

Compassion Australia



Compassion Australia ACN 001 692 566
Annual Financial Statements – 30 June 2024

Contents

Financial report – 30 June 2024

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 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 2024.

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 a Board member on 01 July 2023)
Mr K Medwin (Board member since 2010)
Ms I Yu (Board member since March 2023)
Mr J Golze (Board member since 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>Director</i>	<i>No. of meetings held *</i>	<i>No. of meetings attended</i>
Mr I Moody	6	6
Mr M McCrindle	6	6
Ms M Chua	6	6
Mr M Jeffs	6	6
Mr K Medwin	6	6
Ms I Yu	6	6
Mr J Golze	6	6

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

Compassion Australia Directors' report

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's strategy for achieving our objectives

Over the next 4 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 131,000 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 2023-2024, can be found at:

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 \$97,031,427 (2023: \$100,404,133). This is a decrease in total income for the year of 3.36% (2023: 2.11% increase). The primary driver of this decrease was a reduction in child sponsorship and recurring critical needs income when compared to the prior year. There was a corresponding decrease in global program and support costs of \$1,672,345 from last year (2024: \$75,835,182 compared to 2023: \$77,507,527).
- Of donation income received, 80% was used for program development and delivery.
- The operating deficit for the year amounted to \$365,662 (2023 surplus: \$1,060,710). Prior year surpluses were used to fund a technology platform to enable growth and stability through Australia and Asia.
- During the year a valuation was obtained on the land and buildings at 30 Warabrook Boulevard, Newcastle, which resulted in a reduction in the revaluation reserve of \$887,015.
- Within the year, 21.2% (2023: 20.7%) of the total expenses were spent on administration and fundraising activities.
- The number of beneficiaries increased to 131,497 (2023: 127,247) which represents an increase of 3.34% (2023: 1.09% increase).
- The cancellation rate for the Child Sponsorship Program decreased during financial year, ending the year at 6.4% (2023: 8.3%). This improvement is the result of better communication and engagement with supporters during the year.

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.

Compassion Australia Directors' report

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

Compassion International became the sole member of the company on 1 July 2023.

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. In addition, the company is expected to expand fundraising activities into neighbouring Asian countries.

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 unusual nature that is 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 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

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; Chair of the Strategy 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

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.

If required, each member of the company must contribute an amount (not more than \$20) to the assets of the company if it is wound up while they are a member, or within one year of the member ceasing to be a member, for the:

- (a) payment of the debts and liabilities of the company incurred before they ceased to be a member and/or
- (b) costs, charges and expenses of winding up. Compassion International was the sole member at 30 June 2024 (2023, six members).

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 Sydney in accordance with a resolution of the Directors:



*Isaac Moody
Director
5 September 2024*



*Mabel Chua
Director
5 September 2024*

**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 2024 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
5 September 2024

Compassion Australia ACN 001 692 566

Financial report – 30 June 2024

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	333

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 2024

	Note	2024 \$	2023 \$
Revenue from continuing operations	2	96,870,287	99,632,379
Other Income	2	161,140	771,754
Total	2	<u>97,031,427</u>	<u>100,404,133</u>
Program expenses		62,546,901	63,999,354
Program support expenses		13,288,281	13,508,173
Local program expenses		959,557	1,108,593
Administration expenses		8,774,282	9,089,803
Fundraising expenses		11,828,068	11,475,800
Advocacy		-	161,700
Total		<u>97,397,089</u>	<u>99,343,423</u>
Operating surplus / (deficit)	3,4	<u>(365,662)</u>	<u>1,060,710</u>
Other comprehensive income			
Revaluation increment / (decrement)		(887,015)	-
Total comprehensive income for the year		<u>(1,252,677)</u>	<u>1,060,710</u>
Total comprehensive income for the year is attributable to:			
Compassion Australia		<u>(1,252,677)</u>	<u>1,060,710</u>

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 2024

		2024	2023
	Note	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	23,117,322	24,310,130
Investments less than 1 year	5	417,776	358,879
Other receivables	6	273,876	576,400
Prepaid Expenses	7	471,546	690,725
Total current assets		<u>24,280,520</u>	<u>25,936,134</u>
Non-current assets			
Property, plant and equipment	9	14,465,713	15,894,689
Right of use Assets	10	1,092,900	348,122
Intangible assets	11	5,168,578	3,884,674
Total non-current assets		<u>20,727,191</u>	<u>20,127,485</u>
Total assets		<u>45,007,711</u>	<u>46,063,619</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	15,621,901	16,285,312
Income in Advance	13	87,164	3,565
Borrowings	14	360,193	187,760
Provisions	15	489,227	478,106
Total current liabilities		<u>16,558,485</u>	<u>16,954,743</u>
Non-current liabilities			
Borrowings	14	745,797	160,723
Provisions	15	190,630	182,677
Total non-current liabilities		<u>936,427</u>	<u>343,400</u>
Total liabilities		<u>17,494,912</u>	<u>17,298,143</u>
Net assets		<u>27,512,799</u>	<u>28,765,476</u>
Equity			
Retained earnings		22,131,336	22,496,998
Revaluation Surplus		5,381,463	6,268,478
Total equity		<u>27,512,799</u>	<u>28,765,476</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 2024

	Retained Earnings	Revaluation Surplus	Total
	\$	\$	\$
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
Total comprehensive income for the year ended 30 June 2024	(365,662)	(887,015)	(1,252,677)
Balance at 30 June 2024	22,131,336	5,381,463	27,512,799

Compassion Australia
Statement of cash flows
For the year ended 30 June 2024

	2024	2023
Note	\$	\$
Cash flows from operating activities		
Receipts (inclusive of goods and services tax)	96,752,958	98,884,341
Payments in the course of operations (inclusive of goods and services tax)	<u>(96,598,388)</u>	<u>(96,707,816)</u>
Net cash inflow/ (outflow) from operating activities	16(a) 154,570	2,176,525
Cash flows from investing activities		
Interest received	664,593	509,944
Proceeds from sale of investment property	-	1,397,701
Payments for property, plant and equipment	-	(598,212)
Payments for Intangibles	<u>(1,547,010)</u>	<u>(2,334,659)</u>
Net cash inflow (outflow) from investing activities	(882,417)	(1,025,226)
Cash flows from financing activities		
Repayment of leases	(364,579)	(299,606)
Interest paid	<u>(41,485)</u>	<u>(7,832)</u>
Net cash inflow (outflow) from financing activities	(406,064)	(307,438)
Net increase (decrease) in cash held	(1,133,911)	843,861
Cash at the beginning of the financial year	<u>24,669,009</u>	<u>23,825,148</u>
Cash at the end of the financial year	16(b) 23,535,098	24,669,009

Compassion Australia
Notes to the financial statements
For the year ended 30 June 2024

Note	Contents	Page
Note 2	Revenue and other income	19
Note 3	Expenses	19
Note 4	Auditor’s Remuneration	19
Note 5	Cash and cash equivalents	20
Note 6	Other receivables	20
Note 7	Prepaid expenses	20
Note 8	Assets held for sale	20
Note 9	Property, plant and equipment	21
Note 10	Right of Use Assets	22
Note 11	Intangible assets	23
Note 12	Trade and other payables	23
Note 13	Income in advance	23
Note 14	Borrowings	23
Note 15	Provisions	24
Note 16	Statement of cash flows information	26
Note 17	Additional disclosures required by the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulations 2021	27
Note 18	Funds movements schedule	29
Note 19	Related party transactions	30
Note 20	Key management personnel compensation	30
Note 21	Commitments and Contingencies	31
Note 22	Financial risk management	31
Note 23	Fair Value Measurements	32

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) 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.

To allow for supporter's best intentions, Compassion processes cheques received by mail up to 7 business days after the 30th 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.

(c) 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

Note 1 Summary of significant accounting policies (continued)

(c) Property, plant and equipment (continued)

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 30 June 2024.

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).

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.

(d) 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:

	2024
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.

(e) 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.

Note 1 Summary of significant accounting policies (continued)

(f) 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-7-year period, beginning once the asset is configured and available for use by the organisation.

(g) Leases

As a Lessee

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

Compassion leases have typical lease terms of:

Land & Buildings	3-7 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.

Note 2 Revenue and other income

	2024	2023
Revenue from continuing operations	\$	\$
Sponsorships and donations	96,154,837	98,964,147
Interest received	664,593	509,944
Rent Received	50,857	158,288
	<u>96,870,287</u>	<u>99,632,379</u>
Other income		
Other income	161,140	7,093
Profit on disposal of non-current assets	-	764,661
	<u>161,140</u>	<u>771,754</u>
Total Revenue and other income	<u>97,031,427</u>	<u>100,404,133</u>

Note 3 Expenses

Operating surplus/(deficit) includes the following specific expenses:	2024	2023
	\$	\$
Employee benefits expense	13,639,454	13,667,631
Interest expense on lease liabilities	41,485	7,832
Depreciation and amortisation expense	1,182,374	875,576
	<u>14,863,313</u>	<u>14,551,039</u>

Note 4 Auditor's Remuneration

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

Audit services:	2024	2023
	\$	\$
Audit and review of financial reports	41,500	39,000
Taxation and other services	-	-
	<u>41,500</u>	<u>39,000</u>

Note 5 Cash and cash equivalents

	2024	2023
	\$	\$
Cash on hand	-	-
Cash at bank and cash equivalents	23,117,322	24,310,130
Cash and cash equivalents	<u>23,117,322</u>	<u>24,310,130</u>
Investments	417,776	358,879
	<u>417,776</u>	<u>358,879</u>

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

Note 6 Other receivables

	2024	2023
	\$	\$
Other receivables	273,876	576,400

Other receivables are unsecured with no collateral obtained.
There are no impaired receivables for the Company at 30 June 2024 (2023: Nil).

Note 7 Prepaid expenses

	2024	2023
	\$	\$
Prepaid expenses	471,546	690,725

Note 8 Assets held for sale

Carrying amounts at balance date	2024	2023
	\$	\$
Opening balance at 1 July	-	633,040
Assets sold	-	(633,040)
Closing balance at 30 June	<u>-</u>	<u>-</u>

Note 9 Property, plant and equipment

(a) Carrying amounts at balance date	2024	2023
	\$	\$
Land at fair value	1,970,000	1,120,000
Buildings		
At fair value	12,030,000	14,552,208
Less: Accumulated depreciation	-	(428,781)
Buildings	12,030,000	14,123,427
Total land and buildings	14,000,000	15,243,427
Motor vehicles		
At cost	73,880	73,880
Less: Accumulated depreciation	(49,331)	(40,308)
Motor Vehicles	24,549	33,572
Office furniture and equipment		
At cost	1,443,313	1,443,313
Less: Accumulated depreciation	(1,072,991)	(939,137)
Office Furniture and Equipment	370,322	504,176
Computer equipment		
At cost	646,500	646,500
Less: Accumulated depreciation	(575,658)	(532,986)
Computer Equipment	70,842	113,514
Total property plant and equipment at net book value	14,465,713	15,894,689

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

	Land	Buildings	Office Furniture and Equipment	Computer Equipment	Motor Vehicles	Total
2024	\$	\$	\$	\$	\$	\$
Carrying amount opening balance	1,120,000	14,123,427	504,175	113,515	33,572	15,894,689
Add: additions	-	-	-	-	-	-
Add: revaluation	850,000	(1,737,015)	-	-	-	(887,015)
Less: carrying amount of disposals/other adjustments	-	-	-	-	-	-
Less: depreciation expense	-	(356,412)	(133,853)	(42,673)	(9,023)	(541,961)
Carrying amount closing balance	1,970,000	12,030,000	370,322	70,842	24,549	14,465,713

Note 10 Right of Use Assets

(a) Carrying amount at balance date	2024	2023
	\$	\$
Buildings – right of use		
At cost	1,544,030	677,388
Less: Accumulated depreciation	(779,533)	(584,298)
Buildings – right of use	<u>764,497</u>	<u>93,090</u>
Motor vehicles – right of use		
At cost	515,717	782,570
Less: Accumulated depreciation	(214,049)	(583,401)
Motor Vehicles – right of use	<u>301,668</u>	<u>199,169</u>
Office furniture and equipment – right of use		
At cost	15,285	15,285
Less: Accumulated depreciation	(15,285)	(15,285)
Office Furniture and Equipment – right of use	<u>-</u>	<u>-</u>
Computer equipment – right of use		
At cost	87,386	87,386
Less: Accumulated depreciation	(60,651)	(31,523)
Computer Equipment – right of use	<u>26,735</u>	<u>55,863</u>
Total Right of Use Assets at net book value	<u>1,092,900</u>	<u>348,122</u>

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

	Buildings – right of use	Motor Vehicles – right of use	Computer Equipment – right of use	Total Right of Use Assets
2024	\$	\$	\$	\$
Carrying amount opening balance	93,090	199,169	55,863	348,122
Add: additions	866,642	255,443	-	1,122,085
Less: carrying amount of disposals/other adjustments	-	-	-	-
Less: depreciation expense	(195,235)	(152,944)	(29,128)	(377,307)
Carrying amount closing balance	764,497	301,668	26,735	1,092,900

Note 11 Intangible assets

	2024	2023
	\$	\$
Software at cost	8,170,875	6,623,865
Accumulated amortisation	<u>(3,002,297)</u>	<u>(2,739,191)</u>
Carrying amount closing balance	<u>5,168,578</u>	<u>3,884,674</u>

Note 12 Trade and other payables

	2024	2023
	\$	\$
Current		
Trade creditors	2,387	729,158
Annual leave	1,052,366	952,452
Rostered day off	105,896	109,750
Accruals and other payables	903,085	863,169
Program disbursement	<u>13,558,167</u>	<u>13,630,783</u>
Total current trade and other payables	<u>15,621,901</u>	<u>16,285,312</u>

Note 13 Income in advance

	2024	2023
	\$	\$
Income in advance	87,166	3,565
Total	<u>87,166</u>	<u>3,565</u>

Note 14 Borrowings

	2024	2023
	\$	\$
Current		
Lease liability	<u>360,193</u>	<u>187,760</u>
Total	<u>360,193</u>	<u>187,760</u>
Non- Current		
Lease liability	<u>745,797</u>	<u>160,723</u>
Total	<u>745,797</u>	<u>160,723</u>
Total Lease Liability	<u>1,105,990</u>	<u>348,483</u>

Note 14 Borrowings (continued)

Analysis of total Lease Liability:	2024	2023
	\$	\$
Opening balance as at 1 July	348,483	355,352
Additional Lease liability raised during the year	1,122,085	292,737
Amounts used	(364,578)	(299,606)
Balance as at 30 June	1,105,990	348,483

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 1.31% - 12%

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

	2024	2023
	\$	\$
Current		
Long service leave	489,227	478,106
Total	489,227	478,106
Non- Current		
Long service leave	190,630	182,677
Total	190,630	182,677
	679,857	660,783

Analysis of total provisions:

2024	Long Service Leave	Total
	\$	\$
Opening balance as at 1 July	660,783	660,783
Additional provisions raised during the year	218,946	218,946
Amounts used	(199,872)	(199,872)
Balance as at 30 June	679,857	679,857

2023	Long Service Leave	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)
Balance as at 30 June	660,783	660,783

Note 15 Provisions (continued)

Provisions

Provisions represent employee provisions 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 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

	2024	2023
	\$	\$
Excess/(Shortfall) of revenue over expenditure	(365,662)	1,060,710
Add/ (less) items classified as investing/financing activities:		
Interest received	(664,593)	(509,944)
Interest paid	41,485	7,832
Proceeds on sale of assets	-	(1,397,701)
Add/ (less) non-cash items:		
Loss on disposal of assets	-	-
Depreciation and amortisation	1,182,374	875,576
Net cash provided by continuing activities before change in assets and liabilities	<u>193,604</u>	<u>36,473</u>
Change in assets and liabilities during the financial year:		
(Increase)/ decrease in receivables and prepayments	521,703	(329,466)
(Increase)/ decrease in assets held for resale	-	633,040
(Decrease)/increase in accounts payable and other provisions	(560,737)	1,836,478
Net cash provided by/ (used in) operating activities	<u>154,570</u>	<u>2,176,525</u>

(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:

	2024	2023
	\$	\$
Cash and cash equivalents (Note 5)	23,117,322	24,310,130
Investments (Note 5)	417,776	358,879
Cash and cash equivalent assets	<u>23,535,098</u>	<u>24,669,009</u>

Note 17 Additional disclosures required by the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulations 2021

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

	2024	2023
	\$	\$
Income from fundraising		
Donations and gifts- monetary & non-monetary	95,897,299	98,532,752
Legacies & bequests	257,538	431,395
	96,154,837	98,964,147
Less: Total cost of fundraising appeals		
Fundraising costs	11,828,068	11,475,800
Net surplus obtained from fundraising appeals	84,326,769	87,488,347
Other income		
Interest, life insurance and other income	876,590	1,439,986
Gross income	97,031,427	100,404,133
Statement showing how funds received were applied to charitable purposes		
This was applied to charitable purposes in the following manner:		
Program expenditure	76,794,739	78,616,120
Administration	8,774,282	9,089,803
Advocacy	-	161,700
	85,569,021	87,867,623
Total expenditure	97,397,089	99,343,423
Surplus/(Deficit)	(365,662)	1,060,710

Note 17 Additional disclosures required by the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulations 2021 (continued)

Comparison of monetary figures and percentages:

	Total cost of fundraising \$	Gross income from fundraising \$	%
2024	\$11,828,068	\$96,154,837	12%
2023	\$11,475,800	\$98,964,147	12%

	Net surplus from fundraising \$	Gross income from fundraising \$	%
2024	\$84,326,769	\$96,154,837	88%
2023	\$87,488,347	\$98,964,147	88%

	Total cost of services \$	Total expenditure \$	%
2024	\$76,794,739	\$97,397,089	79%
2023	\$78,616,120	\$99,343,423	79%

	Total cost of services \$	Total income received \$	%
2024	\$76,794,739	\$97,031,427	79%
2023	\$78,616,120	\$100,404,133	78%

Note 18 Funds movements schedule

For the year ended June 30, 2024	Opening Balance \$	Income \$	Withholding \$	Expenses \$	Fund Balance Adjustment \$	Surplus / (Deficit) \$	Revaluation Adjustment \$	Closing Balance \$
Child Development	1,100,000	69,797,490	(15,435,973)	(54,361,517)	(2,193,958)	(2,193,958)		(1,093,958)
Mums and Babies	1,409,340	1,880,274	(298,079)	(1,582,195)	(1,409,340)	(1,409,340)		-
Christmas Fund	149,813	2,783,058	(278,306)	(2,504,752)	(149,813)	(149,813)		-
Gifts	260,390	4,620,315	-	(4,620,315)	-	-		260,390
Living Sponsorship	1,123,524	(180,543)	43,900	157,508	-	20,865		1,144,389
CIV Fund	658,335	12,390,870	(2,342,153)	(8,025,201)	(2,619,447)	(595,931)		62,404
Disaster Relief	117,260	4,213,054	(792,785)	(3,410,087)	(127,442)	(117,260)		-
Un-sponsored Children	410,332	374,962	(70,941)	(2,304,021)	2,000,000	-		410,332
Future Fund	1,158,128	14,036	929,675	(1,904,316)	-	(960,605)		197,523
Operating Fund	18,817,373	691,554	18,269,010	(18,731,731)	4,730,000	4,958,833	(887,015)	22,889,191
Endowment Operations	3,496,839	311,548	-	-	(230,000)	81,548		3,578,387
Unallocated Donations	33,694	(21,987)	4,397	17,589	-	(1)		33,693
Bibles	30,448	156,796	(28,745)	(128,051)	-	-		30,448
Total	28,765,476	97,031,427	-	(97,397,089)	-	(365,662)	(887,015)	27,512,799

For the year ended June 30, 2023	Opening Balance \$	Income \$	Withholding \$	Expenses \$	Fund Balance Adjustment \$	Surplus / (Deficit) \$	Closing Balance \$
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)	-
Total	27,704,766	100,404,133	-	(99,343,423)	-	1,060,710	28,765,476

Note 19 Related party transactions

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

The following Transactions have been identified as being transacted by Related Parties during the 2024 Financial Year:

Name	Expense \$	Receivables \$	Payables \$	Description/Details
Compassion International	75,068,438	57,016	94,281	Program expenses
Australian Christian Channel (ACCTV)	19,800	-	-	Television advertising
Christian Media and Arts Australia	726	-	-	Media services

Payments to Compassion International are permitted payments for the purpose of carrying out the principal purpose of Compassion Australia including payments for program development and delivery as well as reimbursement of expenditure.

The total amount donated for child sponsorship by key management personnel and related parties for 2024: \$81,205 (2023: \$153,568).

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:

	2024 \$	2023 \$
Short term employee benefits	1,517,309	1,500,285
Post-employment benefits	-	-
Long term employee benefits	7,160	-
Termination benefits	-	-
Total Remuneration	1,524,469	1,500,285

Note 21 Commitments and Contingencies

(a) Capital commitments

No capital commitments exist at 30 June 2024 (2023: \$383,380).

(b) Contingent Assets

Members Guarantee

The company (Compassion Australia) is limited by guarantee. If required, each member of the company must contribute an amount (not more than \$20) to the assets of the company if it is wound up while they are a member, or within one year of the member ceasing to be a member, for the –

- (a) payment of the debts and liabilities of the company incurred before they ceased to be a member and/or
- (b) costs, charges and expenses of winding up.

Compassion International was the sole member on 30 June 2024. (2023: six members).

(c) Contingent Liabilities

The company had no contingent liabilities on 30 June 2024 (2023: 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	2024 \$	2023 \$
Financial assets			
Cash on hand, at bank and cash equivalents and investments	5	23,535,098	24,669,009
Accounts receivable and other debtors	6,7	745,422	1,267,125
Total financial assets		<u>24,280,520</u>	<u>25,936,134</u>
Financial liabilities			
Financial liabilities at amortised cost:			
- Accounts payable and other payables	12	15,621,901	16,285,312
- Borrowings	14	1,105,990	348,483
Total financial liabilities		<u>16,727,891</u>	<u>16,633,795</u>

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.

	2024	2023
	\$	\$
Non-financial assets		
Freehold land	1,970,000	1,120,000
Buildings	12,030,000	14,123,427
Total non-financial assets	<u>14,000,000</u>	<u>15,243,427</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 as at 30 June 2024.

**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 2024 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

Sydney
5 September 2024

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 2024 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 2024 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.

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.

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

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

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.

Report on the Requirements of the *NSW Charitable Fundraising Act 1991* and *NSW Charitable Fundraising Regulation 2021*

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 2024, 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 2021*.
- (b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2024 has been properly accounted for and applied in accordance with the above-mentioned Act and Regulations.

**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 2021* (Continued)

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 2021*.

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
10 September 2024

AUDIT COMPLIANCE REPORT TO THE CHARITABLE COLLECTIONS ADVISORY COMMITTEE

We have audited the compliance of Compassion Australia (the "Company") with the significant control requirements of the *Charitable Collections Act (1946)* and the *Charitable Collections Regulations (1947)* as in Appendix A, for the year ended 30 June 2024.

Directors' Responsibility

The Directors of the Company are responsible for ensuring that the financial management and fundraising activities of the company are conducted in accordance with the significant control requirements of the *Charitable Collections Act (1946)* ("the Act") and the *Charitable Collections Regulations (1947)* ("the Regulations") as described in Appendix A.

Auditor's Responsibility

Our responsibility is to express a conclusion on the company's compliance with the Act and Regulations. Our compliance audit has been conducted in accordance with applicable Standards on Assurance Engagements (ASAE 3100 Compliance Engagements) to provide reasonable assurance that the Company has complied, in all material respects, the significant control requirements of the *Charitable Collections Act (1946)* and the *Charitable Collections Regulations (1947)* as described in Appendix A.

Our procedures included examination on a test basis of evidence supporting compliance with those requirements described in Appendix A. These procedures have been undertaken to form a conclusion as to whether Compassion Australia has complied in all material respects with the requirements described in Appendix A.

Use of Report

The compliance audit report was prepared for the Charitable Collections Advisory Committee ("the Department") in accordance with the *Charitable Collections Act (1946)* and the *Charitable Collections Regulation (1947)*. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Department or Compassion Australia or for any purpose other than that for which it was prepared.

Inherent Limitations

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in Appendix A as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with the requirements described in Appendix A are undertaken on a test basis. The audit conclusion expressed in this report has been formed on the above basis.

Conclusion

In our opinion Compassion Australia has complied, in all material respects, with the requirements of the *Charitable Collections Regulations (1947)* as described in Appendix A, for the year ended 30 June 2024.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Stewart Douglas (Registered Company Auditor #498774)

Director

Brisbane

10 September 2024

Bentleys Brisbane (Audit) Pty Ltd

Level 9, 123 Albert Street, BRISBANE QLD 4000

GPO Box 740, BRISBANE QLD 4001

T: +61 7 3222 9777, F: +61 7 3222 9250, www.bentleys.com.au

APPENDIX A

Significant Control Requirements

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

Financial Management

- Monies received should be banked within seven (7) days of receipt in accordance with regulation 11(a);
- An asset register should be maintained in accordance with regulation 11(3);
- Every bank account should be operated by two (2) officers of the organisation in accordance with regulation 11(4);
- Investments should be in accordance with regulation 16 of the *Charitable Collections Amendment Regulations (1998)*.

Fundraising

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

Compassion Australia
Declaration by Chief Executive Officer
30 June 2024

Declared Opinion

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

- (a) the financial report, set out on pages 9 to 33, 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 2023 to 30 June 2024; 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 its fundraising appeals.



Clare Steele
Chief Executive Officer

5 September 2024