

Compassion Australia ACN 001 692 566

Annual report – 30 June 2014

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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

Compassion Australia

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 2014.

Directors

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

Rev J Bond (Chairman of the Board)
Mr M Jeffs (Vice Chairman of the Board)
Mr J Horn (Secretary of the Board, Board member from 2005 until June 2014)
Mr I Moody (Board member since 2008)
Ms A Jackson (Board member since 2008)
Mr K Medwin (Board member since 2010)
Ms M Chua (Board member since 2012)

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>Director</i>	<i>No. of meetings held *</i>	<i>No. of meetings attended</i>
Mr M Jeffs	4	4
Rev J Bond	4	4
Mr J Horn	4	4
Mr I Moody	4	4
Ms A Jackson	4	3
Mr K Medwin	4	4
Ms M Chua	4	4

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

Objectives

Compassion's objectives stem from our 2020 Vision, which is about bearing good fruit and bearing much fruit for the glory of God. It is about developing the systems and processes needed for future growth, and developing Compassion's four programs to fully realise our mission of releasing children from poverty.

Compassion's global 2020 Vision aims to:

- Produce definitive and measurable program results based on outcomes in the lives of babies, children, students, sponsors, and our church partners
- Build Compassion's brand and reputation as the global standard in holistic child development, in child sponsorship and in the alleviation of childhood poverty
- Challenge Christians to heed the biblical mandate of reaching out to the poor, as sponsors and donors become authentic advocates for children living in poverty
- Challenge the Church to mobilise in unforeseen ways to respond to the issues of children living in poverty

For more information on these global objectives, please refer to the ministry goals pages within Compassion Australia's annual report for financial year 2013-2014, which can be found at www.compassion.com.au/annualreport

Compassion's strategy for achieving our objectives

To help lead us toward the 2020 Vision, Compassion International identified five essential global moves, or large strategic decisions or investments:

1. Maximise the ministries: By 2016, we will redesign an integrated world-class ministry model that empowers Implementing Partners to most effectively deliver age-appropriate holistic child development programming, engages supporters more deeply, and continuously builds Compassion's brand.
2. Transform core processes with technology (TCPT): We will innovate our global core processes and apply effective technology while replacing ineffective systems to enable the 2020 Vision.
3. Mobilise the church: We will leverage our expertise, reputation and tools to mobilise the Church to effectively respond to the needs of children in poverty.
4. Strengthen sponsor engagement: We will transform our connections between: sponsors and beneficiaries; supporters and Compassion; supporters with one another; and supporters and potential supporters, in order to maximise engagement.
5. Seize global opportunities for expansion: We will seize opportunities for growth to increase global funding.

As part of a global network, each partner country has its own strategy to help achieve the 2020 Vision. For Compassion Australia, this strategy has been divided across three distinct phases:

- Phase 1: Building Capacity
- Phase 2: Transition to Growth
- Phase 3: Growth

In financial year 2013 - 2014, Compassion Australia completed the second and final year of a capacity building phase that focused on empowering staff and reviewing our processes and systems. Based on Compassion International's global moves, Compassion Australia identified strategic focus areas for Phase 1: Building Capacity: God, Staff, the Church, supporters and children.

In financial year 2014 – 2015, Compassion Australia will commence the first of three years in Phase 2: Transition to Growth. The goals of this phase include:

- Acquiring and engaging new supporters
- Delighting and retaining existing supporters
- Revolutionising systems and processes
- Developing people and culture

For more information on these overarching goals, please refer to the ministry goals pages within Compassion Australia's annual report for financial year 2013-2014, which can be found at www.compassion.com.au/annualreport

Principal activities

The principal activity of the company during the course of 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 operating surplus for the year amounted to \$1,760,481 (2013 surplus: \$1,064,111).
- The total income for the year amounted to \$72,004,726 (2013 income: \$68,130,117). This is an increase of 5.69% (2013: 4.86%) in total income for the year. The primary drivers of this increase were the changed sponsorship rate and the appeal for the Philippines disaster caused by typhoon Haiyan.
- The number of beneficiaries grew to 103,751 (2013: 102,289) which represents an increase of 1.43% (2013: 3.15%).
- The commitment of our sponsors and donors is evidenced by a low cancellation rate of 6.84% (2013: 6.72%) for the year.
- Within the year, 20.07% of the total expenses were spent on administration and fundraising expenses.

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.

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

There has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and usual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Information on Directors**Mr M Jeffs**

Compassion Australia Director since July 1995

Experience and expertise

Business involvement in either management or director roles for 36 years

Other current directorships

Managing Director Network Communications Pty Limited, Australian Christian Channel Pty Limited;

Former directorships in the last three years

Southern Cross Institute Pty Limited

Special responsibilities

Vice Chairman of the Board of Directors

Chairman of the Ministry Services Committee

Member of the Board of Directors Compassion International

Dr J Bond

Compassion Australia Director since June 2002

Experience and expertise

Minister of Religion; International experience in governance and formation with Youth for Christ International, Motor Racing Outreach, Sports and Leisure Ministries; currently serving as South Asia Pacific World Zone leader of Dynamic Church Planting International

Other current directorships

Founding Director of Sonlife Ministries Inc

Former directorships in the last three years

None

Special responsibilities

Chairman of the Board of Directors

Member of the Executive and Governance Committee

Compassion Australia Directors' report (continued)

Mr J Horn

Compassion Australia Director since October 2005 until June 2014

Experience and expertise

Business owner and company director since 1998, with broad experience in Australian media and extensive experience in web-services and business systems

Other current directorships

Founder and Director of Netstrategies Pty Ltd and Claretty Pty Ltd; Director of HHBW Pty Ltd, Christian Media Australia, The A21 Campaign and Equip and Empower Ministries

Former directorships in the last three years

None

Special responsibilities

Secretary

Member of the Ministry Relations Committee

Mr I Moody

Compassion Australia Director since October 2008

Experience and expertise

Manager Gabbinbar Homestead

Other current directorships

Managing Director PreTHINK Pty Ltd; Governor of St Andrews Hospital Toowoomba; Director of Jindovic Pty Ltd

Former directorships in the last three years

Director of Easterfest; Chairman of Family Week

Special responsibilities

Member of the Ministry Relations Committee

Ms A Jackson

Compassion Australia Director since October 2008

Experience and expertise

International Campaigns and Advocacy Coordinator for Micah Challenge International; Former coordinator of Micah Challenge Australia and Jubilee Australia

Other current directorships

None

Former directorships in the last three years

None

Special responsibilities

Member of the Executive and Governance Committee

Mr K Medwin

Compassion Australia Director since July 2010

Experience and expertise

Managing Director of Rock Property, a residential property investment adviser company; Director of Medkes Unit Trust

Other current Directorships

Director of St Michaels Collegiate

Former directorships in the last three years

Chairman of Live Free Tassie, a residential drug rehabilitation facility; Chairman of Pathways Tasmania and Ultra 106.5 community radio station; Vice Chair of Common Ground Tasmania

Special responsibilities

Member of the Ministry Services Committee

Compassion Australia Directors' report (continued)

Ms M Chua

Compassion Australia Director since October 2012

Experience and expertise

Legal practice director

Other current Directorships

Managing Director of M 6:8 Legal Pty Ltd

Former directorships in the last three years

None

Special responsibilities

Member of the Ministry Services 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 at 30 June 2014 was six (and in 2013, seven).

Indemnification and insurance of officers

Indemnification

The company has agreed to indemnify the following current directors of the company—Mr M Jeffs, Rev J Bond, Mr I Moody, Ms A Jackson, Mr K Medwin and Ms M Chua—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.

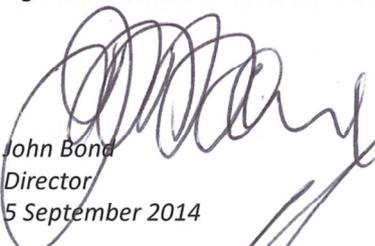
Insurance Premiums

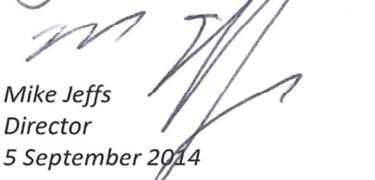
Since the end of the previous financial year, the company has paid insurance premiums under an Association Liability Policy. The directors have not included the details of the nature of the liabilities covered or the amount of the premium paid in respect of the Association Liability Policy, as such disclosure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

Auditors' independence declaration

A copy of the auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is set out on page 6.

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


John Bond
Director
5 September 2014


Mike Jeffs
Director
5 September 2014

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF COMPASSION AUSTRALIA**

I declare that, to the best of my knowledge and belief, for the year ended 30 June 2014 there has been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



P M Power
Director
Brisbane
4 September 2014

Compassion Australia ACN 001 692 566

Financial report – 30 June 2014

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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 2, 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 2014

	Notes	2014 \$	2013 \$
Revenue from continuing operations	2	71,749,257	67,700,982
Other income	2	255,469	429,135
Program expenses		(46,426,548)	(44,038,319)
Program support expenses		(6,686,861)	(6,222,678)
Local program expenses		(1,930,814)	(2,153,814)
Administration expenses		(4,832,261)	(5,867,671)
Fundraising expenses		(9,264,616)	(7,727,031)
Advocacy expenses		(1,103,145)	(1,056,493)
		<hr/>	<hr/>
Excess/(shortfall) of revenue over expenditure		1,760,481	1,064,111
Other comprehensive income		<hr/> -	<hr/> -
Total comprehensive income for the year		<hr/> 1,760,481	<hr/> 1,064,111
Total comprehensive income for the year is attributable to: Compassion Australia		<hr/> 1,760,481	<hr/> 1,064,111

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
As at 30 June 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	11,682,747	9,198,327
Other receivables	6	409,545	314,160
Total current assets		<u>12,092,292</u>	<u>9,512,487</u>
Non-current assets			
Property, plant and equipment	7	10,801,976	11,031,820
Investment properties	8	1,596,043	1,660,687
Intangible assets	9	41,565	-
Other financial assets at fair value through profit or loss	10	238,449	218,734
Total non-current assets		<u>12,678,033</u>	<u>12,911,241</u>
Total assets		<u>24,770,325</u>	<u>22,423,728</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	9,579,575	8,453,597
Provisions	12	97,408	639,818
Total current liabilities		<u>9,676,983</u>	<u>9,093,415</u>
Non-current liabilities			
Provisions	12	371,508	368,960
Total non-current liabilities		<u>371,508</u>	<u>368,960</u>
Total liabilities		<u>10,048,491</u>	<u>9,462,375</u>
Net assets		<u>14,721,834</u>	<u>12,961,353</u>
Equity			
Retained earnings		<u>14,721,834</u>	<u>12,961,353</u>
Total equity		<u>14,721,834</u>	<u>12,961,353</u>

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

Compassion Australia
Statement of changes in equity
For the year ended 30 June 2014

	Notes	Retained earnings \$	Total equity \$
Balance at 1 July 2012		11,897,242	11,897,242
Total comprehensive income for the year ended 30 June 2013		1,064,111	1,064,111
Balance at 30 June 2013		12,961,353	12,961,353
Total comprehensive income for the year ended 30 June 2014		1,760,481	1,760,481
Balance at 30 June 2014		14,721,834	14,721,834

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

Compassion Australia
Statement of cash flows
For the year ended 30 June 2014

	2014	2013
Notes	\$	\$
Cash flows from operating activities		
Receipts (inclusive of goods and services tax)	71,653,900	67,783,045
Payments in the course of operations (inclusive of goods and services tax)	<u>(69,070,333)</u>	<u>(66,986,754)</u>
Net cash inflow from operating activities	13(a) <u>2,583,567</u>	<u>796,291</u>
Cash flows from investing activities		
Interest received	312,229	317,400
Proceeds from sale of plant and equipment		150,544
Payments for property, plant and equipment	<u>(411,376)</u>	<u>(235,675)</u>
Net cash inflow (outflow) from investing activities	<u>(99,147)</u>	<u>232,269</u>
Cash flows from financing activities		
Repayment of borrowings	-	(390,000)
Interest paid	-	-
Net cash inflow (outflow) from financing activities	<u>-</u>	<u>(390,000)</u>
Net increase (decrease) in cash held	2,484,420	638,560
Cash at the beginning of the financial year	<u>9,198,327</u>	<u>8,559,767</u>
Cash at the end of the financial year	13(b) <u>11,682,747</u>	<u>9,198,327</u>

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

Compassion Australia
Notes to the financial statements
30 June 2014

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Note 1 Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards: Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*, the *Charitable Fundraising Act 1991*, the *Charitable Collections Act 1946 (WA)* and the Australian Council for International Development (ACFID) Code of Conduct. Compassion Australia is a not-for-profit entity for financial reporting purposes.

Compliance with Australian Accounting Standards: Reduced Disclosure Requirements

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* 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: Reduced 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 group’s accounting policies. The major estimates and judgments are as follows:

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(h).

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(j).

Employee benefits – As discussed in Note 1(k), 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 taken into account.

(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*.

Note 1 Summary of significant accounting policies (continued)

(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

Sponsorship income is recognised in the period in which it is received in cash contributions. Donation income is recognised in the period in which it is received.

Endowment operations and undesignated funds

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

Gifting policies

Increases in the surrender value of gifting policies are recognised in the period to which they relate.

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) Investments

Life assurance policies included in the financial statements are based on the surrender value of the policies, as advised by the insurer. These amounts arise from transactions outside the usual operating activities of Compassion.

These policies are treated as financial assets at fair value through profit and loss and are non-interest bearing. Compassion is only entitled to receive the investment once the insured passes and the life assurance policy is actioned.

Changes in fair values of financial assets at fair value through profit and loss are recorded in other income or other expense in the statement of comprehensive income.

Note 1 Summary of significant accounting policies (continued)

(g) Property, plant and equipment

Freehold property

Freehold land and buildings are 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.

Plant and equipment

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(j) for details of impairment).

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.

(h) 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 expected useful lives are as follows:

	2014
Buildings	50 years
Motor Vehicles	4.44 years
Office Furniture and equipment	10 years
Computer equipment	3 years
Fundraising equipment	3.3 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.

(i) Investment property

Investment property, principally comprising freehold land and buildings, is held for long-term rental yields and is not occupied by the company. Investment property is stated at historical cost less depreciation. Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost over the useful life of the buildings. The expected life of the building is 10 years.

Note 1 Summary of significant accounting policies (continued)

(j) 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.

(k) 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 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.

(l) 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, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) 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 balance sheet.

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.

(n) Derivatives

From time to time, Compassion enters into forward exchange contracts to make payments overseas for charitable purposes. For forward contracts, funds are transferred overseas either at the contracted exchange rate or the rate of exchange ruling at the date of the transaction, depending on whether certain conditions are satisfied under the forward exchange contract.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in the fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Compassion have not designated any derivative contracts as hedging instruments and as such changes in the fair value of the instruments are taken to the profit and loss.

Compassion did not enter into any derivative contracts during the 2014 financial year (2013: nil).

Note 1 Summary of significant accounting policies (continued)

(o) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are expected to be settled no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the change in the provision is recognised in the statement of profit and loss and other comprehensive income.

(p) 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.

(q) 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 3 to 5 year period.

Note 2 Revenue and other income

	2014	2013
	\$	\$
Revenue from continuing operations		
Sponsorships and donations	71,440,817	67,340,129
Interest received	308,440	360,853
	<u>71,749,257</u>	<u>67,700,982</u>
Other income		
Gifting policies	19,715	16,441
Other income	235,466	388,618
Profit on disposal of non-current assets	288	24,076
	<u>255,469</u>	<u>429,135</u>
Total Revenue and other income	<u>72,004,726</u>	<u>68,130,117</u>

Note 3 Expenses

	2014	2013
	\$	\$
Profit before income tax includes the following specific expenses:		
Employee benefits expense	10,310,451	9,104,271
Interest expense	1,334	-
Depreciation expense	688,119	720,536
(Gain)/loss from derivative financial instruments	-	-

Note 4 Auditor's Remuneration

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

	2014	2013
	\$	\$
Audit services:		
Audit and review of financial reports	35,800	28,000
Taxation services	1,850	-
Other services	4,100	4,000
	<u>41,650</u>	<u>32,000</u>

Note 5 Cash and cash equivalents

	2014	2013
	\$	\$
Cash on hand	22,860	19,203
Cash at bank and cash equivalent assets	11,659,888	9,179,124
	<u>11,682,748</u>	<u>9,198,327</u>

Note 6 Other receivables

	2014	2013
	\$	\$
Other receivables	<u>409,545</u>	<u>314,160</u>

These amounts generally arise from transactions outside the usual operating activities of the Company. Other receivables are unsecured with no collateral obtained. There are no impaired receivables for the Company at 30 June 2014 (2013: Nil).

Note 7 Property, plant and equipment

(a) Carrying amounts at balance date	2014	2013
	\$	\$
Land at cost	409,490	409,490
Buildings		
At cost	10,145,684	10,145,684
Less: Accumulated depreciation	<u>(614,205)</u>	<u>(415,619)</u>
Buildings	9,531,479	9,730,065
Total land and buildings	9,940,969	10,139,555
Motor vehicles		
At cost	73,838	183,677
Less: Accumulated depreciation	<u>(40,270)</u>	<u>(66,235)</u>
Motor Vehicles	33,568	117,442
Fundraising equipment		
At cost	29,569	-
Less: Accumulated depreciation	<u>(20,311)</u>	<u>-</u>
Fundraising Equipment	9,258	-

Note 7 Property, plant and equipment (continued)

	2014	2013
	\$	\$
Office furniture and equipment		
At cost	1,250,131	1,102,664
Less: Accumulated depreciation	(796,569)	(671,330)
Office Furniture and Equipment	<u>453,562</u>	<u>431,334</u>
Computer equipment		
At cost	1,041,670	784,467
Less: Accumulated depreciation	(677,051)	(440,978)
Computer Equipment	<u>364,619</u>	<u>343,489</u>
Total plant and equipment at net book value	<u><u>10,801,976</u></u>	<u><u>11,031,820</u></u>

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

	Land	Buildings	Motor Vehicles	Fundraising Equipment	Office Furniture	Computer Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
2014							
Carrying amount opening balance	409,490	9,730,065	117,442	-	431,334	343,489	11,031,820
Add: additions	-	-	-	29,569	147,467	257,203	434,239
Less: carrying amount of disposals	-	-	(52,249)	-	-	-	(52,249)
Less: depreciation expense	-	(198,586)	(31,624)	(20,311)	(125,240)	(236,073)	(611,834)
Carrying amount closing balance	<u>409,490</u>	<u>9,531,478</u>	<u>33,569</u>	<u>9,258</u>	<u>453,561</u>	<u>364,619</u>	<u>10,801,976</u>

Note 8 Investment properties

	2014	2013
	\$	\$
At Cost		
Opening balance at 1 July	1,660,687	1,725,332
Depreciation	(64,644)	(64,645)
Closing balance at 30 June	<u>1,596,043</u>	<u>1,660,687</u>

(a) Valuation basis

Investment properties are valued at cost. However, at the end of each reporting period the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations, to ensure that this is not significantly different to the book value.

(b) Leasing arrangements

All of the investment properties are leased to tenants under operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows

	2014	2013
	\$	\$
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:		
Within one year	150,000	135,257
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-

Note 9 Intangible assets

	2014 \$	2013 \$
Software at cost	53,206	-
Accumulated amortisation	(11,641)	-
Carrying amount closing balance	<u>41,565</u>	<u>-</u>

Note 10 Other financial assets at fair value through profit or loss

	2014 \$	2013 \$
Non-Current		
Giftng policies, at surrender value	<u>238,449</u>	<u>218,734</u>

Note 11 Trade and other payables

	2014 \$	2013 \$
Current		
Trade Creditors	246,775	175,048
Annual leave	749,252	767,923
Time off in lieu	68,573	-
Accruals	8,470,895	7,478,526
Holding fund	44,080	32,100
Total trade and other payables	<u>9,579,575</u>	<u>8,453,597</u>

Note 12 Provisions

	2014 \$	2013 \$
Current		
Long service leave	67,408	49,818
Provision for demolition	-	560,000
Provision for make good	30,000	30,000
Total	<u>97,408</u>	<u>639,818</u>
Non- Current		
Long service leave	<u>371,508</u>	<u>368,960</u>
Total	<u>371,508</u>	<u>368,960</u>

NOTE 12 Provisions (continued)

Analysis of total provisions:

	Demolition	Make Good	Employee Benefits	Total
	\$	\$	\$	\$
Opening balance as at 1 July 2013	560,000	30,000	418,778	1,008,778
Additional provisions raised during the year	-	-	57,769	57,769
Amounts used	(560,000)	-	(37,631)	(597,631)
Balance as at 30 June 2014	-	30,000	438,916	468,916

Employee Provisions

Employee provisions represent amounts accrued for long service leave.

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. 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.

Make-good Provision

This provision is for returning the leased property at Unit 8, 40 Brodie Street, Rydalmere NSW back to its original state. It is expected to be settled in the 2015 financial year.

Demolition Provision

This provision was for the demolition of the buildings located at 31 Warabrook Boulevard, Warabrook NSW. Costs associated with the demolition and restorations were settled in the 2014 financial year and the liability discharged.

Note 13 Statement of cash flows information

(a) Reconciliation of excess/(shortfall) of revenue over expenditure from ordinary activities to net cash inflow from operating activities

	2014	2013
	\$	\$
Excess/(shortfall) of revenue over expenditure	1,760,481	1,064,112
Add/ (less) items classified as investing/financing activities:		
Interest received	(308,440)	(317,400)
Interest paid		-
Add/ (less) non-cash items:		
Net (Profit) on sale of non-current assets	(288)	(24,076)
Depreciation	688,119	720,536
Increase/(decrease) in provision for employee benefits	20,137	112,259
Net cash provided by continuing activities before change in assets and liabilities	2,160,009	1,555,431
Change in assets and liabilities during the financial year:		
(Increase)/ decrease in receivables and derivative financial instruments	(118,887)	305,813
(Decrease)/increase in accounts payable and other provisions	542,447	(1,064,953)
Net cash provided by operating activities	2,583,569	796,291

Note 13 Statement of cash flows information (continued)

(b) Reconciliation of cash and cash equivalents

For the purposes of the Cash flow statement, cash includes cash on hand, cash at bank, on demand deposits at call and deposits, and other short-term, highly liquid investments with original maturities of three months or less 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:

	2014 \$	2013 \$
Cash and cash equivalent assets (note 5)	11,682,747	9,198,327

Note 14 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 of needy children including:

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

Details of aggregate gross income and total expenses of fundraising appeals

	2014 \$	2013 \$
Income from fundraising		
Donations and gifts- monetary & non-monetary	71,352,263	67,346,839
Legacies & bequests	173,672	89,655
	<u>71,525,935</u>	<u>67,436,494</u>
Less: Total cost of fundraising appeals		
Fundraising costs	(9,264,616)	(7,727,031)
Net surplus obtained from fundraising appeals	<u>62,261,319</u>	<u>59,709,463</u>
Other income		
Interest, life insurance and other income	478,791	693,623
	<u>72,004,726</u>	<u>68,130,117</u>
Gross income		
	<u>72,004,726</u>	<u>68,130,117</u>
Statement showing how funds received were applied to charitable purposes		
This was applied to charitable purposes in the following manner:		
Programme expenditure	55,044,223	52,414,811
Administration	4,832,261	5,867,670
Advocacy	1,103,145	1,056,493
	<u>60,979,629</u>	<u>59,338,974</u>
Total expenditure	<u>60,979,629</u>	<u>59,338,974</u>
Surplus/(Loss)	1,760,481	1,064,111

NOTE 14 Additional disclosures required by the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulations 1993 (continued)

Comparison of monetary figures and percentages:

	Total cost of fundraising	Gross income from fundraising	%
2014	\$9,264,616	\$71,525,935	13%
2013	\$7,727,031	\$67,436,494	11%

	Net surplus from fundraising	Gross income from fundraising	%
2014	\$62,261,319	\$71,525,935	87%
2013	\$59,709,463	\$67,436,494	89%

	Total cost of services	Total expenditure	%
2014	\$55,044,223	\$70,244,245	78%
2013	\$52,414,811	\$67,066,006	78%

	Total cost of services	Total income received	%
2014	\$55,044,223	\$72,004,726	76%
2013	\$52,414,811	\$68,130,117	77%

Note 15 Funds movements Schedule

For the year ended June 30, 2014	Opening Balance	Income	Transfers	Expenses	Surplus / (Deficit)	Closing Balance
Child Development	2,906,568	53,711,971	(14,693,144)	38,785,702	233,125	3,139,693
Child Survival Program	1,107,473	1,870,901	(491,440)	1,376,096	3,365	1,110,838
Christmas Fund	87,018	2,199,686	(219,969)	2,006,514	(26,797)	60,221
Special Grants	356	(356)	-	-	(356)	-
Gifts	428,685	2,636,427	-	2,815,405	(178,978)	249,707
Life Assurance	4,886	-	-	1,780	(1,780)	3,106
Living Sponsorship	803,052	158,735	-	-	158,735	961,787
CIV Fund	1,954,871	8,619,793	(2,345,435)	5,867,828	406,530	2,361,401
Relief	421,639	800,084	(80,008)	1,010,948	(290,872)	130,767
Special O'seas Project	46,513	(46,513)	-	-	(46,513)	-
Un-sponsored Children	5,460	556,548	(152,709)	402,608	1,231	6,691
Future Fund	1,236,317	-	709,413	-	709,413	1,945,730
Operating Fund	991,426	483,958	17,369,233	17,130,836	722,355	1,713,781
Endowment Operations	2,315,678	58,816	-	-	58,816	2,374,494
LDP	772,723	847,023	(78,589)	760,773	7,661	780,384
Bibles	24,593	63,242	(17,352)	39,262	6,628	31,221
Indigenous	(145,905)	44,411	-	46,493	(2,082)	(147,987)
Total	12,961,353	72,004,726	-	70,244,245	1,760,481	14,721,834

For the year ended June 30, 2013	Opening Balance	Income	Transfers	Expenses	Surplus / (Deficit)	Closing Balance
Child Development	1,903,682	50,428,629	(13,813,720)	35,612,023	1,002,886	2,906,568
Child Survival Program	810,260	2,203,740	(555,127)	1,351,400	297,213	1,107,473
Christmas Fund	185,820	2,112,439	(211,241)	2,000,000	(98,802)	87,018
Special Grants	356	-	-	-	-	356
Gifts	580,012	2,425,535	-	2,576,862	(151,327)	428,685
Life Assurance	5,816	-	-	930	(930)	4,886
Living Sponsorship	730,841	72,211	-	-	72,211	803,052
CIV Fund	2,598,402	8,598,104	(2,331,923)	6,909,712	(643,531)	1,954,871
Relief	688,912	119,407	(10,357)	376,323	(267,273)	421,639
Special O'seas Project	33,433	13,080	-	-	13,080	46,513
Un-sponsored Children	100,081	447,388	(122,562)	419,447	(94,621)	5,460
Future Fund	600,000	-	672,797	36,480	636,317	1,236,317
Operating Fund	592,173	693,754	16,474,029	16,768,530	399,253	991,426
Endowment Operations	2,214,520	101,158	-	-	101,158	2,315,678
LDP	776,543	836,194	(80,852)	759,162	(3,820)	772,723
Bibles	186,050	65,550	(17,503)	209,504	(161,457)	24,593
Indigenous	(109,659)	12,928	(3,541)	45,633	(36,246)	(145,905)
Total	11,897,242	68,130,117	-	67,066,006	1,064,111	12,961,353

Note 16 Related party transactions

Directors

The names of each person who held the position of Director of the company during the financial year are:

Dr J Bond
Mr M Jeffs
Mr J Horn
Mr I Moody
Ms A Jackson
Mr K Medwin
Ms M Chua

	2014	2013
	\$	\$
There were transactions with directors during the year as follows:		
Mr J Horn - for internet development, hosting and maintenance services	30,970	32,798
Mr J Horn - for Christian Media Australia	27,166	
Mr M Jeffs – for television advertising	21,120	19,141
Mr I Moody – for Prethink project	-	-
Mr I Moody - Easterfest	27,500	28,600
Mr K Medwin – for radio advertising	-	6,111

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

Note 17 Key management personnel compensation

Directors

The directors act in an honorary 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. Compensation includes the following staff:

Rev T Hanna (CEO)
Mrs B McQuillan (Director: Prayer)
Mr J Nagle (COO)
Mrs D Adams (Executive Director: Ministry Services)
Mr D Ward (Director: Ministry Improvement and technology)
Mr B Dodd (Director: Finance)
Mr J Byrnes (Acting Manager: Human Resources)
Mrs E Drough (Acting Manager: Human Resources)
Mr D J Konz (Executive Director: Child Advocacy)
Mr P Mergard (Manager: Strategies and Tactics)
Mr A Streat (Director: Marketing)
Mr D Zammit (Director: Supporter Ministries)
Mr B Cannings (Area Manager: South East)
Mr A Holland (Executive Director: Ministry Relationships)
Mr S Hawkins (Area Manager: South)
Ms J Daly (Area Manager: Sydney Metro)
Mr A Conomos (Area Manager: North East)
Mrs M French (Area Manager: West)

	2014	2013
	\$	\$
Total Key Management Personnel Compensation	1,906,754	1,800,055

Note 18 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 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2014 \$	2013 \$
Financial assets			
Cash on hand, at bank and cash equivalents	5	11,682,748	9,198,327
Accounts receivable and other debtors	6	409,545	314,162
Financial assets at fair value through profit or loss:			
– Gifting policies at surrender value	10	238,449	218,734
Derivative Instruments		-	-
Total financial assets		<u>12,330,742</u>	<u>9,731,223</u>
Financial liabilities			
Financial liabilities at amortised cost:			
– accounts payable and other payables		9,579,575	8,453,597
– borrowings		-	-
Total financial liabilities		<u>9,579,575</u>	<u>8,453,597</u>

Fair Value Disclosures

For gifting policies measured at fair value through profit and loss, the fair value has been based on current surrender value as advised by the policy issuer as at reporting date.

The company does not measure any other assets or liabilities at fair value on a recurring basis after initial recognition. The carrying amount of financial assets and financial liabilities as disclosed in the statement of financial position and notes to the financial statements approximates their fair value.

Note 19 Commitments and Contingencies

(a) Capital commitments

Capital expenditure contract for at the report date but not recognised as liabilities is as follows:

	2014 \$	2013 \$
Future Lease Commitments		
Lease Payable:		
Within one year	82,650	22,200
Greater than one year but less than five years	186,110	22,200
	<u>268,760</u>	<u>44,400</u>

Note 19 Commitments and Contingencies (continued)

(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 at 30 June 2014 was six (and in 2013, seven).

(c) Contingent Liabilities

The company has no contingent liabilities at 30 June 2014 (2013: nil)

Nil

Nil

Compassion Australia Directors' declaration

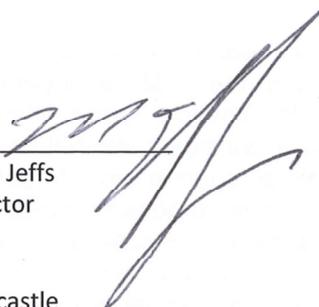
In the directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 27 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2014 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.



John Bond
Director



Mike Jeffs
Director

Newcastle
5 September 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASSION AUSTRALIA

Report on the financial report

We have audited the accompanying financial report of Compassion Australia (the company), which comprises the statement of financial position as at 30 June 2014, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion on the Financial Report

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

- (a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulations 2008 (NSW)

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).

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.

Auditor's Opinion on the NSW Charitable Funding Obligations

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 2014, 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 2014 has been properly accounted for and applied in accordance with the above mentioned Act and Regulations.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



P M Power
Director

5 September 2014

Bentleys Brisbane (Audit) Pty Ltd

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Compassion Australia
Declaration by Chief Executive Officer
30 June 2014

Declared Opinion

I, Timothy Hanna, Chief Executive Officer of Compassion Australia declare, in my opinion:

- (a) the financial report, set out on pages 5 to 28, 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 2013 to 30 June 2014; 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.

A handwritten signature in black ink, appearing to read 'Tim Hanna', written in a cursive style.

Timothy Hanna
Chief Executive Officer

5 September 2014