

christians
against
poverty

CAP



2017 Annual Report

About this report

This report shows our activities and performance for the period 1 January 2017 to 31 December 2017. 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

Christians Against Poverty (CAP) is a 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.

Christians Against Poverty, Australia

ABN 92 104 471 516

Level 1, 451 Hunter Street, Newcastle, New South Wales 2300 Australia

Messages from the Chief Executive

Thank you and Farewell.

Over the first few months of this year, we recruited for a new Chief Executive Officer to take CAP Australia through its next exciting season and beyond. God truly blessed our endeavours throughout this extensive recruitment process and we are excited that Rosie Kendall accepted and began this position in July.

Rosie has more than 10 years' experience working with CAP both in the United Kingdom and in Australia. I had the privilege of working with Rosie over the past 18 months in her capacity as Chief Operations Officer of CAP Australia and I'm excited for the future of this organisation under her leadership and God-centred vision.

And so I say 'ngā mihi' and 'e noho rā'. Thank You and Farewell.

It's been an absolute privilege to lead CAP Australia over the past 18 months and to witness the many lives and families transformed because of your incredible generosity and support. While I'm happy to be heading back home to New Zealand full time, there is also sadness involved in leaving this amazing country and the incredible Aussies like YOU who have such a heart to make a practical and eternal impact in your communities.

Thank you for your passionate support and your commitment to serving the poor and vulnerable across this nation! I will look on with great interest from across the ditch at the lives that will continue to be changed because of you in the coming years.

God's richest blessing as you continue to bring freedom, hope and the good news of Jesus to families across Australia.



Aimee Mai

Chief Executive Officer, CAP New Zealand

Messages from the Chief Executive

In June, we farewelled Aimee Mai who had been courageously leading both CAP Australia and CAP New Zealand. She spent 18 months travelling between the two countries and has now returned to CAP New Zealand full-time as CEO. During her time here, Aimee brought Christ-centred leadership and a passionate commitment to serving the poor and saving the lost. I am honoured to be succeeding such an incredible woman.

Stepping into the role of CEO has been an exciting continuation of the 10-year journey I've already had with Christians Against Poverty both in the UK and here in Australia. The last four years here at CAP Australia have instilled in me an even greater passion to serve the poor and vulnerable in our communities and to see families transformed both practically and by the good news of the Gospel.

Throughout 2017, I've been inspired again by seeing more churches across Australia equipped to serve the vulnerable and marginalised in their own neighbourhoods, including the opening of 6 new CAP Debt Centres, 2 CAP Job Clubs and 7 CAP Release Groups. I've also witnessed the powerful impact our CAP Money Course continued to have across Australia, with 221 churches running a combined total of 547 courses throughout the year. This enabled 2,926 people to learn vital budgeting skills for themselves and their families. We also trained another 73 churches to deliver this course in the future.

Times of transition always bring excitement and new challenges and this year has been no different. In order to facilitate CAP Australia's next stages of growth, we invested in the recruitment of both a new, permanent CEO, and a Partnership Director to drive fundraising efforts and new partnerships with both individuals and churches. We knew that investment in these areas wouldn't bring immediate increase in baseline income, and the forecast loss for 2017, while not ideal, is as expected. Our focus moving into 2018 continues to be on increasing our partnerships with local churches in order to further grow our CAP services.

There is a lot to be thankful for this year. I am pleased to share with you is that we are helping more people than ever before. In particular, we are helping more people per active service, which means each CAP service open is reaching more people than they have done previously. And the journey is still 100% free 100% of the way.

We celebrated 320 individuals and families who become Debt Free in 2017 — for many this was years of hard work. We also celebrated reaching the milestone of 1,500 individuals making the decision to come to Christ through their involvement with CAP Australia. Praise God for the lives that have been transformed by His love!

With so much to celebrate I would like to thank all our supporters for helping us achieve all that we have. Through your faithful generosity we have been empowered to change lives all across Australia.

Messages from the Chief Executive

What's Next for CAP?

As I look to 2018, I am excited about CAP Australia's future. We have a great team, full of passionate people and exceptional talent. We are beginning to grapple with our longer-term vision and giving God the space to breathe new life into our journey.

We will continue to engage with the church and empower them to serve the poor and see the lost saved. We will continue to strive towards sustainable fundraising structures to ensure we have the finances to do what we are being called to do.

We will continue to ensure that we are giving the very best to the very least in our communities and we are committed to making sure the services we run are excellent in every way.

Looking forward, I can't help but be truly excited about what God is doing through CAP and the local church together, to see people set free from debt, unemployment, addiction and hopelessness right here in Australia.



Rosie Kendall

Chief Executive Officer, CAP Australia

Message from the Board Chair

Going Forward in Strength

What a year it's been for CAP Australia!

Firstly, a huge thank you to Aimee Mai for stepping in to lead CAP Australia during a period of transition, while also leading CAP New Zealand. Her dedication and experience has been an incredible asset to CAP Australia over the past 18 months. Secondly, a warm welcome to Rosie Kendall, who we were successful in recruiting as CAP Australia's new Chief Executive Officer (CEO) in July. Rosie has over 10 years' experience working with CAP in both the UK and Australia and I am excited to see the new frontiers that will be explored at CAP under her leadership in the years to come. Good things are in store!

This year we had six new CAP Debt Centres open! One of the most ground-breaking achievements was seeing five local churches from different denominations working together in NSW's Hunter Valley to open a CAP Debt Centre. This initiative had been in the works for some time and the Centre saw its first clients in December. It's such an incredible thing to see the Church rising up to advocate and serve the poor of their community.

In 2017 we also saw the successful launching of a brand new service — CAP Release Groups. As with all CAP services, it is operated through the local church and provides support and Christian community to people struggling with addictions and dependencies.

CAP continues to draw broken families into the restorative community of the local church. Because our services are delivered face-to-face, we ensure that everyone has the opportunity to escape the poverty of isolation. We have the incredible privilege of working with churches all over the nation in order to bring our services to the people who need them most and to meet them right where they are.

I'm really excited about what is in store for CAP in 2018 and beyond. I know that under the Christ-centred leadership of Rosie Kendall and her team, we will see the mission go forward in strength.



Paul Durham

Chairman of the Board, CAP Australia

Contents

For the Year Ended 31 December 2017

FINANCIAL STATEMENTS

PAGE

Directors' Report	7
Auditor's Independence Declaration	9
Statement of Profit or 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	15
Directors' Declaration	32
Independent Audit Report	33

Director's Report

31 December 2017

The directors present their report on Christians Against Poverty (Australia) Limited for the financial year ended 31 December 2017.

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: 12.5

Qualifications

Experience

Founder and CEO of Christians Against Poverty
International Director of Christians Against Poverty
Advisor for Chantell Bleau Memorial Fund
Director of Midwives Online
Advisor for Kings Network International

Kenneth O'Donnell

Resigned 18 October 2017

Qualifications

Experience

Service Delivery Manager, ING Australia (Feb 2012-Present)
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: 8

Qualifications

Experience

National Sales Manager, Mining, FUCHS Lubricants (Aust) Pty Ltd (1988 - Present)
Bachelor of Commerce
Accountant (Traineeship) 1984-1988, Ernst & Young Chartered Accountants
Board member of Operation Foundation
Member of Senior Management Team FUCHS Lubricants (Aust) Pty Ltd

Paul Derham

Years Service as Director: 5

Qualifications

Experience

Partner at Holley Nethercote Commercial & Financial Services Lawyers
Bachelor of Laws (Honours)
Diploma of Financial Services (Financial Planning)
Setting up of NFP Charitable Entities (for public companies limited by guarantee and incorporated associations)

Catherine Dixon

Appointed 18 October 2017

Qualifications

Experience

Co-Senior Pastor, Keilor City Church (Dec 2013-Present)
Bachelor of Christian Studies
Associate Pastor (Nov 2012-Nov 2013)
Campus Pastor (2009 - 2012)
Business Manager (1997 - 2009)
Accounting & Taxation Advisor (1992 - 1996)
Company Secretarial Administrator (1989-1992)

Information on directors

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 system. Other activities include the running of the CAP Money Course and CAP Job Club services.

During the year a new service called CAP Release Groups was piloted and launched. CAP Release Groups serve people who are struggling with a life controlling habit break free from their addiction.

Short term objectives

The Company's short term objectives are to:

- Provide free debt management
- Provide free group services to relieve poverty caused by unemployment and life controlling habits;
- Build partnerships with churches;
- Restore hope and dignity to people overwhelmed by the burden of unmanageable debt, unemployment or a life controlling habit;
- Education in simple budgeting techniques through our money education program.

Long term objectives

The Company's long term objectives are to:

- Sustainable poverty relief for individuals, families and their future generations;
- Enhancement and further the short term objectives;
- Transforming the budgeting principles of households across Australia;
- To build long term sustainable partnerships with churches that bring effective solutions to relieving poverty.

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.

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 guarantee

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 members 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, 5 meetings of directors were held. Attendances by each director during the year were as follows:

	eligible to attend	attended
John Dawson Kirkby	5	2
Kenneth O'Donnell	4	2
Robert Fryer	5	5
Paul Durham	5	5
Catherine Dixon	1	1

Auditor's independence declaration

The lead auditor's independence declaration in accordance with division 60 of the Australian Charities and Not-for-profits Commission Act 2012 for the year ended 31 December 2017 has been received and can be found on page 5 of the financial report.

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

Director:  _____
Paul Derham

Director:  _____
Robert Fryer

Dated 22 February 2018

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
Revenue	2	2,363,456	2,383,659
Employee benefits expense		(1,651,746)	(1,508,825)
Depreciation and amortisation expense		(25,789)	(37,661)
Other expenses		(755,870)	(813,605)
Finance costs		(223)	(1,545)
Surplus/ (Loss) before income tax		(70,172)	22,023
Income tax expense		-	-
Surplus/ (Loss) for the Year		(70,172)	22,023
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(70,172)	22,023

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	309,900	429,316
Trade and other receivables	4	24,772	22,424
Other assets	5	58,794	34,558
Total current assets		393,466	486,298
Non-current assets			
Property, plant and equipment	6	68,462	87,014
Total Non-current assets		68,462	87,014
TOTAL ASSETS		461,928	573,312
LIABILITIES			
Current liabilities			
Trade and other payables	7	72,565	98,179
Borrowings	8	-	11,304
Employee benefits	10	52,840	51,965
Other liabilities	9	5,900	5,900
Total current liabilities		131,305	167,348
Non-current assets			
Property, plant and equipment	10	28,033	33,202
Total Non-Current Liabilities		28,033	33,202
TOTAL LIABILITIES		159,338	200,550
NET ASSETS		302,590	372,762
EQUITY			
Retained surplus		302,590	372,762
TOTAL EQUITY		302,590	372,762

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2017

	Note	Retained Earnings \$	Total \$
2017			
Balance at 1 January 2017		372,762	372,762
Surplus / (Loss) attributable to members of the entity		(70,172)	(70,172)
Balance at 31 December 2017		302,590	302,590
2016			
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
		-	-

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		2,278,800	2,299,036
Payments to suppliers and employees		(2,390,146)	(2,226,911)
Interest received		8,332	15,444
Finance costs		(223)	(1,545)
Net cash provided by operating activities		(103,237)	86,024
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		8,000	24,594
Purchase of property, plant and equipment		(12,875)	(3,070)
Net cash provided by investing activities		(4,875)	21,524
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		(11,304)	(30,679)
Net cash provided by financing activities		(11,304)	(30,679)
Net increase/ (decrease) in cash and cash equivalents held		(119,416)	76,869
Cash and cash equivalents at beginning of year		429,316	352,447
Cash and cash equivalents at end of financial year	17	309,900	429,316

The accompanying notes form part of these financial statements.

Christians Against Poverty (Australia) Limited

Auditor's Independence Declaration under Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 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 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Neil Watson
Partner
Kilpatrick Lake Mackenzie

Charlestown, NSW

22 February 2018

Notes to the Financial Statements

For the Year Ended 31 December 2017

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. Summary of Significant Accounting 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 requirements of the *Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulations 2013*.

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 straight-line 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.

1. Summary of Significant Accounting Policies

(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.

1. Summary of Significant Accounting Policies

(g) 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.

Fixed asset class	Depreciation rate
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.

(h) 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.

1. Summary of Significant Accounting Policies

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. Donations

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.

ii. Held-to-maturity investments

Held-to-maturity investments are non-derivative 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.

iii. 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.

iv. 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.

1. Summary of Significant Accounting Policies

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.

(i) 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 \$487,763 (2016: \$511,791) on behalf of clients and is not available for use by the company. These funds are not included in the Statement of Financial Position.

(j) 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.

1. Summary of Significant Accounting Policies

(k) 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.

(l) Going concern

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 a positive working capital position of \$262,161 (2016: \$260,604);
- The Company has paid out the last finance lease during the year;
- 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.

(m) 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.

2. Revenue and Other Income

	2017 \$	2016 \$
Finance Income		
Interest received	8,332	15,444
Other revenue		
Donations	2,221,174	2,243,661
CAP Money	105,732	91,570
Other revenue	28,218	32,984
TOTAL REVENUE	2,363,456	2,383,659

3. Cash and cash equivalents

	2017 \$	2016 \$
Cash at bank and in hand	309,900	429,316

4. Trade and other receivables

	2017 \$	2016 \$
Current		
Trade receivables	4,879	-
Deposits	15,583	15,583
GST receivable	4,310	6,841
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	24,772	22,424

5. Other non-financial assets

	2017 \$	2016 \$
Current		
Prepayments	58,794	34,558

6. Property, plant and equipment

	2017 \$	2016 \$
Plant and equipment		
At cost	142,371	142,371
Accumulated depreciation	120,343	115,403
TOTAL PLANT AND EQUIPMENT	24,772	22,424
Motor vehicles		
At cost	19,845	47,107
Accumulated depreciation	10,785	28,856
TOTAL MOTOR VEHICLES	9,060	18,251
Computer equipment		
At cost	135,396	122,521
Accumulated depreciation	105,884	90,764
TOTAL COMPUTER EQUIPMENT	29,512	31,757
Computer software		
At cost	21,022	21,022

continued on next page

6. Property, plant and equipment

	2017 \$	2016 \$
Accumulated depreciation	13,160	10,984
TOTAL COMPUTER SOFTWARE	7,862	10,038
TOTAL PROPERTY, PLANT AND EQUIPMENT	68,462	87,014

(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:

	Plant & equipment \$	Motor Vehicles \$	Computer Software \$	Computer Equipment \$	Total \$
Year ended 31 December 2017					
Balance at the beginning of year	26,968	18,251	31,757	10,038	87,014
Additions	-	-	12,875	-	12,875
Disposals - written down value	-	5,638	-	-	5,638
Depreciation expense	4,940	3,553	15,120	2,176	25,789
BALANCE AT THE END OF THE YEAR	22,028	9,060	29,512	7,862	68,462

7. Trade and other payables

	2017 \$	2016 \$
Current		
Trade payables	40,829	38,892
Accrued expense	-	13,929
Other payables	31,736	45,358
	72,565	98,179

8. Borrowings

	2017 \$	2016 \$
Current		
Secured liabilities: Lease liability	-	11,304
TOTAL CURRENT BORROWINGS	-	11,304

9. Other Liabilities

	2017 \$	2016 \$
Current		
Income in advance	5,900	5,900

10. Employee Benefits

	2017 \$	2016 \$
Current		
Annual leave	32,187	28,961
Long service leave	20,653	23,004
	52,840	51,965
Non-current		
Long service leave	28,033	33,202

11. Leasing Commitments

(a) Operating leases

	2017 \$	2016 \$
Minimum lease payments under non-cancellable operating leases:		
Not later than one year	1,768	5,304
Between one year and five years	-	1,768
	1,768	7,072

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

12. 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:

	2017 \$	2016 \$
Financial Assets		
Cash and cash equivalents	309,900	429,316
TOTAL FINANCIAL ASSETS	309,900	429,316
Financial Liabilities		
Financial liabilities at amortised cost: Trade and other payables	72,565	90,217
Financial liabilities at amortised cost: Borrowings	–	11,304
TOTAL FINANCIAL LIABILITIES	72,565	101,521

12. Financial Risk Management

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.

13. 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.

14. Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$373,480 (2016: \$335,494).

Key Management Person	Position
John Kirkby	Director
Rosemary Kendall	Chief Executive Officer
Janelle Hines	Corporate Services Director
Scott Slingo	Partnership Director
Phillip Pickering	Network Director

15. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2017 (31 December 2016: None).

16. 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.

17. Cash Flow Information

(a) Reconciliation of cash

	2017 \$	2016 \$
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	309,900	429,316
Reconciliation of net income to net cash provided by operating activities:		
Profit / (Loss) for the year	70,172	22,024
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Depreciation	25,789	37,661
Net gain on disposal of property, plant and equipment	2,362	6,565
Changes in assets and liabilities:		
(increase)/decrease in trade and other receivables	2,348	2,083
(increase)/decrease in other assets	24,236	11,498
(increase)/decrease in inventories	-	7,971
(increase)/(decrease) in income in advance	-	5,900

continued on next page

	2017 \$	2016 \$
(increase)/(decrease) in trade and other payables	25,614	34,297
(increase)/(decrease) in provisions	4,294	1,683
CASHFLOWS FROM OPERATIONS	103,237	86,024

18. Events Occurring After the Reporting Date

The financial report was authorised for issue on 22 February 2018 by the Board of Directors.

The current three year lease for the premises expires 19 May 2018. The Board agreed on 22 February 2018 to move to another premises.

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.

Director's Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, the Australian Charities and Not-for-profits Commission Regulations 2013 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 2017 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.

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

Director: 

Paul Derham

Director: 

Robert Fryer

Dated 22 February 2018

Christians Against Poverty (Australia) Limited

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Christians Against Poverty (Australia) Limited (the Company), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements..

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 auditor independence requirements in Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 required by the *Australian Charities and Not-for-profits Commission Act 2012*, 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.

Christians Against Poverty (Australia) Limited

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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



Neil Watson
Partner
Kilpatrick Lake Mackenzie

Charlestown, NSW

22 February 2018

The Vision

CAP Australia's vision is to bring good news, hope and freedom into every Australian community.

To realise this, our mission is to release people from a life sentence of debt, poverty and it's causes.

CAP's Founder, John Kirkby, is CAP Australia's guiding inspiration. In 1996, and originating in the UK, he took a small donation and big faith to sacrifice his career in finance and use his industry knowledge to help the poor. He applied his expertise to negotiate with creditors, set up budgeting systems and offered a lifeline to those trapped in debt. Fast forward just two years and with a committed church partner, passionate debt counsellor and faith in God, four new CAP centres were opened at the end of 1998 in the UK.

In 2000, CAP Australia began its own unique journey. Today, we remain the only free debt management charity unconditionally helping vulnerable Australians crippled by debt. We continue to help people like Josh and his family, whose story inspires us to keep working hard to make CAP's services available throughout Australia.



Left to right - **Scott Slingo** (Partnership Director), **Aimee Mai** (CAP New Zealand CEO), **Rosie Kendall** (CAP Australia CEO), **Phillip Pickering** (Network Director), **Janelle Hines** (Finances Director), **John Kirkby** (CAP Founder & Director)

Josh's Story

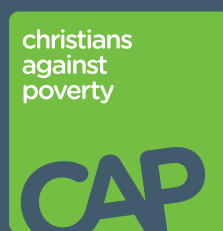
I was working as a carpenter when my position was made redundant along with at least 100 others. Around the same time, my wife and I found out we were pregnant. Suddenly we went from two well-paying jobs down to no income. I started working for myself but when people didn't pay on time, or at all, we had to use the credit cards to keep going week to week. We started down that slippery slope of debt and it became harder and harder to get back on top.

My wife would go to get groceries and the card would decline. Then she'd have to decide what was most important in her shopping basket: nappies or food?

“ I finally turned to CAP for help and straight away they made me feel like there was hope. Within a few weeks we started to notice that things were changing.

It was such a surreal moment when we finally became debt free. It was just before Christmas and that year we were able to buy our kids a trampoline and even put money in savings. Without CAP, my family wouldn't have the life we have today.





Christians Against Poverty 2017 Annual Report

All rights reserved.

PO Box 298 Hunter Region MC NSW 2310

ABN: 92 104 471 516 ACL: 426594

t: 1300 303 929

e: admin@capaust.org

capaust.org