

christians against poverty annual report twenty

About this report

This report shows our activities and performance for the period 1 January 2016 to 31 December 2016.

It has been prepared to comply with legal obligations and to support the ACNC objective to build greater accountability and trust in the Australian not-for-profit sector.

Providing information and transparency through this report is one of the ways we seek to build trust with our partners and supporters. We recognise the importance of the strength of these relationships for the charity's long-term growth and sustainability, and ultimately more beneficiaries being reached.

Charitable Status

Registered charity with the Australian Charities and Not-for-profit Commission (ACNC)

Tax Concessions and Fundraising

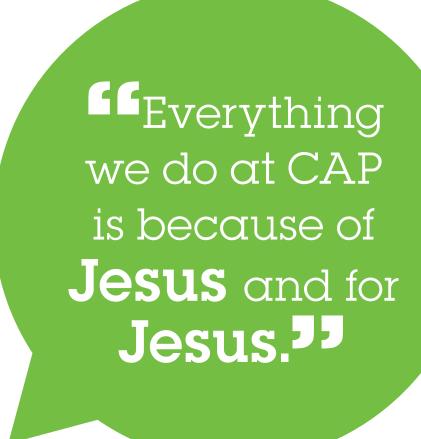
Public Benevolent Institution (PBI) and endorsed by the Australian Taxation Office as a Deductible Gift Recipient (DGR)

Fundraises throughout Australia and registered under legislation as required in each State and Territory.

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Message from CAP Founder, John Kirkby

"Everything we do at CAP is because of Jesus and for Jesus. It's his heart for the poor that we have followed for the last 20 years as he has led us to people in our communities who have been broken by debt, unemployment and poverty to bring hope and the good news.

What God has done through CAP is so much more than I'd ever dared to ask or imagine. Having experienced debt myself — how it can rob you of so much of life, of being able to afford to feed your children, of your dignity and the stress it causes — I wanted to offer what I could give to help people suffering in the darkness of debt.

Working through local churches, CAP grew rapidly in the UK and expanded globally. During a trip to Australia, I visited a local church and in 2000, CAP Australia was launched!

Now 16 years on, it's exciting to see the continued growth of the organisation in Australia and to hear of lives being transformed on a daily basis."

John Kirkby

CAP Founder and International Director



Mission

We are passionate about releasing people in our nation from a life sentence of debt, poverty and its causes. Working with the church, we bring good news, hope and freedom. We are Christians Against Poverty.

We do this through:

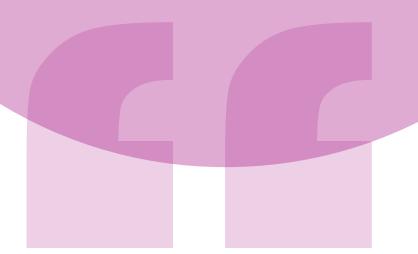
- 1. The relief of poverty for persons in Australia who are in conditions of need, hardship or distress by reason of their social and/or economic circumstances, by providing and promoting advice and other services.
- **2.** The advancement of education of the public in all matters relating to the management of their personal finances.
- 3. The advancement of the Christian faith and doctrine.
- **4.** Raising awareness of debt, poverty and its causes in Australia and inspiring churches and individuals to partner with us.

Vision

Our vision is to bring good news, hope and freedom into every Australian community.

We will do this by tackling debt, poverty and its causes through a network of local churches running services across Australia, ensuring everyone that needs help has access to CAP's life transforming services.

Message from the Board



has been a year of strengthening structures and processes to create momentum for continued growth.

I am incredibly proud of the progress that CAP Australia continues to make in reaching more families in need. At the start of 2016 we welcomed Aimee Mai as the new CAP Australia CEO. Aimee had been the CEO of CAP New Zealand for four years and we have been delighted to see Aimee take on the challenge of leading both countries.

2016 has been a year of strengthening structures and processes to create momentum for continued growth. The Board of Directors would like to thank everyone who has been involved in the work of Christians Against Poverty over the last year.

Both regular income and one-off income streams increased on the previous year, giving the ministry the stability and resources to continue meeting CAP's vision. This is a testament to the loyalty and generosity of groups, churches and individuals who come together to make Christians Against Poverty possible.

2016 saw our first full year running a brand-new program called CAP Job Clubs. During its first full year in operation, CAP Job Clubs have seen 25 people find employment (25 percent of people attending) and many more find new hope and pathways into education or work experience opportunities. The local Church has been empowered to support individuals who have found themselves dejected and alone due to unemployment. We are excited about the growth we will see in this new program in the coming years.

CAP Australia remains committed to tackling poverty and its causes. With the help of a dedicated group of supporters, we will continue to provide life-changing help in new areas and see more families set free. CAP had planned to launch another new program in 2016 — CAP Release Groups. This program is designed to tackle life-controlling addictions that affect a person's financial and overall wellbeing. The strategic decision was made to hold off the launch until 2017 to ensure we spend adequate time planning and preparing for this exciting new journey.

As we move into 2017, I am more acutely aware that our work is trans-generational. Therefore, I am full of expectation for what God will do through us, through our church partners, and I look forward to hearing more stories of lives transformed, families restored, jobs found and dependencies overcome.

Paul Durham

Chairman of the Board of CAP Australia

Message from the Chief Executive



In 2016, CAP Australia continued to release people in this country from a life sentence of debt, poverty and its causes. And while it was a year that presented growth and retention challenges, it was also a year with the best overall service outcomes: more people than ever before reached with life-saving help and the love of God.

In early 2016, I took on the exciting role of CEO in Australia, in addition to maintaining the role of CEO in New Zealand. It has been wonderful to see CAP Australia help a record number of people through our CAP Debt Centres and CAP Job Clubs (1,345 people). We celebrated 324 people going debt free through our CAP Debt Centres; 324 people that are now living in hope and freedom from debt and poverty.

This year, CAP Australia has partnered with seven new churches to run three CAP Debt Centres and four CAP Job Clubs.

In its first full year (launched in late 2015), CAP Job Clubs around Australia helped 25 people find work (25 per cent of everyone attending a CAP Job Club).

CAP Money continued to grow, with 73 new churches trained to run the three-session course. A record 2,720 individuals attended a course, receiving vital training to budget, save and spend wisely. The CAP Money Youth course was run in schools and church groups, and young people began building budgets and understanding their money, many for the first time.

Because of the invitation of local churches and local CAP workers, 81 people made a commitment to Christ. Even more people reconnected to their faith or experienced the love of God through their local churches. In 2016, we reintroduced Discovery Breaks and this year we took 38 people away to rest and relax during a short holiday in Mount Tamborine, QLD. Most of these CAP Client families had not had a holiday for a number of years and it was a joy to provide these precious families with a restful and uplifting break.

Regular income continued to grow in 2016, generating an income of \$1.14 million (2015: \$1.1 million). Regular church giving from our Partner Churches over the year represented \$423,000. This resulted in 68 per cent of our expenditure being covered by regular income.

As I look to the numbers and reflect on the year, it is clear to me that this nation is being changed one precious life at a time. And for every life changed, I am reminded that all the glory belongs to God — He sustains and inspires this work.

God is using our Partner Churches, Network and Head Office Staff, and thousands of individuals, trusts and businesses to bring hope, freedom and new life to people who have suffered for too long.

So thank you for all you give, and for your belief that together, we can serve the poor, save the lost, with the Church, across the nation.

Be blessed.

Aimee Mai

Chief Executive of CAP Australia and New Zealand

We celebrated 324 people going debt free through our CAP Debt Centres.

The need

We exist because nobody should be held hostage by debt and poverty. But the truth is that debt and poverty are rife in Australia. Over 2.5 million Australians¹ are living below the poverty line, 756,000 people are unemployed² and according to a recent report, Australian households are holding three times as much debt on average than they did 25 years ago³.

In a society where people live behind closed doors, thousands are desperately poor. Skipping meals and unable to provide for their children, the grip of poverty is relentless. It breaks families apart and drives many to think that suicide is the only solution.

We are passionate about releasing people in our nation from a life sentence of debt, poverty and its causes. We know there are many triggers that cause debt and keep families trapped in poverty; financial illiteracy, unemployment and addiction are just a few. Through our services, we have created practical solutions to equip local churches to address some of the biggest problems in our society.

The impact

Impact of debt on clients before CAP got involved:



Source: CAP Client Survey 2015

The approach of CAP

Partner countries

The work of CAP operates in four partner countries; CAP UK (launched 1996), CAP Australia (launched 2000), CAP New Zealand (launched 2008) and CAP Canada (launched 2013). The largest office in Bradford, UK is responsible for developing and rolling out CAP programs to partner countries. While CAP Australia operates as an independent entity, the organisation remains closely tied to the UK international office. Using the same systems as CAP UK, CAP Australia is transforming lives from Perth to Sydney and Adelaide to Darwin.







CAP Australia | Launched 2000



CAP New Zealand | Launched 2008



CAP Canada | Launched 2013

National Head Office

The Australian CAP National Head Office is based in Newcastle, NSW and is responsible for building and supporting the Church Partners Network in Australia; for managing the debt repayment process and insolvency process for clients; and for developing fundraising initiatives and engaging with Australian supporters. Over 30 staff are based at the Head Office in Newcastle. The team is made up of a combination of full-time and part-time employees. The Head Office is also assisted by volunteers who help with administrative tasks as needed.

In 2016, Christians Against Poverty recruited seven fantastic young people as Trainees through the NSW Department of Industry – Training Services.

These young people worked across our business in Client Services, Network Management, Church Partnership and Corporate Services. They studied such courses as Events Management, Finance and Mortgage Broking, Customer Engagement and Accounts Administration.

More than their amazing work ethic, our Trainees brought with them youthfulness, humour, energy and a faith that helped us move mountains! It was an absolute privilege to have them around the office, participating right across our business in Fundraising Dinners, Church Talks, Training and even beating us at Ping Pong!

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– Sally Evans, CAP Human Resources Co-ordinator GG

As a pastor I see great value in CAP. We meet people that are truly struggling and we get to help them practically as well as spiritually, which then multiplies the benefits ahead in their lives... not just for this life but for eternal life.



Phil Cutcliffe, Senior Pastor,
 Springfield Christian Family Church

Supporters

CAP Australia receives no government funding and relies on the generosity of our supporters to ensure our operations can continue and that services can be provided — free of charge — to people in need. The organisation is 68 per cent funded through regular donations with over 3,600 individuals giving regularly to CAP. These regular donors are called Life Changers.

"It is a privilege to speak with and hear from the amazing financial supporters of CAP. Our supporters value what we do and continue to be inspired, as is reflected in their reasons for donating.

One donor recently responded, saying: 'I am a CAP Money Coach! I already give monthly to CAP but I was moved by the latest video story featuring CAP clients Mark & Rachel. And I just finished reading the book Nevertheless.'

An ex-client wrote to us saying: 'I'm still often thinking of you! God blessed me, so now I get to choose who I can bless and I love the work you guys do! Looking forward to promoting your ministry even more in our church.'"

- Nadene Collins, Support Relations Team Leader

Local churches

CAP is a church-based ministry that partners with churches of many Christian denominations across Australia to deliver one or a combination of our three CAP programs; CAP Debt Centres, CAP Job Clubs and the CAP Money Course.

At the end of 2016, 37 churches were actively providing face-to-face Debt Help for clients through a CAP Debt Centre and seven churches were actively running a CAP Job Club. There were 259 active CAP Money Churches running the CAP Money Course for people in their congregations and communities to learn to budget.

"One of my favourite conversations this year was with one of our existing Church Partners, who said:

'As a pastor I see great value in CAP. It really helps us keep our focus on the Gospel and helps us love the lost and hurting in our community. We meet people that are truly struggling and we get to help them practically as well as spiritually, which then multiplies the benefits ahead in their lives... not just for this life but for eternal life.'

To me, this sums up the heart of why CAP exists and why we continue to partner with the local Church."

- Alison Buttenshaw, Church Partnership Manager

are so grateful
for each and every
person who financially
supports CAP and the
vital part they play in
alleviating poverty in
Australia.

Nadene Collins, Supporter
 Relations Team Leader

Our Programs



CAP Australia currently offers three programs:

Debt Management — which assists clients struggling with unmanageable debt;

The CAP Money Course — which provides simple and practical training for anyone who wants to manage their money better; and

CAP Job Clubs — our newest service that helps job seekers step back into employment.

CAP Debt Centres

CAP Debt Centres are the spearhead in our fight against poverty in Australia. A CAP Debt Centre brings essential care to families overwhelmed by unmanageable debt. We offer face-to-face home visits and ongoing care to our clients. Our Debt Coaches are in constant contact with our experts at CAP Head Office — trained debt specialists who advocate for our clients by negotiating with creditors, and creating budgets and payment plans to help clients out of debt. Typically, it takes clients 3-5 years to get out of debt and CAP supports them until they are debt free.

"My favourite moment from 2016 was hearing a client's reaction to the news that they were debt free in time for Christmas. This moment was made even more amazing because it was due to the generosity of one of their creditors that we could share this news with them. This elderly couple came to us with a significant amount of debt and no way to repay it. Shortly after starting to work with CAP, the wife received the devastating diagnosis of a terminal illness. Their CAP caseworker tenaciously negotiated with their creditors for months to see if their debts could be waived. With only a few days until Christmas, the caseworker made another phone call to petition to get their last debt waived — and it was finally granted! We were then able to call these clients and let them know they were not just debt free in time for Christmas, but also had savings to buy Christmas presents! They were amazed and grateful beyond

- Alisha Evans, Client Services Manager

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My favourite moment from 2016 was hearing a client's reaction to the news that they were debt free in time for Christmas.

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— Alisha Evans, Client Services manager

CAP Money Courses

The CAP Money Course is a free course that teaches budgeting skills through a simple, cash-based system. Typically run over three sessions, the course teaches delegates how to get to grips with their finances so they can budget, save and prevent unmanageable debt.

Delegates are not necessarily people who are struggling with unmanageable debt but are people wanting to improve their personal budgeting. These can be people from all walks of life, and although the course is conducted by local churches, it is designed to assist people across the wider community.

"One of my previous CAP Money course attendees recently sent me this message and I just had to share it with the team at CAP:

'Hi David. I haven't spoken to you for over 12 months. You graciously and without judgement helped me to understand budgeting when I couldn't. Today I paid multiple annual and monthly bills and still put money in my savings account. In the last 12 months I have travelled to Hong Kong and New Zealand and am planning a trip to Hawaii and Canada. I am newly engaged to a wonderful man who loves me dearly and I remain debt free (apart from my mortgage). I am so thankful and grateful to you. You were a real gift in my life. Thank you for your wisdom and knowledge.'

If I never have another CAP Money delegate show up, it was all worth it just for that. We never know just how much we impact others."

— David, CAP Money Coach

CAP Job Clubs

With over 750,000 Australians out of work, CAP's newest service is addressing another main cause of poverty: unemployment. As rejection letters pile up, many people are left feeling hopeless, especially those who have been long-term unemployed. Our CAP Job Clubs service was launched in 2015 to help jobseekers gain the tools, skills and confidence to step back into employment, even if they have been out of work for many years.

This program goes beyond resume construction and addresses core issues of self-confidence, as well as aiding members in seeking experience and developing vital life skills in a supportive environment.

"Overflow Church has loved facilitating CAP Job Club because helping people find meaningful work has such an incredible impact on people's lives as well as the flow on benefits to their families.

The CAP Job Club format requires minimal resources and provides an engaging way to dramatically improve people's confidence and ability to pursue jobs that are ideally suited for them.

For churches looking to provide immediate practical assistance to people around their community, running a CAP Job Club is a great place to start."

— Brad Fewster, Executive Pastor at Overflow Church, Medowie

This program goes beyond resume construction and addresses core issues of self-confidence, as well as aiding members in seeking experience and developing vital life skills in a supportive environment.

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 Brad Fewster, Executive Pastor at Overflow Church, Medowie



God loves and defends those with the least economic and social power, and so should we. That is what it means to 'do justice'.

Timothy Keller, author of Generous Justice

Strategy and performance objectives

Relieving poverty Tackling Debt

Objective for 2016: Open eight new CAP Debt Centres as we continue towards our vision of bringing debt freedom to people in every community by bringing our total number of CAP Debt Centres to 45. Through these Debt Centres we aim to help 600 new clients and see 300 clients becoming debt free over the year.

In 2016, we partnered with churches to open three new CAP Debt Centres. Working with churches to provide our debt help means that people in these communities receive an indepth and personal service as they are visited at least three times in their own homes. We finished the year at a total of 37 CAP Debt Centres.

Although the figure is lower than what we were hoping for, it highlights some of the positive changes that have taken place within our Network Management and Church Partnership teams. Over the course of time, some centres close when staff move on or as churches reprioritise. The new structure of Network Management will provide more support for our network, aiming at reducing attrition in future years. We are also planning to provide more resource into Church Partnership to enable more churches to have an opportunity to partner with us in the coming years.

In 2016, 316 people went debt free! This is 24 more people than in 2015.

Our client helpline received 6,364 calls requesting help from our service in 2016, which is a 44 per cent increase on calls from 2015. More than half of all calls (54 per cent) were answered first time, and where possible, all voicemails were responded to within two hours. The first contact allowed us to book appointments for those within our centres' catchment areas, and send help packs to those who are not. The increase in calls made it difficult for us to achieve our target of 60 per cent first time answer rate, and we will be working hard into 2017 to better service these first-time enquiries.

A total of 718 new clients were visited in their own homes. They joined the 646 existing clients who we are also helping through ongoing Head Office support and creditor negotiations, thus enabling them to live to an affordable budget, which priorities food, heating and housing. On behalf of these clients, we ended the year managing \$9.4 million worth of secondary debt, with our clients paying an average of \$263,015 per month towards their bills and debt repayments through their CAP Accounts.

While with us, the vast majority of our clients have the opportunity to save through their CAP Account. We believe that this is an essential part of financial education and breaking the cycle of poverty. With recurring regular costs,

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such as car registration and compulsory insurance, through to expenditure for birthdays and Christmas, it is important to have savings, avoiding the need for extra credit around these times of extra cost.

Savings are also vital in tackling the issues of poverty premium. Paying for items is almost always cheaper, whether instalments are paid on car insurance, a new electrical product, or a new sofa. Avoiding credit, hire purchase or monthly repayments can mean significant savings for our clients. And for those on the breadline, this has an even greater impact.

Tackling unemployment

Objective 2016: Tackle unemployment by opening 10 new CAP Job Clubs in partnership with local churches, bringing the total to 15 by the end of the year. We will aim to help 130 people become work ready, with 20 people finding employment.

Through 2016, we were able to train and launch four new CAP Job Clubs, bringing our network total to seven CAP Job Clubs.

The four new clubs that we opened, while less than our target, achieved great outcomes. The seven active clubs ran our eight-week Steps to Employment course that provided one-to-one coaching and peer-to-peer support. One hundred people attended the course, receiving training on everything from resume writing to interview skills and the value of volunteering. Thanks to this combination of positive goal setting, coaching and varied support, 25 CAP Job Club members found work in 2016, which equates to 25 per cent of all people attending a course.

2. Financial education

Objective for 2016: Increase the number of churches running the CAP Money Course by training 353 CAP Money Coaches from 84 new partner churches. We estimate 3,000 people will benefit from the course over 2016

The CAP Money Course is the debt preventative arm of our charity. It is a short money management course that teaches people how to budget, save and spend wisely, ultimately preventing debt by using a cash-based money management system. In 2016, we ran 539 courses for 2,720 delegates. We also provided access to more in-depth debt counselling through our follow-up service, CAP Money Plus, for 82 delegates who are struggling with unmanageable debt.

In 2016, we trained 362 new CAP Money Coaches on behalf of 73 new churches, bringing our total number of local churches running the CAP Money Course to 259.

3. Advancement of the Christian faith

Objective for 2016: Continue to support local churches as they reach out to their communities; giving clients the opportunity to respond to God's love in action. We also plan to run one Discovery Break to give 40 clients (including children) a break from their normal routine.

As well as physical poverty, our clients face spiritual poverty, isolation and emotional struggles. These are often as a result of debt, and in some cases, were contributing factors to debt. We partner with local churches because we care about each person's complete wellbeing. When visiting clients, a volunteer accompanies the CAP Debt Coach, offering friendship and support in any area of life, as needed. We offer prayer for clients and, if they are interested, talk to them more about God.

Discovery Breaks were re-introduced in 2016 and it was a highlight in the CAP calendar. These 2–4 day holidays offer CAP clients a break from the day-to-day realities of their situation, precious time with their families and, in some cases, their first ever holiday. Discovery Breaks also allow clients the space to consider the reality of a God that loves and cares for them. In 2016, we took 38 people on a Discovery Break, which saw nine people respond to the love of God. These nine people are part of the 81 who made this decision throughout the year.

In 2016, we trained 362 new CAP Money Coaches on behalf of 73 new churches bringing our total number of local churches running the CAP Money Course to 259.

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4. Raising awareness of debt and poverty in Australia

Objective for 2016: Continue to raise awareness of debt and poverty in Australia and inspire churches to partner with CAP through speaking at churches, exhibiting at conferences, regular communication with supporters and through electronic media such as e-shots and the CAP website.

If we are to achieve our vision, then it is crucial that we raise awareness of debt and poverty in Australia and inspire churches to partner with us to open Debt Centres and encourage individuals to support us.

During 2016, we carried out 61 church talks, generating 614 Life Changers.

During the year, our Church Partnership team introduced Church Leader Breakfasts. These events were done regionally across Australia and provided the team with the chance to engage with church leaders about the problem of debt and poverty in their area.



Governance and management

Our Board

The Board of Directors meet five times throughout the year to review strategy, operational and financial performance in conjunction with the charity's Founder and International Director, its Chief Executive Officer and other members of the Leadership Team.

These meetings are also attended by a staff representative so their views can be taken into consideration through the decision-making process.



Chief Executive Officer





Board Member

Kenny O'Donnell



Chairman of the Board

Paul Durham



Board Member

Rob Fryer



International Founder and Director

John Kirkby



Company Secretary

Janelle Hines

Responsibilities

The day-to-day implementation of the strategic plan, together with the development of strategy is led by the Chief Executive and Senior Leadership Team, consisting of members of each area of the charity. Key performance indicators are used to measure and review performance against the strategic plan, with monthly meetings ensuring that corrective action is taken where needed. Monthly management accounts are also used to ensure that financial targets are being met. If any significant matters of policy or key decision-making arise during these meetings, these will be referred to the Board for approval.

Risk management

The Board of Directors actively review the major risks that the charity faces on a regular basis, together with the controls over key financial systems carried out through an internal audit program. The Board has also examined other operational and business risks that the charity faces and confirm they have established systems to mitigate the significant risk.

Our leadership team



Responsible for the leadership and strategic oversight of the charity, as well as directly overseeing the Fundraising team.

Fundraising: the team is responsible for the one-off and regular income generation for the charity, as well as servicing current regular givers and key supporters.

CEO Network Manager Aimee Mai Phillip Pickering

Responsible for Network Management.

Network Management: the team trains and manages the network of CAP Debt Centres and CAP Job Clubs, whose staff and volunteers offer face-to-face assistance to clients and memhers

Operations Manager Rosie Kendall

Responsible for overseeing Client Services, Church Partnership, CAP Money and Communications.

Client Services: the team is responsible for the debt counselling for individual clients. Potential clients call our helpline and speak to someone to make an appointment with a local Debt Centre. Clients are allocated to an individual CAP caseworker who journeys with them until they are debt free. Our specialist insolvency team also helps people if they require assistance in this area.

Church Partnership: the team is comprised of regionally based staff in Queensland, New South Wales and Victoria who are managed centrally from CAP Head Office in Newcastle. The team is responsible for engaging with churches in their area to generate more church talks, CAP Money, CAP Debt Centre and CAP Job Club partnerships.

CAP Money: the team is responsible for training and equipping CAP Money Partner Churches to run the CAP Money course in their communities.

Communications: the team generates awareness and support of CAP through fundraising appeals, the website and social media, design and video production, trust and grant writing, advertising and promotional campaigns.

Corporate Services Director

Janelle Hines

Responsible for overseeing CAP's Corporate Services, comprising Finance, Human Resources, Central Payments Unit and Information Technology.

Corporate Services: the team supports the practical outworking of the organisation. The portfolio of work specifically covers; managing the CAP Account on behalf of clients, invoicing and creditors, staff and volunteer recruitment, risk management, workplace health and safety (WHS) and corporate event planning.





L to R: Aimee, Rosie, Phillip, Janelle

From the Corporate Services Director

CAP Australia continues to rely on generous voluntary donations from individuals and organisations as its main source of funding. Total income for the 2016 Financial Year was \$2.38 million.

The charity has 3,623 supporters known as Life Changers who commit to give on a regular basis, generally monthly. This regular giving program generated income of \$1.14 million (2015: \$1.1 million). Regular church giving from our Partner Churches over the year represented \$423,000. Overall regular monthly giving, whether from individuals or churches, represented 67 per cent of our total income. This is 68 per cent of total expenditure for the year. This continues to be in line with the Directors' and Management's strategy to increase the level of regular giving to reduce dependency on large levels of one-off income as the charity grows.

Whilst there is always an emphasis on regular income, there is still a need for significant one-off income. This year, total one-off gifts were \$779,000 (2015: \$777,000). An important source of this income continues to come from Charitable Trusts and Grants. The 2016 Financial Year resulted in CAP receiving \$160,000 (2015: \$101,000) from this source and we continue to be extremely grateful to the many trusts that agree to support our work in this way.

The Directors wish to sincerely thank all our supporters for the financial contribution they have made and continue to make towards the success of the charity.

A continued determined focus on financial stewardship saw total expenditure decrease by 4 per cent to \$2.36 million (2015: \$2.45 million).

Employment and staff expenditure costs totalled \$1.58 million. This cost is essential to deliver a high quality, free service to our clients. \$313,000 was spent on operations, which was a significant saving on last year (2015: \$339,000) as was the administration spend coming in at \$461,000 (2015: \$509,000).

Overall, the year ended with a slight surplus of \$22,000.

The Directors of the charity continually aim to maintain the correct balance between the strong growth strategies of the charity with the desire to achieve a prudent level of reserves. The fact that CAP has a high percentage of unrestricted regular private income is, in many respects, one of the strongest long-term reserve strategies we could hope for.

With 3,623 people giving monthly, this income represents 48 per cent (2015: 45 per cent) of our total income. The increase in regular giving, coupled with the substantial one-off gifts raised during the year, resulted in a net asset balance at the end of the year of \$429,000 (2015: \$352,000).

The Directors are confident that on this solid platform, combined with the continued drive to increase our regular income, this will enable the charity to continue our mission to serve the poor, save the lost, with the Church, across the nation.

Janelle Hines, Corporate Services Director



The Directors wish to sincerely thank all our supporters for the financial contribution they have made and continue to make towards the success of the charity.

Speak up for the cannot speak fo for the rights of destitute. Speak fairly; defend th poor and needs

Proverbs 31:9(NIV)

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Financial Statements

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Directors' Report

The Directors present their report on Christians Against Poverty (Australia) Limited for the financial year ended 31 December 2016.

1. General information

Information on Directors

The names of each person who has been a Director during the year and to the date of this report are:

John Dawson Kirkby Years Service as Director: 11.5

Qualifications Founder and CEO of Christians Against Poverty

Experience International Director of Christians Against Poverty

Advisor for Chantell Bleau Memorial Fund

Director of Midwives Online

Advisor for Kings Network International

Ross Buttenshaw Resigned February 2016

Qualifications Chief Executive Officer of Christians Against Poverty

Certificate IV in Finance & Mortgage Broking

Master of Business (2011)

Experience Corporate Relations Manager, Christians Against Poverty

(UK)(2004-2006)

Business Analyst (2001–2004) Portfolio Analyst (1999–2001) Acquisition Office (1998–1999)

Bank Branch Supervisor/Lending Office (1992-1998)

Kenneth O'Donnell Years Service as Director: 9

Qualifications Service Delivery Manager, ING Australia (Feb 2012–Present)

Experience Development Support Manager (Oct 2005–Feb 2012)

Change & Communications Manager (May 2005–Oct 2005)

Asset Manager (Jan 2004–May 2005)

Infrastructure Project Manager (April 2003–2004)

Robert Fryer Years Service as Director: 7

Qualifications National Sales Manager, Mining. FUCHS Lubricants (Aust)

Pty Ltd (1988–Present) Bachelor of Commerce

Experience Accountant (Traineeship), Ernst & Young Chartered

Accountants, (1984-1988)

Board member of Operation Foundation

Member of Senior Management Team FUCHS Lubricants

(Aust) Pty Ltd

Paul Derham Years Service as Director: 4

Qualifications Partner at Holley Nethercote Commercial & Financial

Services Lawyers

Bachelor of Laws (Honours)

Diploma of Financial Services (Financial Planning)

Experience Setting up of NFP Charitable Entities (for public companies

limited by guarantee and incorporated associations)

Directors' Report (continued)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Christians Against Poverty (Australia) Limited during the financial year was the operation of debt counselling centres located in local churches and supported centrally from an administration office in Newcastle, NSW. Services provided include debt counselling, negotiation with creditors and payment of bills and debts via a banking service.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short-term objectives

The Company's short-term objectives are to:

- Provide free debt management;
- Employ quality Christian staff;
- Continue to build partnerships with churches;
- Restore hope and dignity to those people overwhelmed by the burden of unmanageable debt;
- Provide education in simple budgeting techniques through our money education program.

Long-term objectives

The Company's long-term objectives are to:

- Operate and expand partnerships with churches around Australia;
- Enhance and further the short-term objectives;
- Transform the budgeting principles of households across Australia.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Development of a Strategic Management Plan;
- Development of a Strategic Plan focusing on key areas of need;
- Continuing development of operational systems;
- Continuing development of training materials.

Directors' Report (continued)

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Employment of national development staff to form church relationships and facilitate partnerships;
- Improvements to computer systems;
- Improvements to operational activity processes;
- Sharing of training materials via staff intranet.

Performance measures

The following measures are used within the Company to monitor performance:

- Monthly and quarterly monitoring of Key Performance Indicators (KPI);
- Monitoring of client service phone call activity;
- Production and review of monthly management reports;
- Comparison to international benchmark KPI's from New Zealand and the United Kingdom.

Members quarantee

Christians Against Poverty (Australia) Limited is a Company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10 for members that are corporations and \$10 for all other members, subject to the provisions of the Company's constitution.

Meetings of Directors

During the financial year, four meetings of Directors were held. Attendances by each Director during the year were as follows:

Directors' meetings

	Eligible to attend	Attended
John Dawson Kirkby	4	2
Kenneth O'Donnell	4	4
Robert Fryer	4	3
Paul Derham	4	4

Auditor's independence declaration

The lead auditor's independence in accordance with section 307C of the Corporations Act 2001, for the year ended 31 December 2016 has been received and can be found on page 25 of the Financial Report.

Signed in accordance with a resolution of the Board of Directors:

Paul Derham

Robert Fryer





Phone Facsimile Website Address 02 4908 0400 02 4943 7990 klmaccountants.com.au 313 Charlestown Road PO BOX 875 Charlestown NSW 2290

Christians Against Poverty (Australia) Limited

Independent Audit Report to the members of Christians Against Poverty (Australia) Limited

Report on the Financial Report

We have audited the accompanying financial report of Christians Against Poverty (Australia) Limited, which comprises the statement of financial position as at 31 December 2016, the statement of profit or 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 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 and the *Corporations Act 2001*, and the *Australian Charities and Not-for-Profit Commission Act 2012* and is appropriate to meet the needs of the directors. The directors responsibility also includes 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.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 Company's preparation of the financial report that gives a true and fair view 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. 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.



Phone Facsimile Website Address 02 4908 0400 02 4943 7990 klmaccountants.com.au 313 Charlestown Road PO BOX 875 Charlestown NSW 2290

Christians Against Poverty (Australia) Limited

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Christians Against Poverty (Australia) Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2016, there have been:

- 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.

Kilpatrick Lake Mackenzie

Neil Watson Partner

Charlestown, NSW

6 April 2017

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016	2015
		\$	\$
Revenue	2	2,383,659	2,451,314
Employee benefits expense		(1,508,825)	(1,486,832)
Depreciation and amortisation expense		(37,661)	(50,054)
Other expenses		(813,605)	(859,546)
Finance costs		(1,545)	(3,776)
Surplus before income tax		22,023	51,106
Income tax expense		-	-
Surplus for the year		22,023	51,106
Other comprehensive income		-	_
Total comprehensive income for the year		22,023	51,106

Statement of Financial Position

As at 31 December 2016

ASSETS

CURRENT ASSETS
Cash and cash equivalents

Trade and other receivables	4	22,424	20,341
Inventories	5	-	7,971
Other assets	6	34,558	23,060
TOTAL CURRENT ASSETS		486,298	403,819
NON-CURRENT ASSETS			
Property, plant and equipment	7	87,014	139,634
TOTAL NON-CURRENT ASSETS		87,014	139,634
TOTAL ASSETS		573,312	543,453

LIABILITIES

CURRENT LIABILITIES

Trade and other payables	8	98,179	63,881
Borrowings	9	11,304	12,798
Employee benefits	11	51,965	66,536
Other liabilities	10	5,900	
TOTAL CURRENT LIABILITIES		167,348	143,215
NON-CURRENT LIABILITIES			
Borrowings	9	-	29,185
Employee benefits	11	33,202	20,314
TOTAL NON-CURRENT LIABILITIES		33,202	49,499
TOTAL LIABILITIES		200,550	192,714
NET ASSETS		372,762	350,739

EQUITY

Retained surplus	372,762	350,739
TOTAL EQUITY	372,762	350,739

429,316

3

352,447

Statement of Changes in Equity

For the Year Ended 31 December 2016

2016

	I	Retained Earnings	Total
Balance at 1 January 2016		350,739	350,739
Surplus attributable to members of the entity		22,023	22,023
Balance at 31 December 2016		372,762	372,762
2015			
Balance at 1 January 2015		299,633	299,633
Surplus attributable to members of the entity		51,106	51,106
Balance at 31 December 2015		350,739	350,739
Statement of Cash Flows	Note	2016	2015
For the Year Ended 31 December 2016		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES: Receipts from customers Payments to suppliers and employees Interest received Finance costs Net cash provided by operating activities CASH FLOWS FROM INVESTING ACTIVITIES: Proceeds from sale of plant and equipment Purchase of property, plant and equipment		2,299,036 (2,226,911) 15,444 (1,545) 86,024 24,594 (3,070)	2,348,393 (2,287,106) 25,124 (3,776) 82,635 9,400 (88,193)
Net cash used in investing activities		21,524	(78,793)
CASH FLOWS FROM FINANCING ACTIVITIES: Proceeds from borrowings Repayment of borrowings Net cash (used in)/ provided by financing activities		(30,679) (30,679)	22,182 (35,012) (12,830)
The cash (asea hij) provided by marieing activities		(30,073)	(12,030)
Net increase/ (decrease) in cash and cash equivalents held Cash and cash equivalents at beginning of financial year Cash and cash equivalents at end of financial year	18	76,869 352,447 429,316	(8,988) 361,435 352,447



The financial statements are for Christians Against Poverty (Australia) Limited as a not-for-profit individual entity.

The functional and presentation currency of Christians Against Poverty (Australia) Limited is Australian dollars.

1 Summaryof SignificantAccounting Policies

a. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

b. Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

c. Income Tax

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

d. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straightline basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term

e. Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

f. Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

g. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the standard costs basis and are net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

h. Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

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 using the cost model.

Plant and equipment 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.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Motor Vehicles 25%
Plant and Equipment 15–50%
Computer Equipment 20–66%
Computer Software 50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

i. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- a. the amount at which the financial asset or financial liability is measured at initial recognition;
- b. less principal repayments;
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- d. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

iii. Held-to-maturity investments Held-to-maturity investments are nonderivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to

maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

iv. Available-for-sale financial assets
Available-for-sale financial assets are
non-derivative financial assets that are
either not suitable to be classified into
other categories of financial assets due
to their nature, or they are designated
as such by management. They comprise
investments in the equity of other entities
where there is neither a fixed maturity nor
fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

v. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

j. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

The Company holds \$511,791 (2015: \$670,348) on behalf of clients and is not available for use by the Company. These funds are not included in the Statement of Financial Position.

k. Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does

not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Critical accounting estimates and judgments

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

m. Going concern

Donations represent the majority of revenue generated by the Company. As at 31 December 2016, the Company's net assets returned to surplus.

The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

The Directors of the Company have considered the going concern assumption appropriate with consideration to the following:

- The Company has positive net cash flow from operating activities for the year of \$86,024 (2015: \$82,635);
- The Company has paid out four of its five financial leases during the past three years;
- The Company continues to receive ongoing financial support from all of its regular donors and creditors to assist the Company meet its short and long-term objectives; and
- The Company has received written confirmation that financial support from Christians Against Poverty (UK) will continue for the foreseeable future.

It is with full consideration of the factors noted above that the financial statements have been prepared on a going concern basis.

Adoption of new and revised accounting standards

During the current year, the following applicable standards became mandatory and have been adopted retrospectively by the Company:

- AASB 12 Disclosure of Interests in Other Entities
- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits
- AASB 2012–2 Amendments to Australian Accounting Standards Disclosures –Offsetting Financial Assets and Financial Liabilities

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below.

AASB 13 Fair Value Measurement does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

AASB 119 Employee benefits changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be a long-term employee benefits for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

In accordance with the transition provisions in the standard, the comparative figures have been restated.

	2016	2015
2 Revenue and Other Income	\$	\$
Finance in comp		·
Finance income Interest received	15,444	25,124
Other revenue	13,444	23,124
Donations	2,243,661	2,302,100
CAP Money	91,570	107,609
Other revenue	32,984	16,481
Total	2,368,215	2,426,190
Total Revenue	2,383,659	2,451,314
3 Cash and cash equivalents		
_		
Cash at bank and in hand	429,316	352,447
4 Trade and other receivables		
Current		
Deposits	15,583	15,583
GST receivable	6,841	4,758
Total current trade and other receivables	22,424	20,341
5 Inventories		
Current		
At cost:		
Inventory Books	-	7,971
6 Other non-financial assets		
Current		
Prepayments	34,558	23,060
	,	,
7 Property, plant and equipment		
Plant and equipment	4.42.274	4.42.274
At cost Accumulated depreciation	142,371	142,371 (109,190)
Total plant and equipment	(115,403)	33,181
Motor vehicles	20,300	33,101
At cost	47,107	80,442
Accumulated depreciation	(28,856)	(36,876)
Total motor vehicles	18,251	43,566
Computer equipment		
At cost	122,521	119,451
Accumulated depreciation	(90,764)	(69,530)
Total computer equipment	31,757	49,921
Computer software At cost	21 022	21 022
Accumulated depreciation	21,022 (10,984)	21,022 (8,056)
Total computer software	10,038	12,966
Total property, plant and equipment	87,014	139,634
	- ,-	-,

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Year ended 31 December 2016	Plant and Equipment	Motor Vehicles	Computer Equipment	Computer Software	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	33,181	43,566	49,921	12,966	139,634
Additions	-	-	3,070	-	3,070
Disposals - written down value	-	(18,029)	-	-	(18,029)
Depreciation expense	(6,213)	(7,286)	(21,234)	(2,928)	(37,661)
Balance at the end of the year	26,968	18,251	31,757	10,038	87,014

	2016	2015
8 Trade and other payables	\$	\$
Current		
Trade payables	38,892	14,512
Accrued expense	13,929	7,331
Other payables	45,358	42,038
	98,179	63,881

9 Borrowings

Current

Secured liabilities:

Lease liability	11,304	12,798
Total current borrowings	11,304	12,798

Non-current

Secured liabilities:	-	29,185
Lease liability	-	29,185

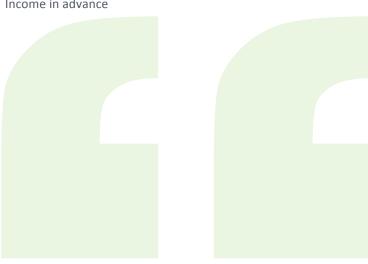
Total non-current borrowings

Leased liabilities are secured by the underlying leased assets.

10 Other Liabilities

Current

Income in advance 5,900



ll Employee Benefits	2016 \$	2015 \$
Current		
Annual leave	28,961	32,634
Long service leave	23,004	33,902
	51,965	66,536
Non-Current Long Service Leave	33,202	20,314
12 Leasing Commitments (a) Operating leases		
Minimum lease payments under non-cancellable operating leases:		
— not later than one year	5,304	5,304
— between one year and five years	1,768	7,072
	7,072	12,376

An operating lease has been taken out for the photocopier for a period of 5 years.

13 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and finance leases

The totals 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:

Financial Assets

Cash and cash equivalents	429,316	352,447
Total financial assets	429,316	352,447
Financial Liabilities		
Financial liabilities at amortised cost		
— Trade and other payables	90,217	63,881
— Borrowings	11,304	41,983
Total financial liabilities	101,521	105,864

Fair value estimation

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

14 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the Company.

15 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$335,494 (2015: \$302,634).

Key Management Person Position

John Kirkby Director

Aimee Mai Chief Executive Officer

Janelle Hines Corporate Services Director

Rosemary Kendall Operations Director

Phillip Pickering Network Director

16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2016 (31 December 2015: None).

17 Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

18 Cash Flow Information

(a) Reconciliation of cash

	2010	2013
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is		
reconciled to items in the statement of financial position as follows:		

Cash and cash equivalents 429,316 352,447

19 Events Occurring After the Reporting Date

The financial report was authorised for issue on 6 April 2017 by the Board of Directors.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

2016

2015

Directors' Declaration

The Directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 21-35, are in accordance with the *Corporations Act 2001* and:
- a. comply with Accounting Standards Reduced Disclosure Requirements; and
- b. give a true and fair view of the financial position as at 31 December 2016 and of the performance for the year ended on that date of the Company.
- 2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Director

Robert Fryer

This declaration is made in accordance with a resolution of the Board of Directors.

Director Paul Derham

Dated 6 April 2017

Company secretary Janelle Hines

Registered office

CAP Australia Head Office Level 1, 451 Hunter Street Newcastle NSW 2300 ABN 92 104 471 516

Auditors, Accountants, Business and Financial Advisors

Kilpatrick Lake Mackenzie Pty Ltd 313 Charlestown Road Charlestown NSW 2290 ABN 90 002 223 565

Solicitors

Holley Nethercote Commercial Lawyers GPO BOX 3045 Melbourne VIC 3001 ABN 30 339 960 335

Bankers

Westpac Banking Corporation Shop LG 8020 Charlestown Square Charlestown NSW 2290 ABN 33 007 457 141 As long as poverty, injustice and gross inequality persist in our world, none of us can truly rest.

– Nelson Mandela



We are passionate about releasing people in our nation from a life sentence of debt, poverty and its causes.

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capaust.org
info@capaust.org