1995

##### ***Experience and expertise***

Business involvement in either management or director roles for over 40 years

##### ***Other current directorships***

Founder and Director Network Communications Pty Limited and the Australian Christian Channel Pty Limited.

Director Southern Cross Institute Pty Limited

##### ***Former directorships in the last three years***

None

##### ***Special responsibilities***

Member of the Finance Committee

Member of the Board of Directors Compassion International

#### **Mr K Medwin**

Compassion Australia Director since July 2010

##### ***Experience and expertise***

Hillsong Church - Strategic Finance Officer

##### ***Other current Directorships***

Director of Rock Property, a residential property investment adviser company.

Director of Medkes Unit Trust

##### ***Former directorships in the last three years***

Director of St Michaels Collegiate

##### ***Special responsibilities***

Chair of the Finance Committee

Member of the Executive Committee

#### **Mr J Golze**

Compassion Australia Director since March 2023

##### ***Experience and expertise***

More than fifteen years working in strategy and transformation.

##### ***Other current Directorships***

Director of Corpus Transformation Services

##### ***Special responsibilities***

Member of the CEO and Governance Committee

Member of the Strategy Committee

## **Compassion Australia Directors' report**

### **Ms I Yu**

Compassion Australia Director since March 2023

#### ***Experience and expertise***

More than twenty years working in accounting, banking, and finance.

#### ***Other current Directorships***

None

#### ***Former directorships in the last three years***

None

#### ***Special responsibilities***

Member of the Finance Committee

Member of the Risk Committee

### **Members' Guarantee**

The company (Compassion Australia) is limited by guarantee. Each member of the company undertakes to contribute to the property of the company in the event of the same being wound up while he/she is a member, or within one year after he/she ceases to be a member.

Each member's contribution covers the payment of the debts and liabilities of the company contracted before he/she ceases to be a member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, provided the required adjustment amount does not exceed one hundred dollars (\$100).

The number of members on 30 June 2023 was six (and in 2022, six)

### **Indemnification and insurance of officers**

#### ***Indemnification***

The company has agreed to indemnify the following current directors of the company—Mr M Jeffs, Mr I Moody, Mr K Medwin, Ms M Chua, Ms I Yu, Mr J Golze, and Mr M McCrindle—against all liabilities to another person (other than the company) that may arise from their position as directors of the company. The only exception is where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the company will meet the full amount of any such liabilities, including costs and expenses.

#### ***Insurance Premiums***

Since the end of the previous financial year, the company has paid insurance premiums under an Association Liability Policy. The directors have not included the details of the nature of the liabilities covered or the amount of the premium paid in respect of the Association Liability Policy, as such disclosure is prohibited under the terms of the contract.

#### ***Auditors' independence declaration***

A copy of the auditor's independence declaration, as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, is set out on page 8.

**Compassion Australia**  
**Directors' report**

*Signed at Newcastle in accordance with a resolution of the Directors:*



Isaac Moody  
Director  
7 September 2023



Mabel Chua  
Director  
7 September 2023

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 60-40 OF THE  
AUSTRALIAN CHARITIES AND NOT-FOR-PROFIT COMMISSION ACT 2012  
TO THE DIRECTORS OF COMPASSION AUSTRALIA**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-Profit Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Bentleys Brisbane (Audit) Pty Ltd  
Chartered Accountants



Stewart Douglas  
Director  
Brisbane  
7 September 2023



# Compassion Australia ACN 001 692 566

## Financial report – 30 June 2023

### Contents

|   |     |
|---|-----|
| Statement of profit and loss and other comprehensive income | 10  |
| Statement of financial position                             | 11  |
| Statement of changes in equity                              | 12  |
| Statement of cash flows                                     | 13  |
| Notes to the financial statements                           | 14  |
| Directors' declaration                                      | 366 |

This financial report covers Compassion Australia as an individual entity. The financial report is presented in Australian currency.

Compassion Australia is a company limited by guarantee and not having share capital, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Compassion Australia  
30 Warabrook Boulevard, Warabrook NSW 2304

A description of the nature of the company's operations and its principal activities is included in the directors' report on page 1, which is not part of this financial report.

The financial report was authorised for issue by the directors on the date that the directors' declaration was signed. The directors have the power to amend and reissue the financial statements.

**Compassion Australia**  
**Statement of profit and loss and other comprehensive income**  
**For the year ended 30 June 2023**

|   | <b>Note</b> | <b>2023</b><br><b>\$</b> | <b>2022</b><br><b>\$</b> |
|---|-------------|--------------------------|--------------------------|
| <b>Revenue from continuing operations</b>                   | <b>2</b>    | <b>99,632,379</b>        | <b>98,332,775</b>        |
| Other Income  | 2           | 771,754                  | 984                      |
| <b>Total</b>  | <b>2</b>    | <b>100,404,133</b>       | <b>98,333,759</b>        |
| <br>Program expenses  |             | 63,999,354               | 67,313,089               |
| Program support expenses                                    |             | 13,508,173               | 9,912,262                |
| Local program expenses                                      |             | 1,108,593                | 1,412,713                |
| Administration expenses                                     |             | 9,089,803                | 7,983,904                |
| Fundraising expenses  |             | 11,475,800               | 9,820,405                |
| Advocacy  |             | 161,700                  | 102,755                  |
| <b>Total</b>  |             | <b>99,343,423</b>        | <b>96,545,128</b>        |
| <br><b>Operating surplus / (deficit)</b>                    | <b>3,4</b>  | <b>1,060,710</b>         | <b>1,788,631</b>         |
| Other comprehensive income                                  |             | -                        | 6,268,478                |
| <br>Total comprehensive income for the year                 |             | 1,060,710                | 8,057,109                |
| Total comprehensive income for the year is attributable to: |             |                          |                          |
| Compassion Australia  |             | 1,060,710                | 8,057,109                |

*The above statement of profit and loss and other comprehensive income  
should be read in conjunction with the accompanying notes.*

**Compassion Australia**  
**Statement of financial position**  
**For the year ended 30 June 2023**

|                                |             | <b>2023</b>       | <b>2022</b>       |
|--------------------------------|-------------|-------------------|-------------------|
|                                | <b>Note</b> | <b>\$</b>         | <b>\$</b>         |
| <b>ASSETS</b>                  |             |                   |                   |
| <b>Current assets</b>          |             |                   |                   |
| Cash and cash equivalents      | 5           | 24,310,130        | 23,466,948        |
| Investments less than 1 year   | 5           | 358,879           | 358,200           |
| Other receivables              | 6           | 576,400           | 399,516           |
| Prepaid Expenses               | 7           | 690,725           | 538,143           |
| Assets held for resale         | 8           | -                 | 633,040           |
| Total current assets           |             | <u>25,936,134</u> | <u>25,395,847</u> |
| <b>Non-current assets</b>      |             |                   |                   |
| Property, plant and equipment  | 9           | 15,894,689        | 15,875,010        |
| Right of use Assets            | 10          | 348,122           | 342,398           |
| Intangible assets              | 11          | 3,884,674         | 1,560,046         |
| Total non-current assets       |             | <u>20,127,485</u> | <u>17,777,454</u> |
| <b>Total assets</b>            |             | <u>46,063,619</u> | <u>43,173,301</u> |
| <b>LIABILITIES</b>             |             |                   |                   |
| <b>Current liabilities</b>     |             |                   |                   |
| Trade and other payables       | 12          | 16,285,312        | 14,436,571        |
| Income in Advance              | 13          | 3,565             | 71,869            |
| Borrowings                     | 14          | 187,760           | 212,935           |
| Provisions                     | 15          | 478,106           | 375,988           |
| Total current liabilities      |             | <u>16,954,743</u> | <u>15,097,363</u> |
| <b>Non-current liabilities</b> |             |                   |                   |
| Borrowings                     | 14          | 160,723           | 142,417           |
| Provisions                     | 15          | 182,677           | 228,755           |
| Total non-current liabilities  |             | <u>343,400</u>    | <u>371,172</u>    |
| <b>Total liabilities</b>       |             | <u>17,298,143</u> | <u>15,468,535</u> |
| <b>Net assets</b>              |             | <u>28,765,476</u> | <u>27,704,766</u> |
| <b>Equity</b>                  |             |                   |                   |
| Retained earnings              |             | 22,496,998        | 21,436,288        |
| Revaluation Surplus            |             | 6,268,478         | 6,268,478         |
| <b>Total equity</b>            |             | <u>28,765,476</u> | <u>27,704,766</u> |

*The above statement of financial position should be read in conjunction with the accompanying notes.*

**Compassion Australia**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**

|  | <b>Retained<br/>Earnings</b> | <b>Revaluation<br/>Surplus</b> | <b>Total</b> |
|--|------------------------------|--------------------------------|--------------|
|  | <b>\$</b>                    | <b>\$</b>                      | <b>\$</b>    |
| Balance at 30 June 2021                                    | 19,647,657                   | -                              | 19,647,657   |
| Total comprehensive income for the year ended 30 June 2022 | 1,788,631                    | 6,268,478                      | 8,057,109    |
| Balance at 30 June 2022                                    | 21,436,288                   | 6,268,478                      | 27,704,766   |
| Total comprehensive income for the year ended 30 June 2023 | 1,060,710                    | -                              | 1,060,710    |
| Balance at 30 June 2023                                    | 22,496,998                   | 6,268,478                      | 28,765,476   |

**Compassion Australia**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

|  | <b>2023</b>             | <b>2022</b>        |
|--|-------------------------|--------------------|
| <b>Note</b>  | <b>\$</b>               | <b>\$</b>          |
| <b>Cash flows from operating activities</b>                                |                         |                    |
| Receipts (inclusive of goods and services tax)                             | 98,884,341              | 98,205,694         |
| Payments in the course of operations (inclusive of goods and services tax) | (96,707,816)            | (95,196,433)       |
| <b>Net cash inflow/ (outflow) from operating activities</b>                | <b>16(a) 2,176,525</b>  | <b>3,009,261</b>   |
| <b>Cash flows from investing activities</b>                                |                         |                    |
| Interest received  | 509,944                 | 116,061            |
| Proceeds from sale of investment property                                  | 1,397,701               | -                  |
| Proceeds from sale of property, plant and equipment                        | -                       | -                  |
| Payments for property, plant and equipment                                 | (598,212)               | (748,841)          |
| Payments for Intangibles   | (2,334,659)             | (1,278,241)        |
| <b>Net cash inflow (outflow) from investing activities</b>                 | <b>(1,025,226)</b>      | <b>(1,911,021)</b> |
| <b>Cash flows from financing activities</b>                                |                         |                    |
| Repayment of borrowings  | -                       | -                  |
| Repayment of leases  | (299,606)               | (43,597)           |
| Interest paid  | (7,832)                 | (9,104)            |
| <b>Net cash inflow (outflow) from financing activities</b>                 | <b>(307,438)</b>        | <b>(52,701)</b>    |
| <b>Net increase (decrease) in cash held</b>                                | <b>843,861</b>          | <b>1,045,539</b>   |
| Cash at the beginning of the financial year                                | 23,825,148              | 22,779,609         |
| <b>Cash at the end of the financial year</b>                               | <b>16(b) 24,669,009</b> | <b>23,825,148</b>  |

**Compassion Australia**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

| <b>Note</b> | <b>Contents</b>   | <b>Page</b> |
|-------------|---|-------------|
| Note 1      | Summary of significant accounting policies  | 15          |
| Note 2      | Revenue and other income  | 22          |
| Note 3      | Expenses  | 22          |
| Note 4      | Auditor's remuneration  | 22          |
| Note 5      | Cash and cash equivalents   | 23          |
| Note 6      | Other receivables   | 23          |
| Note 7      | Prepaid expenses  | 23          |
| Note 8      | Assets held for sale  | 23          |
| Note 9      | Property, plant and equipment   | 24          |
| Note 10     | Right of use assets   | 25          |
| Note 11     | Intangible assets   | 26          |
| Note 12     | Trade and other payables  | 26          |
| Note 13     | Income in advance   | 26          |
| Note 14     | Borrowings  | 26          |
| Note 15     | Provisions  | 27          |
| Note 16     | Statement of cash flows information   | 29          |
| Note 17     | Additional disclosures required by the Charitable Fundraising Act 1991<br>and the Charitable Fundraising Regulations 1993 | 30          |
| Note 18     | Funds movements schedule  | 32          |
| Note 19     | Related party transactions  | 33          |
| Note 20     | Key management personnel compensation   | 33          |
| Note 21     | Commitments and contingencies   | 34          |
| Note 22     | Financial risk management   | 34          |
| Note 23     | Fair value measurements   | 35          |

## Note 1      **Summary of significant accounting policies**

### (a)      **Basis of preparation**

These general-purpose financial statements have been prepared in accordance with the Australian Accounting Standards: Simplified Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Australian Charities and Not-for-profits Commission Act 2012*, the *Charitable Fundraising Act 1991*, the *Charitable Collections Act 1946 (WA)* and the CMA Standards Council's principles and standards.

#### ***Compliance with Australian Accounting Standards: Simplified Disclosure Requirements***

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012 under AASB 1053: *"Application of Tiers of Australian Accounting Standards."* The company is a non-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements of Compassion Australia comply with the Australian Accounting Standards: Simplified Disclosure Requirements as issued by Australian Accounting Standards Board (AASB) as they pertain to not-for-profit entities. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### ***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 company's accounting policies. The major estimates and judgments are as follows:

#### ***Performance obligations***

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

#### ***Estimation of useful lives of assets***

The estimate of useful lives and related depreciation and amortisation charges are considered annually by the directors and adjusted if required to reflect changes in the useful life of assets. Details of useful life assessments are detailed in Note 1(g).

#### ***Impairment of assets***

The directors determine annually whether there are any indicators of impairment by evaluating conditions applicable to financial and non-financial assets. If an impairment trigger exists, the recoverable amount of the asset is determined as either fair value less costs to sell or value-in-use calculations. Details of useful life assessments are detailed in Note 1(i).

#### ***Employee benefits***

As discussed in Note 1(j), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases are considered.

## **Note 1      Summary of significant accounting policies (continued)**

### **(a) Basis for Preparation (continued)**

#### *Lease Term and Option to Extend*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and, periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic, and which are key to future strategy of the entity.

### **(b) Taxation**

The company, being a Public Benevolent Institution, is currently exempt from income tax under Section 50-5, Item 1.1 of the *Income Tax Assessment Act 1997*.

### **(c) Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

### **(d) Acquisitions of assets**

The historical cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

### **(e) Revenue recognition**

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the Australian Tax Office (ATO).

#### ***Sponsorships and donations***

When operating grant revenue, donations or bequests are received, it is assessed whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, Compassion:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, Compassion:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116, AASB 138 and AASB 1058);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above Compassion recognises income in profit or loss when or as it satisfies its obligations under the contract.



## **Note 1      Summary of significant accounting policies (continued)**

### **(e) Revenue Recognition (continued)**

To allow for supporter's best intentions, Compassion processes cheques received by mail up to 7 business days after the 30<sup>th</sup> June into the previous year to allow for legitimate posted items post marked pre 30 June.

#### ***Endowment operations and undesignated funds***

Income from endowment operations and undesignated funds is recognised in the period in which it is received.

#### ***Sale of non-current assets***

The net profit arising from non-current asset sales is included as other income at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

#### ***Interest revenue***

Interest revenue is recognised as it accrues.

### **(f) Property, plant and equipment**

#### **Asset Recognition Threshold**

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition.

#### **Freehold property**

Freehold land and buildings are initially recorded at cost less accumulated depreciation. Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

#### **Revaluations**

Following initial recognition at cost, freehold land and buildings are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Freehold land and buildings were last independently valued by Preston Rowe Paterson Property Valuers on 11 March 2022.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

## Note 1 Summary of significant accounting policies (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

### (g) Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. The typical expected useful lives of property, plant and equipment assets are as follows:

|                                | 2023        |
|--------------------------------|-------------|
| Buildings                      | 10-50 years |
| Motor Vehicles                 | 3-5 years   |
| Office Furniture and equipment | 3-10 years  |
| Computer equipment             | 2-6 years   |
| Fundraising equipment          | 2-5 years   |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where items of plant and equipment have separately identifiable components which are subject to regular replacement, those components are assigned useful lives distinct from the item of plant and equipment to which they relate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

### (h) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### (i) Employee benefits

#### *Wages, salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

#### *Long service leave*

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with 'wages, salaries

## **Note 1      Summary of significant accounting policies (continued)**

and annual leave' above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

### **(j) Cash and cash equivalents**

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, term deposits, and other 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.

### **(k) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), unless the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). 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 are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### **(l) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. The majority of trade receivables are for the prepayment of supporter group trips to Compassion projects overseas. These receivables are invoiced under specific payment terms which are settled before the goods and services are provided. All other trade receivables are expected to be settled no more than 30 days from the date of recognition.

The Company recognises a loss allowance for expected credit losses on trade receivables. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a trade receivable. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the receivable. In measuring the expected credit loss, a provision matrix for trade receivables has been used, taking into consideration various data to get to an expected credit loss.

### **(m) Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### **(n) Intangibles**

Significant costs associated with software acquired are deferred and amortised on a straight-line basis over the period of their expected benefit and are classified as a finite life intangible asset. Software is amortised over a 2 to 5-year period, beginning once the asset is configured and available for use by the organisation.

## Note 1 Summary of significant accounting policies (continued)

### (o) Leases

#### As a Lessee

Compassion leases a number of assets including land and buildings (for regional office spaces), vehicles, office equipment and computer equipment.

#### **a) Definition of a lease**

At inception of a contract Compassion assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, Compassion assesses whether both of the following apply:

- i. Compassion has the right to obtain substantially all of the economic benefits from the use of the identified asset; and
- ii. Compassion has the right to direct the use of the identified asset.

Where a supplier has the substantive right to substitute the asset throughout the period of use, or the right to direct the use of the asset, the contract does not contain a lease and Compassion will recognise the contract as an operating expense on a straight-line basis over the term of the lease.

#### **b) Measurement**

Compassion recognises a right of use asset and a lease liability at the lease commencement date. If there is a lease present, a right of use asset and a corresponding lease liability is recognised by Compassion. Contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets (under \$10,000 in value) are recognised as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, Compassion's incremental borrowing rate. The appropriate RBA lending rate been applied as the discount rate in lieu of an incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following:

- i. Fixed payments, including in-substance fixed payments;
- ii. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii. The amounts expected to be payable under a residual value guarantee; and
- iv. The exercise price of a purchase option if Compassion is reasonably certain to exercise that option, lease payments in an optional renewal period if Compassion is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Compassion is reasonably certain not to terminate early.

The right of use asset comprises the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of useful life of the right of use asset or the end of the lease term.

## Note 1 Summary of significant accounting policies (continued)

Compassion leases have typical lease terms of:

|                                |           |
|--------------------------------|-----------|
| Land & Buildings               | 3-5 years |
| Motor Vehicles                 | 3 years   |
| Office Furniture and equipment | 2-3 years |
| Computer equipment             | 2-3 years |

In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

### **As a Lessor**

Compassion leases land and buildings, and office space to external parties.

Upon entering into each contract as a lessor, Compassion assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease. Rental income due under finance leases are recognised as receivables at the amount of Compassion's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Entity applies AASB 15 to allocate the consideration under the contract to each component.

### **(p) Impacts from the COVID-19 pandemic**

Compassion's operations have continued to be impacted by the COVID-19 pandemic during the 2023 financial year.

International travel to visit programs will not recommence until the 2024 financial year meaning that supporters were again unable to witness Compassion's programs in action, gaining greater insight into the impact of their continued support of Compassion.

### **(q) New and revised accounting standards**

*AASB 2022-3: Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15*

*AASB 2022-3 amends the Australian illustrative examples for not-for-profit entities accompanying AASB 15: Revenue from Contracts with Customers to illustrate how AASB 15 applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of AASB 15.*

*The Basis for Conclusions also document the Board's decision to retain the accounting policy choice on an ongoing basis for NFP private sector lessees to elect to initially measure a class of ROU assets arising under concessionary leases at cost or at fair value.*

*The adoption of the amendment did not have a material impact on the financial statements.*

## Note 1 Summary of significant accounting policies (continued)

### AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments

The Entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The adoption of the amendment did not have a material impact on the financial statements.

## Note 2 Revenue and other income

|   | 2023               | 2022              |
|---|--------------------|-------------------|
|   | \$                 | \$                |
| <b>Revenue from continuing operations</b> |                    |                   |
| Sponsorships and donations                | 98,964,147         | 98,009,023        |
| Interest received                         | 509,944            | 116,061           |
| Rent Received                             | 158,288            | 207,691           |
|   | <u>99,632,379</u>  | <u>98,332,775</u> |
| <b>Other income</b>                       |                    |                   |
| Other income                              | 7,093              | 984               |
| Profit on disposal of non-current assets  | 764,661            | -                 |
|   | <u>771,754</u>     | <u>984</u>        |
| Total Revenue and other income            | <u>100,404,133</u> | <u>98,333,759</u> |

## Note 3 Expenses

|  |                   |                   |
|--|-------------------|-------------------|
| <b>Operating surplus/(deficit) includes the following specific expenses:</b> | <b>2023</b>       | <b>2022</b>       |
|  | \$                | \$                |
| Employee benefits expense  | 13,667,631        | 13,075,989        |
| Interest expense on lease liabilities  | 7,832             | 9,104             |
| Depreciation and amortisation expense  | 875,576           | 1,535,740         |
|  | <u>14,551,039</u> | <u>14,620,833</u> |

## Note 4 Auditor's Remuneration

During the year the following fees were paid or payable for services provided by the auditors:

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| <b>Audit services:</b>                | <b>2023</b>   | <b>2022</b>   |
|                                       | \$            | \$            |
| Audit and review of financial reports | 39,000        | 36,600        |
| Taxation and other services           | -             | -             |
|                                       | <u>39,000</u> | <u>36,600</u> |

## Note 5 Cash and cash equivalents

|                                   | 2023              | 2022              |
|-----------------------------------|-------------------|-------------------|
|                                   | \$                | \$                |
| Cash on hand                      | -                 | -                 |
| Cash at bank and cash equivalents | 24,310,130        | 23,466,948        |
| <b>Cash and cash equivalents</b>  | <b>24,310,130</b> | <b>23,466,948</b> |
| Investments                       | 358,879           | 358,200           |
|                                   | <b>358,879</b>    | <b>358,200</b>    |

Investments relate to term deposits where maturity is more than 3 months but less than 12 months.

## Note 6 Other receivables

|                   | 2023    | 2022    |
|-------------------|---------|---------|
|                   | \$      | \$      |
| Other receivables | 576,400 | 399,516 |

Other receivables are unsecured with no collateral obtained.  
There are no impaired receivables for the Company at 30 June 2023 (2022: Nil).

## Note 7 Prepaid expenses

|                  | 2023    | 2022    |
|------------------|---------|---------|
|                  | \$      | \$      |
| Prepaid expenses | 690,725 | 538,143 |

## Note 8 Assets held for sale

| Carrying amounts at balance date  | 2023      | 2022    |
|-----------------------------------|-----------|---------|
|                                   | \$        | \$      |
| Opening balance at 1 July         | 633,040   | -       |
| Transfer from Investment Property | -         | 633,040 |
| Assets sold                       | (633,040) | -       |
| Closing balance at 30 June        | -         | 633,040 |

## Note 9 Property, plant and equipment

### (a) Carrying amounts at balance date

|   | 2023<br>\$        | 2022<br>\$        |
|---|-------------------|-------------------|
| <b>Land at fair value</b>                                   | 1,120,000         | 1,120,000         |
| <b>Buildings</b>  |                   |                   |
| At fair value   | 14,552,208        | 13,998,689        |
| Less: Accumulated depreciation                              | (428,781)         | (57,747)          |
| <b>Buildings</b>  | 14,123,427        | 13,940,942        |
| <b>Total land and buildings</b>                             | 15,243,427        | 15,060,942        |
| <b>Motor vehicles</b>                                       |                   |                   |
| At cost   | 73,880            | 73,880            |
| Less: Accumulated depreciation                              | (40,308)          | (31,284)          |
| <b>Motor Vehicles</b>                                       | 33,572            | 42,596            |
| <b>Office furniture and equipment</b>                       |                   |                   |
| At cost   | 1,443,313         | 1,443,313         |
| Less: Accumulated depreciation                              | (939,137)         | (778,254)         |
| <b>Office Furniture and Equipment</b>                       | 504,176           | 665,059           |
| <b>Computer equipment</b>                                   |                   |                   |
| At cost   | 646,500           | 601,807           |
| Less: Accumulated depreciation                              | (532,986)         | (495,394)         |
| <b>Computer Equipment</b>                                   | 113,514           | 106,413           |
| <b>Total property plant and equipment at net book value</b> | <b>15,894,689</b> | <b>15,875,010</b> |

### (b) Reconciliation of carrying amounts at the beginning and end of the period

|  | Land             | Buildings         | Office<br>Furniture<br>and<br>Equipment | Computer<br>Equipment | Motor<br>Vehicles | Total             |
|--|------------------|-------------------|---|-----------------------|-------------------|-------------------|
| 2023   | \$               | \$                | \$                                      | \$                    | \$                | \$                |
| Carrying amount opening balance                      | 1,120,000        | 13,940,942        | 665,059                                 | 106,413               | 42,596            | 15,875,010        |
| Add: additions                                       | -                | 553,519           | -                                       | 44,693                | -                 | 598,212           |
| Add: revaluation                                     | -                | -                 | -                                       | -                     | -                 | -                 |
| Less: carrying amount of disposals/other adjustments | -                | -                 | -                                       | -                     | -                 | -                 |
| Less: depreciation expense                           | -                | (371,034)         | (160,884)                               | (37,591)              | (9,024)           | (578,533)         |
| <b>Carrying amount closing balance</b>               | <b>1,120,000</b> | <b>14,123,427</b> | <b>504,175</b>                          | <b>113,515</b>        | <b>33,572</b>     | <b>15,894,689</b> |



## Note 10 Right of Use Assets

| (a) Carrying amount at balance date                  | 2023<br>\$     | 2022<br>\$     |     |
|--|----------------|----------------|-----|
| <b>Buildings – right of use</b>                      |                |                |     |
| At cost  | 677,388        | 648,370        | 5   |
| Less: Accumulated depreciation                       | (584,298)      | (438,810)      | (14 |
| Buildings – right of use                             | 93,090         | 209,560        | 3   |
| <b>Motor vehicles – right of use</b>                 |                |                |     |
| At cost  | 782,570        | 518,851        | 4   |
| Less: Accumulated depreciation                       | (583,401)      | (471,005)      | (16 |
| Motor Vehicles – right of use                        | 199,169        | 47,846         | 2   |
| <b>Office furniture and equipment – right of use</b> |                |                |     |
| At cost  | 15,285         | 15,285         |     |
| Less: Accumulated depreciation                       | (15,285)       | (15,285)       | (   |
| Office Furniture and Equipment – right of use        | -              | -              |     |
| <b>Computer equipment – right of use</b>             | 87,386         | 87,386         |     |
| At cost  |                |                |     |
| Less: Accumulated depreciation                       | (31,523)       | (2,394)        | (2  |
| Computer Equipment – right of use                    | 55,863         | 84,992         | 6   |
| <b>Total Right of Use Assets at net book value</b>   | <b>348,122</b> | <b>342,398</b> |     |

## (b) Reconciliation of carrying amounts at the beginning and end of the period

|  | Buildings –<br>right of use | Motor<br>Vehicles –<br>right of use | Computer<br>Equipment –<br>right of use | Total<br>Right of Use<br>Assets |
|--|-----------------------------|-------------------------------------|---|---------------------------------|
| 2023   | \$                          | \$                                  | \$                                      | \$                              |
| Carrying amount opening balance                      | 209,560                     | 47,846                              | 84,992                                  | 342,398                         |
| Add: additions                                       | 29,018                      | 263,719                             | -                                       | 292,737                         |
| Less: carrying amount of disposals/other adjustments | -                           | -                                   | -                                       | -                               |
| Less: depreciation expense                           | (145,488)                   | (112,396)                           | (29,129)                                | (287,013)                       |
| <b>Carrying amount closing balance</b>               | <b>93,090</b>               | <b>199,169</b>                      | <b>55,863</b>                           | <b>348,122</b>                  |

## Note 11 Intangible assets

|                                 | 2023        | 2022        |
|---------------------------------|-------------|-------------|
|                                 | \$          | \$          |
| Software at cost                | 6,623,865   | 4,289,206   |
| Accumulated amortisation        | (2,739,191) | (2,729,160) |
| Carrying amount closing balance | 3,884,674   | 1,560,046   |

Software at cost includes software development costs of \$2,334,659 (2022: \$1,297,992) for the implementation of a new CRM platform which is intended to be placed in service during the 2024 financial year.

## Note 12 Trade and other payables

|   | 2023              | 2022              |
|---|-------------------|-------------------|
|   | \$                | \$                |
| <b>Current</b>                                |                   |                   |
| Trade creditors                               | 729,158           | 779,963           |
| Annual leave                                  | 952,452           | 1,010,514         |
| Rostered day off                              | 109,750           | 120,814           |
| Accruals and other payables                   | 863,169           | 1,107,301         |
| Holding fund                                  | -                 | 20,000            |
| Program disbursement                          | 13,630,783        | 11,397,979        |
| <b>Total current trade and other payables</b> | <b>16,285,312</b> | <b>14,436,571</b> |

## Note 13 Income in advance

|                   | 2023         | 2022          |
|-------------------|--------------|---------------|
|                   | \$           | \$            |
| Income in advance | 3,565        | 71,869        |
| <b>Total</b>      | <b>3,565</b> | <b>71,869</b> |

## Note 14 Borrowings

|                              | 2023           | 2022           |
|------------------------------|----------------|----------------|
|                              | \$             | \$             |
| <b>Current</b>               |                |                |
| Lease liability              | 187,760        | 212,935        |
| <b>Total</b>                 | <b>187,760</b> | <b>212,935</b> |
| <b>Non- Current</b>          |                |                |
| Lease liability              | 160,723        | 142,417        |
| <b>Total</b>                 | <b>160,723</b> | <b>142,417</b> |
| <b>Total Lease Liability</b> | <b>348,483</b> | <b>355,352</b> |

## Note 14 Borrowings (continued)

| Analysis of total Lease Liability:                | 2023           | 2022           |
|---|----------------|----------------|
|   | \$             | \$             |
| Opening balance as at 1 July                      | 355,352        | 398,948        |
| Additional Lease liability raised during the year | 292,737        | 273,130        |
| Amounts used                                      | (299,606)      | (316,726)      |
| <b>Balance as at 30 June</b>                      | <b>348,483</b> | <b>355,352</b> |

### Significant leasing arrangements

Lease liabilities are secured by the assets leased and represent the discounted future rentals payable for office properties and plant and equipment. The borrowing rate used to discount the lease liabilities ranges between 1.56% - 4.66%

Compassion has recognised a lease liability and right of use asset for all leases (with the exception of short term and low value leases).

## Note 15 Provisions

|                     | 2023           | 2022           |
|---------------------|----------------|----------------|
|                     | \$             | \$             |
| <b>Current</b>      |                |                |
| Long service leave  | 478,106        | 375,988        |
| <b>Total</b>        | <b>478,106</b> | <b>375,988</b> |
| <b>Non- Current</b> |                |                |
| Long service leave  | 182,677        | 228,755        |
| <b>Total</b>        | <b>182,677</b> | <b>228,755</b> |
|                     | <b>660,783</b> | <b>604,743</b> |

Analysis of total provisions:

| 2023   | Long Service Leave | Redundancy | Total          |
|--|--------------------|------------|----------------|
|  | \$                 | \$         | \$             |
| Opening balance as at 1 July                 | 604,743            | -          | 604,743        |
| Additional provisions raised during the year | 144,223            | -          | 144,223        |
| Amounts used                                 | (88,183)           | -          | (88,183)       |
| <b>Balance as at 30 June</b>                 | <b>660,783</b>     | <b>-</b>   | <b>660,783</b> |

| 2022   | Long Service Leave | Redundancy | Total          |
|--|--------------------|------------|----------------|
|  | \$                 | \$         | \$             |
| Opening balance as at 1 July                 | 634,323            | 70,308     | 704,631        |
| Additional provisions raised during the year | 148,399            | -          | 148,399        |
| Amounts used                                 | (177,979)          | (70,308)   | (248,287)      |
| <b>Balance as at 30 June</b>                 | <b>604,743</b>     | <b>-</b>   | <b>604,743</b> |

## **Note 15 Provisions (continued)**

### **Provisions**

Provisions represent employee provisions for long service leave and redundancy.

The current portion for this provision includes the total amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service and redundancy payment due but not yet paid.

Based on past experience, the company does not expect the full amount of long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

## Note 16 Statement of cash flows information

### (a) Reconciliation of operating surplus/deficit from ordinary activities to net cash inflow from operating activities

|  | 2023<br>\$  | 2022<br>\$ |
|--|-------------|------------|
| Operating surplus/deficit  | 1,060,710   | 1,788,631  |
| Add/ (less) items classified as investing/financing activities:                    |             |            |
| Interest received  | (509,944)   | (116,061)  |
| Interest paid  | 7,832       | 9,104      |
| Proceeds on sale of assets   | (1,397,701) | -          |
| Add/ (less) non-cash items:  |             |            |
| Loss on disposal of assets   | -           | -          |
| Depreciation and amortisation  | 875,576     | 1,535,740  |
| Net cash provided by continuing activities before change in assets and liabilities | 36,473      | 3,217,414  |
| Change in assets and liabilities during the financial year:                        |             |            |
| (Increase)/ decrease in receivables and prepayments                                | (329,466)   | (116,152)  |
| (Increase)/ decrease in assets held for resale                                     | 633,040     | -          |
| (Decrease)/increase in accounts payable and other provisions                       | 1,836,478   | (92,000)   |
| Net cash provided by/ (used in) operating activities                               | 2,176,525   | 3,009,262  |

### (b) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand, cash at bank, on demand deposits at call and deposits, term deposits and other 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 (net of outstanding bank overdrafts). Cash as at the end of the financial year as shown in the statement of cash flows is reconciled in the statement of financial position as follows:

|  | 2023<br>\$        | 2022<br>\$        |
|--|-------------------|-------------------|
| Cash and cash equivalents (Note 5)     | 24,310,130        | 23,466,948        |
| Investments (Note 5)                   | 358,879           | 358,200           |
| <b>Cash and cash equivalent assets</b> | <b>24,669,009</b> | <b>23,825,148</b> |

## Note 17 Additional disclosures required by the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulations 1993

### Fundraising appeals

Fundraising appeals conducted during the year consisted of:

Promotion of sponsorship and one off giving for children in poverty:

- Public meetings
- Conventions
- Paid advertising
- Concerts
- Advocates
- Internet

### Details of aggregate gross income and total expenses of fundraising appeals

|  | 2023<br>\$         | 2022<br>\$        |
|--|--------------------|-------------------|
| <b>Income from fundraising</b>                 |                    |                   |
| Donations and gifts- monetary & non-monetary   | 98,532,752         | 97,752,659        |
| Legacies & bequests                            | 431,395            | 256,364           |
|  | <u>98,964,147</u>  | <u>98,009,023</u> |
| <b>Less: Total cost of fundraising appeals</b> |                    |                   |
| Fundraising costs                              | (11,475,800)       | (9,820,405)       |
| Net surplus obtained from fundraising appeals  | <u>87,488,347</u>  | <u>88,188,618</u> |
| <b>Other income</b>                            |                    |                   |
| Interest, life insurance and other income      | 1,439,986          | 324,736           |
| <b>Gross income</b>                            | <u>100,404,133</u> | <u>98,333,759</u> |

### Statement showing how funds received were applied to charitable purposes

This was applied to charitable purposes in the following manner:

|                          |                   |                   |
|--------------------------|-------------------|-------------------|
| Program expenditure      | 78,616,120        | 78,638,064        |
| Administration           | 9,089,803         | 7,983,905         |
| Advocacy                 | 161,700           | 102,754           |
|                          | <u>87,867,623</u> | <u>86,724,723</u> |
| <b>Total expenditure</b> | <u>99,343,423</u> | <u>96,545,128</u> |
| <b>Surplus/(Loss)</b>    | <u>1,060,710</u>  | <u>1,788,631</u>  |

**Note 17 Additional disclosures required by the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulations 1993 (continued)**

Comparison of monetary figures and percentages:

|             | <b>Total cost of fundraising</b> | <b>Gross income from fundraising</b> | <b>%</b> |
|-------------|----------------------------------|--------------------------------------|----------|
|             | <b>\$</b>                        | <b>\$</b>                            |          |
| <b>2023</b> | \$11,475,800                     | \$98,964,147                         | 12%      |
| <b>2022</b> | \$9,820,405                      | \$98,009,023                         | 10%      |

|             | <b>Net surplus from fundraising</b> | <b>Gross income from fundraising</b> | <b>%</b> |
|-------------|-------------------------------------|--------------------------------------|----------|
|             | <b>\$</b>                           | <b>\$</b>                            |          |
| <b>2023</b> | \$87,488,347                        | \$98,964,147                         | 88%      |
| <b>2022</b> | \$88,188,618                        | \$98,009,023                         | 90%      |

|             | <b>Total cost of services</b> | <b>Total expenditure</b> | <b>%</b> |
|-------------|-------------------------------|--------------------------|----------|
|             | <b>\$</b>                     | <b>\$</b>                |          |
| <b>2023</b> | \$78,616,120                  | \$99,343,423             | 79%      |
| <b>2022</b> | \$78,638,064                  | \$96,545,128             | 81%      |

|             | <b>Total cost of services</b> | <b>Total income received</b> | <b>%</b> |
|-------------|-------------------------------|------------------------------|----------|
|             | <b>\$</b>                     | <b>\$</b>                    |          |
| <b>2023</b> | \$78,616,120                  | \$100,404,133                | 78%      |
| <b>2022</b> | \$78,638,064                  | \$98,333,759                 | 80%      |

## Note 18 Funds movements schedule

| For the year ended<br>June 30, 2023 | Opening<br>Balance<br>\$ | Income<br>\$       | Withholding<br>\$ | Expenses<br>\$      | Fund Balance<br>Adjustment<br>\$ | Surplus /<br>(Deficit)<br>\$ | Closing<br>Balance<br>\$ |
|-------------------------------------|--------------------------|--------------------|-------------------|---------------------|----------------------------------|------------------------------|--------------------------|
| Child Development                   | 4,141,959                | 71,263,485         | (18,969,745)      | (55,335,699)        | -                                | (3,041,959)                  | 1,100,000                |
| Mums and Babies                     | 663,515                  | 1,771,702          | (430,742)         | (595,135)           | -                                | 745,825                      | 1,409,340                |
| Christmas Fund                      | 206,035                  | 2,698,642          | (269,864)         | (2,485,000)         | -                                | (56,222)                     | 149,813                  |
| Gifts                               | 316,177                  | 4,714,106          | -                 | (4,769,893)         | -                                | (55,787)                     | 260,390                  |
| Living Sponsorship                  | 1,186,668                | (63,144)           | -                 | -                   | -                                | (63,144)                     | 1,123,524                |
| CIV Fund                            | 848,137                  | 13,126,745         | (2,848,040)       | (7,856,507)         | (2,612,000)                      | (189,801)                    | 658,335                  |
| Disaster Relief                     | 39,789                   | 4,884,271          | (1,093,749)       | (4,271,051)         | 558,000                          | 77,471                       | 117,260                  |
| Un-sponsored Children               | 43,636                   | 397,554            | (84,489)          | (2,000,369)         | 2,054,000                        | 366,696                      | 410,332                  |
| Future Fund                         | 5,588,227                | -                  | 989,901           | -                   | (5,420,000)                      | (4,430,099)                  | 1,158,128                |
| Operating Fund                      | 11,150,429               | 1,316,671          | 22,752,000        | (21,717,066)        | 5,315,339                        | 7,666,944                    | 18,817,373               |
| Endowment Operations                | 3,403,661                | 93,178             | -                 | -                   | -                                | 93,178                       | 3,496,839                |
| Singapore Fund                      | (104,661)                | -                  | -                 | -                   | 104,661                          | 104,661                      | -                        |
| Unallocated Donations               | 36,925                   | (3,231)            | -                 | -                   | -                                | (3,231)                      | 33,694                   |
| Bibles                              | 52,731                   | 145,774            | (30,000)          | (138,057)           | -                                | (22,283)                     | 30,448                   |
| Indigenous (PBI)                    | 131,538                  | 58,380             | (15,272)          | (174,646)           | -                                | (131,539)                    | -                        |
| <b>Total</b>                        | <b>27,704,766</b>        | <b>100,404,133</b> | <b>-</b>          | <b>(99,343,423)</b> | <b>-</b>                         | <b>1,060,710</b>             | <b>28,765,476</b>        |

| For the year ended<br>June 30, 2022 | Opening<br>Balance<br>\$ | Income<br>\$      | Withholding<br>\$ | Expenses<br>\$    | Surplus /<br>(Deficit)<br>\$ | Revaluation<br>Surplus | Closing<br>Balance<br>\$ |
|-------------------------------------|--------------------------|-------------------|-------------------|-------------------|------------------------------|------------------------|--------------------------|
| Child Development                   | 4,137,818                | 71,474,447        | (16,164,252)      | 55,306,057        | 4,139                        | -                      | 4,141,959                |
| Mums and Babies                     | 662,643                  | 1,719,909         | (362,376)         | 1,356,662         | 871                          | -                      | 663,515                  |
| Christmas Fund                      | 41,556                   | 2,672,580         | (267,406)         | 2,240,695         | 164,479                      | -                      | 206,035                  |
| Gifts                               | 73,971                   | 5,018,611         | -                 | 4,776,403         | 242,208                      | -                      | 316,177                  |
| Living Sponsorship                  | 1,231,518                | (44,851)          | -                 | -                 | (44,851)                     | -                      | 1,186,668                |
| CIV Fund                            | 843,537                  | 15,686,670        | (3,213,981)       | 12,468,089        | 4,600                        | -                      | 848,137                  |
| Disaster Relief                     | 43,690                   | 837,079           | (177,831)         | 663,149           | (3,901)                      | -                      | 39,789                   |
| Un-sponsored Children               | 42,924                   | 296,753           | (63,043)          | 233,000           | 710                          | -                      | 43,636                   |
| Future Fund                         | 4,608,153                | -                 | 980,076           | -                 | 980,076                      | -                      | 5,588,227                |
| Operating Fund                      | 4,404,165                | 319,182           | 19,335,168        | 19,176,562        | 477,478                      | 6,268,478              | 11,150,430               |
| Endowment Operations                | 3,399,553                | 4,111             | -                 | -                 | 4,111                        | -                      | 3,403,661                |
| LDP                                 | -                        | -                 | -                 | -                 | -                            | -                      | -                        |
| Singapore Fund                      | -                        | -                 | -                 | 104,661           | (104,661)                    | -                      | (104,661)                |
| Unallocated Donations               | -                        | 36,925            | -                 | -                 | 36,925                       | -                      | 36,925                   |
| Bibles                              | 52,237                   | 216,290           | (45,949)          | 169,848           | 493                          | -                      | 52,731                   |
| Indigenous (PBI)                    | 105,892                  | 96,053            | (20,406)          | 50,000            | 25,647                       | -                      | 131,538                  |
| <b>Total</b>                        | <b>19,647,657</b>        | <b>98,333,759</b> | <b>-</b>          | <b>96,545,128</b> | <b>1,788,631</b>             | <b>6,268,478</b>       | <b>27,704,766</b>        |



## Note 19 Related party transactions

The following Transactions have been identified as being transacted by Related Parties during the 2023 Financial Year:

| Name  | Expense<br>\$    | Receivables<br>\$ | Payables<br>\$ | Description/Details       |
|---|------------------|-------------------|----------------|---------------------------|
| Australian Christian Channel (ACCTV)          | 39,600           | -                 | 3,300          | Television advertising    |
| McCrindle Research                            | 8,250            | -                 | -              | Research services         |
| <del>Christian Media and Arts Australia</del> | <del>1,351</del> |                   |                | <del>Media services</del> |

The total amount donated for child sponsorship by key management personnel and related parties for 2023: \$153,568 (2022: \$97,595).

The above transactions were performed on arm's length commercial terms and conditions.

## Note 20 Key management personnel compensation

### Directors

The directors act in a volunteer capacity and do not receive any remuneration from the company.

Key management personnel are those persons with the authority and responsibility for planning, directing and controlling the activities of the entity during the relevant financial year.

Key Management Personnel remuneration includes the following expenses:

|                              | 2023<br>\$       | 2022<br>\$       |
|------------------------------|------------------|------------------|
| Short term employee benefits | 1,500,285        | 1,113,006        |
| Post-employment benefits     | -                | -                |
| Long term employee benefits  | -                | -                |
| Termination benefits         | -                | 101,327          |
| Total Remuneration           | <u>1,500,285</u> | <u>1,214,333</u> |

## Note 21 Commitments and Contingencies

### (a) Capital commitments

Capital expenditure contracted for at the report date but not recognised as liabilities was \$160,102 (2022: \$383,380) This reflects the contracts with Alphasys, Centelon and Data Driven AI to implement the new CRM platform.

### (b) Contingent Assets

#### Members Guarantee

The company (Compassion Australia) is limited by guarantee. Each member of the company undertakes to contribute to the property of the company in the event of the same being wound up while he/she is a member, or within one year after he/she ceases to be a member.

Each member's contribution covers the payment of the debts and liabilities of the company contracted before he/she ceases to be a member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, provided the required adjustment amount does not exceed one hundred dollars (\$100).

The number of members on 30 June 2023 was six (2022: six).

From 1 July 2023 Compassion International will be the sole member of Compassion Australia.

### (c) Contingent Liabilities

The company had no contingent liabilities on 30 June 2023 (2022: Nil)

## Note 22 Financial risk management

Compassion's financial instruments consist mainly of deposits with banks, receivables and payables, derivative instruments and borrowings.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

|  | Note | 2023<br>\$        | 2022<br>\$        |
|--|------|-------------------|-------------------|
| <b>Financial assets</b>                                    |      |                   |                   |
| Cash on hand, at bank and cash equivalents and investments | 5    | 24,669,009        | 23,825,148        |
| Accounts receivable and other debtors                      | 6,7  | 1,267,125         | 937,659           |
| Assets held for resale                                     |      | -                 | 633,040           |
| <b>Total financial assets</b>                              |      | <b>25,936,134</b> | <b>25,395,847</b> |
| <b>Financial liabilities</b>                               |      |                   |                   |
| Financial liabilities at amortised cost:                   |      |                   |                   |
| - Accounts payable and other payables                      | 12   | 16,285,312        | 14,436,571        |
| - Borrowings   | 14   | 348,483           | 355,352           |
| <b>Total financial liabilities</b>                         |      | <b>16,633,795</b> | <b>14,791,923</b> |

## Note 23 Fair Value Measurements

The Group has the following assets, as set out in the table below, that are measured at fair value after initial recognition. The Group does not subsequently measure any liabilities at fair value.

|                                   | 2023              | 2022              |
|-----------------------------------|-------------------|-------------------|
|                                   | \$                | \$                |
| <b>Non-financial assets</b>       |                   |                   |
| Freehold land                     | 1,120,000         | 1,120,000         |
| Buildings                         | 14,123,427        | 13,940,942        |
| <b>Total non-financial assets</b> | <u>15,243,427</u> | <u>15,060,942</u> |

For freehold land, the fair values have been determined by an independent valuer based on a market approach using recent observable market data for similar properties. Significant inputs used are price per hectare.

For buildings, the fair values have been determined by an independent valuer based on a market approach using recent observable market data for similar properties. Significant inputs used are price per square metre.

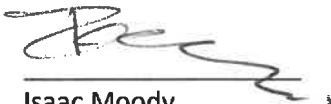
Freehold land and buildings were last independently valued by Preston Rowe Paterson Property Valuers on 11 March 2022.

**Compassion Australia  
Directors' declaration**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 35 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - (i) complying with Australian Accounting Standards Simplified Disclosure Requirements and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors in accordance with section 60.15 (2) of the *Australian Charities and Not-for-profits Commission Regulation 2022*



Isaac Moody  
Director



Mabel Chua  
Director

Newcastle  
7 September 2023

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASSION AUSTRALIA



### Report on the Audit of the Financial Report

#### Auditor's Opinion on the Financial Report

We have audited the financial report of Compassion Australia (the "Company"), which comprises the statement of financial position as at 30 June 2023 and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulations 2022*.

#### 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 are independent of the Company in accordance with the ethical requirements of the Australian Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

We confirm that the independence declaration, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Australian Charities and Non-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 ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF COMPASSION AUSTRALIA  
(Continued)**

**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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF COMPASSION AUSTRALIA  
(Continued)**



**Report on the Requirements of the *NSW Charitable Fundraising Act 1991* and *NSW Charitable Fundraising Regulation 2008***

*Opinion on the NSW Charitable Funding Obligations*

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2008* (Regulations).

In our opinion:

- (a) the financial report of Compassion Australia has been properly drawn up, and associated records have been properly kept, during the financial year ended 30 June 2023, in accordance with:
  - (i) sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*; and
  - (ii) sections 9(6) and 10 of the *NSW Charitable Fundraising Regulations 2008*.
- (b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2023 has been properly accounted for and applied in accordance with the above mentioned Act and Regulations.

*Responsibilities*

The directors of the company are responsible for preparing a financial report that has been properly drawn up, preparing associated records that have been properly kept, and properly accounting for money received in accordance with the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulation 2008*.

Our responsibility is to express an opinion based on our audit conducted in accordance with Australian Auditing Standards. The accounting records and data relied upon for the fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year-end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for the year-end financial report preparation. The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial statements. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

Bentleys Brisbane (Audit) Pty Ltd  
Chartered Accountants

Stewart Douglas  
Director  
Brisbane  
11 September 2023

**Compassion Australia**  
**Declaration by Chief Executive Officer**  
**30 June 2023**

**Declared Opinion**

I, Clare Steele, Chief Executive Officer of Compassion Australia declare, in my opinion:

- (a) the financial report, set out on pages 7 to 35, gives a true and fair view of all income and expenditure of Compassion Australia with respect to fundraising appeals;
- (b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by Compassion Australia;
- (c) the provisions of the *Charitable Fundraising Act 1991* and the Regulations under that Act and the conditions attached to the authority have been complied with for the year 1 July 2019 to 30 June 2020; and
- (d) the internal controls exercised by Compassion Australia are appropriate and effective in accounting for all income received and applied by Compassion Australia from all of its fundraising appeals.



Clare Steele  
*Chief Executive Officer*

7 September 2023