



ANNUAL REPORT

for the financial year
ended 30 June, 2014



Australian Childhood Foundation

childhood.org.au

ACN: 057 044 514



TABLE OF CONTENTS

| | |
|---|----|
| WE STARTED A MOVEMENT FOR CHILDREN THIS YEAR... | 4 |
| THE AUSTRALIAN CHILDHOOD FOUNDATION | 7 |
| MAPPING OUR SERVICES | 10 |
| BOARD, PATRONS AND AMBASSADORS | 11 |
| MANAGEMENT TEAM | 13 |
| OUR HEARTFELT THANKS | |
| Our Supporters | 15 |
| Government & Community Supporters | 15 |
| Trusts and Foundations | 15 |
| BECOME INVOLVED AND SUPPORT OUR WORK | 17 |
| FINANCIALS | |
| Directors' Report | 18 |
| Auditor's independence declaration | 21 |
| Directors' Declaration | 23 |
| Statement of profit and loss and other comprehensive income | 24 |
| Statement of financial position | 25 |
| Statement of changes in equity | 26 |
| Statement of cashflows | 27 |
| Notes to the financial statements | 28 |
| Independent Audit Report | 42 |



LAST YEAR, THERE WERE
272,980 REPORTS
OF CHILD ABUSE AND
NEGLECT RECEIVED
ACROSS AUSTRALIA



WE STARTED A MOVEMENT FOR CHILDREN THIS YEAR...

In the past twelve months, the abuse of children has been highly visible to the Australian community.

The Royal Commission into Institutional Child Sexual Abuse has served to shine a light into the darkness of child abuse perpetrated by staff and volunteers in organisations that were supposed to care and look after children. The murder of Luke Batty has highlighted the risks to children who are forced to live with family violence.

LAST YEAR, THE NUMBER OF CHILDREN WHO REQUIRED COURT ORDERS IN ORDER TO BE PROTECTED REACHED A STAGGERING 51,997 – MORE THAN EVER BEFORE.

Child abuse is Australia's most critical social problem. Yet, it remains a topic that the public finds difficult to believe and understand. The Foundation's research has consistently shown that child abuse rates lower than problems with roads and footpaths on a list of community concerns. In essence, the community prefers to believe that it occurs in someone else's family and neighbourhood.

For all of these reasons, the Foundation launched a new strategy to stop child abuse before it starts this year.

THE #NOTANOTHERCHILD CAMPAIGN AIMS TO ENCOURAGE AND EMPOWER AUSTRALIANS TO BECOME PART OF A MOVEMENT AIMED AT PREVENTING MORE CHILDREN SUFFERING THE TRAUMA AND PAIN OF ABUSE.



Tonight 40,000 children cannot sleep in their own beds because they are not safe.

For over 25 years The Australian Childhood Foundation has been working to save children from the trauma of child abuse, neglect and family violence.

Join our movement and together we can ensure that #NotAnotherChild has to suffer.

Australian Childhood Foundation

MAKE A DIFFERENCE AT CHILDHOOD.ORG.AU



HELP US SAVE CHILDREN FROM THE TRAUMA OF ABUSE, NEGLECT AND FAMILY VIOLENCE.

JOIN OUR MOVEMENT AND **DONATE NOW** TO PRIORITISE THEIR SAFETY AND RECOVERY



Australian Childhood Foundation

childhood.org.au



THE #NOTANOTHERCHILD CAMPAIGN WAS LAUNCHED BY AUSTRALIAN CHILDHOOD FOUNDATION PATRON AND ACTOR CHRIS HEMSWORTH. CHRIS FEATURED IN A NEW COMMUNITY SERVICE ANNOUNCEMENT WHICH TELLS THE STORY OF CHILD ABUSE FROM THE PERSPECTIVE OF THOSE MOST AFFECTED – CHILDREN.

The initiative harnesses the power of social media to build community commitment to take action to protect children from abuse and exploitation. Chris Hemsworth is at the centre of the campaign and has been instrumental in launching it by sharing images of positive moments from his own childhood as a symbol of what traumatised children need now – experiences of love, care and security so they can thrive.

In a simple message to the community, Chris has encouraged all Australians to share with their friends and families an image of a positive moment from their own childhood and accompany these photos with the campaign's hash tag #notanotherchild – across Facebook, Twitter and Instagram.

The Foundation's research has also found that 90% of Australians identify that the community needs to be better informed about the issue of child abuse. For this reason, individuals are also encouraged to sign up as a Childhood Campaigner and be prepared to spread the word about the problem of child abuse.

In time, the Australian Childhood Foundation will provide information, resources and activities to support them to raise awareness about the problem of child abuse and help their networks to take action to create a safer community for all children.

In the first week, with the support of Chris and Liam Hemsworth, the campaign reached 9.9 million people globally with 2.2 million in Australia. This is a phenomenal result that will form the basis for generating ongoing commitment to learning more and doing more to protect children from abuse and exploitation.

Star struck! Chris Hemsworth meets Tony Abbott and Julie Bishop at parliament to talk about the Australian Childhood Foundation

- The Australian actor spoke to Foreign Minister Julie Bishop about the Australian Childhood Foundation's latest work
- Hemsworth is an ambassador for the national charity alongside his brother Liam
- He was invited to parliament by Ms Bishop after meeting her at the AFL grand final

By LILLIAN RADULOVA FOR DAILY MAIL AUSTRALIA

Parliament House was left a little star struck on Wednesday when Chris Hemsworth showed up for a last minute visit.

The Australian actor met with Foreign Minister Julie Bishop to discuss the Australian Childhood Foundation's latest work and appeared to have also had a run in with Prime Minister Tony Abbott.

Hemsworth, an ambassador for the ACF alongside his brother Liam, has been promoting the national charity's latest campaign, the *Not Another Child* program during his visit.

Scroll down for video



Australian actor Chris Hemsworth met Prime Minister Tony Abbott at Parliament House on Wednesday

The CEO of the charity, Joe Tucci, told *News.com.au* that the star was invited to parliament by Ms Bishop herself, who he ran into at the AFL Grand Final in Melbourne. The father-of-three appeared on Channel Seven's *Sunrise* on Friday where he spoke

'Unfortunately there's more reports of abuse in Australia than ever before, there's 750 per day last year, which was roughly one every two minutes,' Hemsworth said.

'So we want to put a spotlight on the issue, and make child protection the number one focus for all Australians and the welfare of children our main priority.'



The 31-year-old was invited to parliament by Foreign Minister Julie Bishop who he ran into at the AFL grand final in Melbourne

'We're asking people - through Facebook, Instagram, Twitter - to share their most memorable childhood experience or photograph with the hashtag #notanotherchild, so we can celebrate what childhood should be about and how lucky we are...but also to think about the kids that, because of the abuse, can't experience that sense of love and joy and belonging.'

The 31-year-old also opened up about how his role in the charity leads him to reflect on his own children in a recent interview on Channel Seven's *The Morning Show*.

“ THIS IS THE FIRST CAMPAIGN OF ITS KIND IN AUSTRALIA THAT USES THE POWER OF CHILDREN’S VOICES TO COMMUNICATE THE URGENCY FOR ALL OF US TO TAKE ACTION TO CREATE A COMMUNITY THAT CARES FOR AND STANDS UP FOR THE SAFETY OF ALL CHILDREN.

SOCIAL MEDIA IS THE IDEAL CHANNEL TO ENCOURAGE AUSTRALIANS TO BECOME A CHILDHOOD CAMPAIGNER AND TAKE AN ACTIVE PART IN PROTECTING CHILDREN.

CHILDREN WHO HAVE EXPERIENCED THE TRAUMA OF ABUSE AND VIOLENCE ARE ALL OF OUR CHILDREN TO LOOK AFTER. THEY CANNOT BE SAFE AND FEEL SAFE WITHOUT A COMMUNITY PREPARED TO ACT, PREPARED TO UNDERSTAND AND PREPARED TO ACKNOWLEDGE THE TRUE EXTENT OF THE PROBLEM IN AUSTRALIA. OUR CHILDREN NEED US NOW MORE THAN EVER. ”

Joe Tucci, CEO
Australian Childhood Foundation.

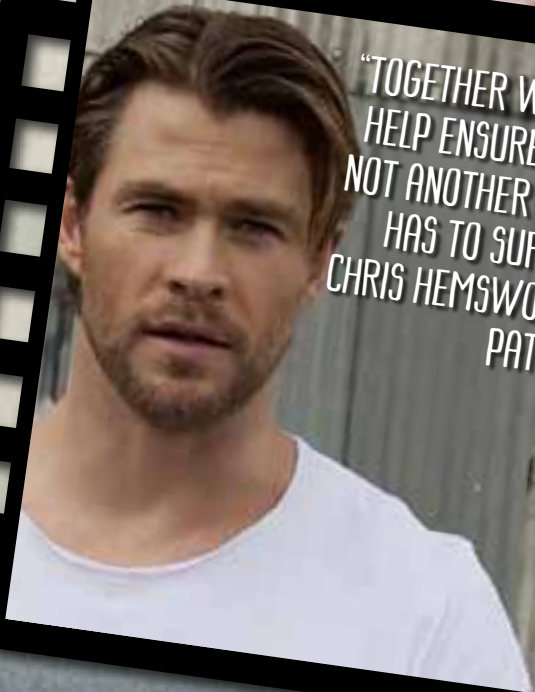


“THEY WISHED I'D NEVER BEEN BORN”
BEN, 11

“IT WAS SOMEONE I TRUSTED.”
CHARLOTTE, 6

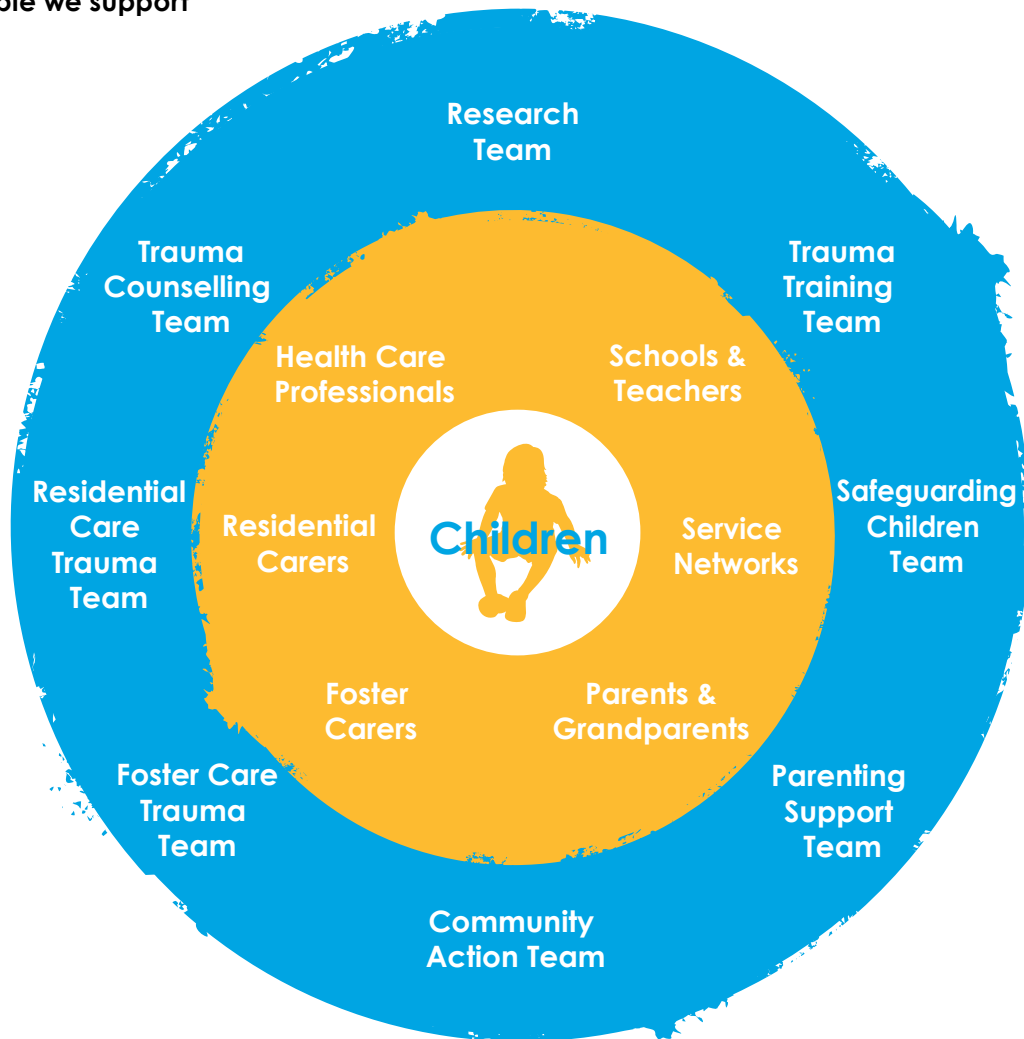


“TOGETHER WE CAN HELP ENSURE THAT NOT ANOTHER CHILD HAS TO SUFFER.”
CHRIS HEMSWORTH, PATRON



THE AUSTRALIAN CHILDHOOD FOUNDATION

- Australian Childhood Foundation teams
- The people we support



The **Australian Childhood Foundation** is an independent children's charity working in a number of ways to prevent child abuse and reduce the harm it causes to children, families and the community.

SPECIALIST TRAUMA COUNSELLING

Children and young people affected by abuse and violence require specialist counselling and support to assist them to heal from the traumatic consequences of these experiences. The Foundation's Child Trauma Services utilise the application of therapeutic techniques based on a comprehensive understanding

of interpersonal neurobiology, child development, and attachment. This includes strategies which stabilise children's stress response system, reconfigures their base line arousal levels, integrates their memory functioning and builds connections with the important network of adults in their life. Specific programs include sensorimotor therapy, sculpting groups, problem sexual behaviour intervention, creative arts groups, music and rhythm activities. The services utilise individually tailored care teams to build a consistent framework of responses to children across settings, including school, extended family and sporting and recreational groups.

THERAPEUTIC CARE PROGRAMS

The Foundation's therapeutic care programs are an intensive form of foster care, family group home and residential care in partnership with other non-government agencies that provide out of home care for children and young people removed from home as a result of abuse or neglect. The Foundation provides carers with specialist training about the neurobiology of trauma and attachment, Carers are then supported to enable them to develop resourcing relationships and environments for the children and young people in their care. Our therapeutic care programs are based on creating a home life for children that promotes predictability, routine, consistency and acceptance. Through applying therapeutic parenting approaches, carers focus on the critical aspects of the carer-child relationship, offering love, nurturance, security and belonging. This results in placements which are more stable and are able to remediate the negative consequences of early abuse and neglect on the emotional regulatory systems of children. The placements are also supported with specific care teams of professionals that ensure co-ordination of all activities involving the child, young person and their family as required.

ADVOCACY FOR CHILDREN

We speak out for effective protective and support services for children and young people. All our programs affirm the importance of children. The Foundation has made submissions to a number of inquiries around Australia including the Victorian Commission of Inquiry into Child Sexual Abuse in Institutions.

PROFESSIONAL EDUCATION AND TRAINING

The Foundation has an integrated suite of professional education activities that aim to strengthen the capacity of individuals and organisations to better respond to the needs of traumatised children and young people in a range of settings. These include: Large Scale Workforce Development Initiatives, Vocational Training Programs through its capacity as a Registered Training Organisation, Professional Development Calendar. In 2012-2013, the Foundation provided training to more than 8000 professional.

SAFEGUARDING CHILDREN PROGRAM

Safeguarding Children Program is unique in Australia and provides effective standards, training and an accreditation program that help organisations to strengthen their capacity to protect children and young people in their care. Specifically, it assists organisations to adopt a best-practice approach to protecting children, provide parents with greater confidence that the organisation values and safeguards children, promote a child-safe and child-friendly culture and increase understanding of the risks to children and young people when in the care of or participating in an activity run by organisations.

INSPIRING AND SUPPORTING PARENTS

We provide ongoing parenting education seminars and easily accessible resources to strengthen the ability of parents to raise happy and confident children. The 'Bringing Up Great Kids' Program is a group parenting program developed by the Australian Childhood Foundation for a wide range of parents including those who might be considered vulnerable or 'at risk'. This program uses mindful reflection to support parents to review and enhance their patterns of communication with their children, promote more respectful interactions and encourage the development of children's positive self-identity.

The program aims to identify and address the sources of unhelpful and hurtful attitudes held by parents. Parents are encouraged to explore and reflect upon messages they received from their own experience of being parented. It connects them to the evolution of their own parenting style and assists them to examine the messages they pass to their children through their behaviour, interactions and emotional responses. The Bringing Up Great Kids is now being used by over 1000 parenting and family support professionals across Australia extending its reach to more than 50 000 parents last year.

RESEARCH

In partnership with Monash University, we have established Child Abuse Prevention Research Australia to research the problem of child abuse and identify constructive solutions. A number of research reports have been written and are due to be published in 2014.

IN 2012-2013, **51,997 CHILDREN**
REQUIRED COURT ACTION IN ORDER
TO ENSURE THEIR PROTECTION FROM
ABUSE AND NEGLECT.

THIS NUMBER OF CHILDREN ON CHILD
PROTECTION ORDER HAS MORE THAN
DOUBLED SINCE 2004-2005 WHEN
THERE WERE **24,075.**



MAPPING OUR SERVICES



WHERE WE WORK

- TRAUMA COUNSELLING TEAM
- RESIDENTIAL AND FOSTER CARE TRAUMA TEAM
- TRAUMA TRAINING TEAM
- SAFEGUARDING CHILDREN TEAM
- PARENTING SUPPORT TEAM
- TRAUMA RESEARCH CENTRE



BOARD, PATRONS AND AMBASSADORS

PRESIDENT

Simon McCall Social Research

HONOURARY TREASURER

Simon Marsh Accounting

DIRECTORS

Mr Jamie Perrott Communications

Mr Mark Thomas Communications

Ms Julie Reilly Not for profit

Mr Andrew Newbold Solicitor

Mr John Gutteridge Advertising

Mr Justin Smith Media

Mr Nick Pelham Infrastructure

Nr David Stephenson Creative Services

Dr Ciara Earley Paediatrician

PATRONS

Mr Chris Hemsworth

Mr Eric Bana and Ms Rebecca Bana

Dr Robert Birrell AO, OAM (Retired Paediatrician)

LIFE GOVERNORS

Mr Charles Maynard Advertising

Ms Susan Halliday Business

Mr David Rosback, AM Retail and Former
Rotary District Governor

Mr Laurie Wilson Commerce

Dr Anne Small Medicine

AMBASSADORS

Liam Hemsworth Actor

Nadine Garner Actor

Stefan Dennis Actor

Casey Burgess Entertainer

David Boon Former Australian Cricketer

Robyn Moore Actor

**Kim Geale and
Dave Noonan** Radio Presenters

Lindsay Field Singer and Musician

Jodhi Meares Fashion Designer

Melanie Milburne Author

KEY SUPPORTERS

Judi Lay

Marilyn Kraner

Adam Tomison

Chris Goddard

Nigel Gaunt

Tony Forrest

Katie Finney

Kelly Black

SAFEGUARDING CHILDREN ACCREDITATION PANEL

Susan Halliday Former Chair of the Victorian
Institute of Teachers

Anton Herman Minter Ellison

**Superintendent
Andrew Allen** Victoria Police

THERE WERE MORE THAN
750 NEW REPORTS
OF CHILD ABUSE PER DAY.

THAT EQUATES TO
ONE REPORT OF ABUSE
OR NEGLECT EVERY
TWO MINUTES.



MANAGEMENT TEAM

MANAGEMENT TEAM

| | |
|------------------------|---|
| Dr Joe Tucci | CEO |
| Janise Mitchell | Deputy CEO |
| Noel Macnamara | National Manager, Therapeutic Care Programs |
| Lisa Ranahan | Manager, Therapeutic Care Programs |
| Angela Weller | Manager, Child Trauma Service Victoria |
| Caroline Brown | Manager, Child Trauma Service Tasmania |
| Beth Guy | Manager, Professional Education & Training Program |
| Marina Dickson | Manager, Vocational Training Programs |
| Deb Holmes | Manager, Safeguarding Children Program |
| Craig MacMillan | National Manager, Partnerships, Fundraising and Marketing Program |
| Cate Airey | Manager, Administration Program |



OUR HEARTFELT THANKS

The Australian Childhood Foundation sincerely thanks the following individuals and organisations for their support of our work throughout 2013-2014. We cannot thank them enough for their commitment to the safety and protection of children in Australia.

OUR SUPPORTERS

MAJOR PARTNERS:



GOVERNMENT AND COMMUNITY SUPPORTERS:

Australian Government Department of Social Services

Department of Disability, Housing and Community Services, ACT

Department of Education and Children's Services, South Australia

Department of Health and Human Services, Tasmania

Department of Education, Tasmania

Department of Human Services, Victoria

TRUSTS AND FOUNDATIONS

Jack & Robert Smorgon Foundation

Foundation of Graduates in Early Childhood Studies



LAST YEAR, THERE WERE MORE CHILDREN
THAN EVER BEFORE LIVING AWAY FROM HOME
BECAUSE IT IS **TOO DANGEROUS** FOR THEM
TO RETURN HOME.

BECOME INVOLVED AND SUPPORT OUR WORK



The Australian Childhood Foundation relies on the support of the community to enable it to continue counselling children to help them heal from the devastating impact of abuse and neglect.

You can help transform the lives of children who have been severely traumatised by abuse, and assist the Foundation in running prevention programs that help stop abuse before it happens, by making a donation at www.childhood.org.au or by calling **1800 176 453**.

In addition, the Foundation is seeking to establish strategic partnerships with a limited number of corporate partners to contribute in meaningful ways to support the recovery of children traumatised by abuse, neglect and family violence.

Partnership with the Australian Childhood Foundation is aimed at helping to motivate and inspire staff; build brand awareness and engage the community.

If you can help or would like more information, our contact details are:

AUSTRALIAN CHILDHOOD FOUNDATION
PO BOX 525
RINGWOOD VIC 3134
PHONE: (03) 9874 3922
EMAIL: [INFO@CHILDHOOD.ORG.AU](mailto:info@childhood.org.au)

All donations over \$2 are tax deductible



THE NUMBER OF CHILDREN IN CARE
HAS ALMOST TRIPLED **FROM 13,979**
IN 1996 **TO 40,591** IN 2013.



DIRECTORS' REPORT 30 JUNE 2014

The Board of Directors of the Australian Childhood Foundation (ACF) present this report on the company for the financial year ended 30 June 2014.

DIRECTORS

BACKGROUND INFORMATION ON DIRECTORS

| | |
|---------------------------|--|
| Jamie Perrott | Corporate Affairs Consultant |
| Simon McCall | Social Researcher |
| Mark Thomas | Corporate Affairs Consultant |
| Julie Reilly | Public Relations |
| Andrew Newbold | Solicitor |
| John Gutteridge | Advertising Executive |
| Simon Marsh | Accountant |
| Justin Smith | Media |
| Nick Pelham | Infrastructure Manager |
| David J Stephenson | Digital Creative Director (appointed on 2/10/2013) |
| Ciara Earley | General Paediatric Consultant (appointed on 24/04/2014) |

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Jamie Perrott

Jamie was the Chairman of the Australian Childhood Foundation until July 2013. He joined the Board in 1993. He has extensive experience in corporate affairs and government relations. He has also served on the Foundation's networking and marketing committee.

Simon McCall

Simon is currently the Chairman of the ACF. He joined as a Director in 2001. His area of expertise is social research. He has worked in executive management roles and brings a business development focus to his role on the Board.

Mark Thomas

Mark joined the Board in 2005. He has been a political adviser to a range of government Ministers. He has senior community and corporate communications experience.

Julie Reilly

Julie joined as a Director in 2006. She has worked in various public relations, media and not-for-profit organisations. She has served on the ACF's networking and marketing committee.

Andrew Newbold

Andrew is a solicitor with significant corporate experience. He is the President of the Hawthorn Football Club and brings strategic and legal expertise to the Board. He joined as a Director in 2009.

John Gutteridge

John is a senior advertising executive with extensive international experience. He joined as a Director in 2011 and has also served on the ACF's networking and marketing committee.

Simon Marsh

Simon is the Treasurer and Company Secretary of the Foundation. He is a Chartered Accountant and was a partner in the accounting firm BDO. He chairs the Finance and Governance subcommittee of the Board. He joined as a Director in 2011.

Justin Smith

Justin is a senior producer and broadcaster with Fairfax Media. He brings significant media and communications experience to the Board. He joined as a Director in 2011.

Nick Pelham

Nick joined as a Director in 2011. He has worked in infrastructure management for government and corporate sectors. He is a member of the Finance and Governance subcommittee of the Board.

DIRECTORS' REPORT 30 JUNE 2014

David J Stephenson

David joined as a Director in 2013. David has been Managing Director of Aegis Media, ANZ's Digital Creative division since January 2011. He has spent 25 years working in the Advertising and Digital world, with stints at some of Australia's most respected and biggest advertising agencies including Clemenger BBDO, Grey and Singleton.

Ciara Earley

Ciara joined as a Director in 2014. She is a qualified Paediatrician and works as a consultant at Monash Medical Centre. Ciara holds Masters in Forensic Medicine from Monash University and The Victorian Institute of Forensic Medicine.

MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors held during the year ended 30 June 2014, and the number of meetings attended by each director were:

| Full Board | Attended | Held |
|--------------------|----------|------|
| Jamie Perrott | 1 | 8 |
| Simon McCall | 8 | 8 |
| Mark Thomas | 0 | 8 |
| Julie Reilly | 7 | 8 |
| Andrew Newbold | 3 | 8 |
| John Gutteridge | 0 | 8 |
| Simon Marsh | 7 | 8 |
| Justin Smith | 4 | 8 |
| Nick Pelham | 6 | 8 |
| David J Stephenson | 6 | 8 |
| Ciara Earley | 1 | 8 |

PRINCIPAL ACTIVITIES

The principal activity of the company during the financial year was to provide services which effectively reduced the incidence of child abuse and the harm it causes children, families and the community. It provided direct services to children who have suffered or were at risk of abuse and neglect and their families in the form of counseling, practical assistance, emotional support or material aid. It also conducted research, prevention and education programs aimed to raise public awareness about the problem of child abuse and family violence.

OBJECTIVES AND STRATEGY

The Australian Childhood Foundation's objectives are to:

- prevent child abuse in Australia;
- support children to recover from the trauma arising from experiences of abuse and neglect; and,
- build the confidence and capacity of parents.

The Foundation's strategy for achieving these objectives includes:

- establishment of specialist therapeutic programs throughout Australia;
- provision of parenting education activities;
- undertaking research into child abuse and child protection;
- delivery of training to health, welfare, education and legal professionals;
- implementation of programs that build the capacity of organisations to protect children from harm and exploitation by volunteers and employees.

DIRECTORS' REPORT 30 JUNE 2014

PERFORMANCE MEASURE

The Foundation measures its performance through the number of children and families supported by its specialist programs, the amount of income funds raised and the number of projects delivered to the community.

OPERATING RESULTS

The net surplus of the company amounted to \$633. No provision for income tax is necessary, as the Company is endorsed as an income tax exempt charitable entity under Division 50 of the Income Tax Assessment Act 1997.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the state of affairs of the company occurred during the financial year.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

INDEMNIFYING OFFICERS OR AUDITOR

During or since the end of the financial year, the company has entered an agreement to indemnify each of the directors of the company named earlier in this report and has paid the insurance premiums as follows:

| | |
|--|-----------------------|
| Directors and Officers Liability and Professional Indemnity Insurance | \$3,300 (2014) |
|--|-----------------------|

Under the agreement, the company has agreed to indemnify each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

CONTRIBUTIONS ON WINDING UP

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$100 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$1,900, based on 19 current ordinary members (2013: 20 members).

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervened in any proceedings to which the company is a party for the purposes of taking responsibility on behalf of the company for all or any part of those proceedings.

ASIC CLASS ORDER 98/100

The company is an entity to which ASIC Class Order 98/100 applies. Under the option available to the company under that class order, all values are rounded to the nearest dollar unless otherwise stated.

AUDITOR'S INDEPENDENCE DECLARATION

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

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

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



Simon McCall
President

Dated this 30th day of Sept 2014



Australian Childhood Foundation

ACN: 057 044 514

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Board of Directors of Australian Childhood Foundation

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

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

Hayes Knight Audit

Hayes Knight Audit Pty Ltd
Melbourne

Geoff S. Parker
Director


Dated this 30 day of SEPTEMBER 2014

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 14 to 37, are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards- Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity 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.



Simon McCall
President

Dated this 30th day of Sept, 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2014

| | 2014 \$ | 2013 \$ |
|---|---------------------|---------------------|
| CONTINUING OPERATIONS | | |
| REVENUE | | |
| Fundraising and Donations | 2,617,927 | 2,355,010 |
| Grants | 6,011,874 | 5,616,841 |
| Service fees | 359,588 | 422,494 |
| Education Programs | 1,849,486 | 2,019,761 |
| Membership | 350 | 220 |
| Interest | 12,644 | 5,762 |
| | 10,851,869 | 10,420,089 |
| EXPENSES | | |
| Fundraising Expenses | (867,962) | (709,061) |
| Grants Program Allocations | (461,848) | (383,357) |
| Education Program Expenses | (954,305) | (1,174,832) |
| Depreciation | (204,209) | (281,989) |
| Occupancy | (320,811) | (330,762) |
| Finance costs | (27,877) | (46,119) |
| Employee Benefits | (6,435,100) | (6,034,240) |
| Administration and service expenses | (1,558,520) | (1,338,929) |
| Foreign exchange loss | (20,604) | (6,257) |
| | (10,851,236) | (10,305,546) |
| SURPLUS/ (DEFICIT) FOR THE YEAR | 633 | 114,543 |
| OTHER COMPREHENSIVE INCOME | | |
| Items that will not be reclassified subsequently to profit or loss: | | |
| Gain on revaluation of properties | 0 | 118,941 |
| TOTAL COMPREHENSIVE SURPLUS / (DEFICIT) FOR THE YEAR | 633 | 233,484 |

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2014

| | Note | 2014 \$ | 2013 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 478,028 | 913,152 |
| Trade and other receivables | 4 | 463,466 | 655,069 |
| Other assets | 5 | 88,407 | 114,815 |
| TOTAL CURRENT ASSETS | | 1,029,901 | 1,683,036 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 1,496,559 | 1,913,488 |
| Intangible Assets | 7 | 126,173 | 57,800 |
| TOTAL NON-CURRENT ASSETS | | 1,622,732 | 1,971,288 |
| TOTAL ASSETS | | 2,652,633 | 3,654,324 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8 | 904,072 | 1,662,180 |
| Borrowings | 9 | 19,112 | 154,681 |
| Short-term Provisions | 10 | 564,483 | 641,379 |
| TOTAL CURRENT LIABILITIES | | 1,487,667 | 2,458,240 |
| NON CURRENT LIABILITIES | | | |
| Borrowings | 9 | 157,059 | 255,223 |
| Long-term provisions | 10 | 196,140 | 129,727 |
| TOTAL NON-CURRENT LIABILITIES | | 353,199 | 384,950 |
| TOTAL LIABILITIES | | 1,840,866 | 2,843,190 |
| NET ASSETS | | 811,767 | 811,134 |
| EQUITY | | | |
| Reserves | 17 | 900,423 | 900,423 |
| Retained surpluses/(deficit) | | (88,656) | (89,289) |
| TOTAL EQUITY | | 811,767 | 811,134 |

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2014

| | Retained Earnings \$ | Asset Revaluation Reserve \$ | Building Appeal Reserve \$ | Total \$ |
|--|-------------------------|------------------------------------|----------------------------------|----------|
| BALANCE AT 1 JULY 2012 | (203,832) | 481,221 | 300,261 | 577,650 |
| Surplus / (deficit) for the year | 114,543 | - | - | 114,543 |
| Other comprehensive surplus/ (deficit) for the year | - | 118,941 | - | 118,941 |
| BALANCE AT 30 JUNE 2013 | (89,289) | 600,162 | 300,261 | 811,134 |
| Surplus/ (deficit) for the year | 633 | - | - | 633 |
| Other comprehensive surplus/ (deficit) for the year | - | - | - | - |
| Total comprehensive surplus for the year | 633 | - | - | 633 |
| BALANCE AT 30 JUNE 2014 | (88,656) | 600,162 | 300,261 | 811,767 |

STATEMENT OF CASHFLOWS

for the year ended 30 June 2014

| | Note | 2014 \$ | 2013 \$ |
|---|-------|--------------|--------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts from fund raising activities & customers | | 2,618,312 | 2,355,253 |
| Receipts from grants | | 6,804,665 | 6,004,824 |
| Receipts from service fees | | 395,547 | 464,743 |
| Receipts from education programs | | 1,320,974 | 2,993,883 |
| Payments for direct cost of fund raising, suppliers and employees | | (11,431,253) | (10,590,582) |
| Interest received | | 12,644 | 5,762 |
| Borrowing cost paid | | (27,877) | (46,119) |
| Net cash provided by operating activities | 12(b) | (306,988) | 1,187,764 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Payment for property, plant and equipment | | (104,957) | (169,699) |
| Payment for intangible assets | | (68,373) | - |
| Proceeds on disposal of PPE | | 280,204 | - |
| Payment for short term deposits | | (1,277) | (142) |
| Net cash used in investing activities | | 105,597 | (169,841) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | | - | - |
| Repayment of borrowings | | (233,733) | (130,173) |
| Net cash used in financing activities | | (233,733) | (130,173) |
| Net (decrease) /increase in cash held | | (435,124) | 887,750 |
| Cash at beginning of year | | 913,152 | 25,402 |
| Cash at end of year | 12(a) | 478,028 | 913,152 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

CORPORATE INFORMATION

The financial statements are for Australian Childhood Foundation as an individual entity, incorporated and domiciled in Australia. Australian Childhood Foundation is a company limited by guarantee.

The financial statements of Australian Childhood Foundation for the year ended 30 June 2014 were authorised for issue in accordance with a resolution of the directors on 16 September 2014.

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) issued by the Australian Accounting Standards Board and the Corporations Act 2001. For the purposes of preparing the financial statements the Australian Childhood Foundation is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless 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.

The financial statements are presented in Australian dollars, which is the company's functional currency. The company is an entity to which ASIC Class Order 98/100 applies. Under the option available to the company under that Class Order, all values are rounded to the nearest dollar unless otherwise stated.

ACCOUNTING STANDARDS

The directors have elected to apply AASB 1053 'Application of Tiers of Australian Accounting Standards', AASB 2010-2 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' and AASB 2011-2 'Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements' under s.334 (5) of the Corporations Act 2001. These standards were not required to be applied until annual reporting periods beginning on or after 1 July 2013 but the directors have elected to adopt these standards in advance of their effective dates in the last financial year. The impact of the adoption of these standards is disclosed in note 2 to the financial statements.

ACCOUNTING POLICIES

a. Revenue

Revenue is recognised when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Fundraising and donations

Donations and bequests are recognised as revenue when received.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Education programs

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

b. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

PROPERTY

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation of buildings. This is reviewed every three years.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair values are confirmed by independent valuations which are obtained with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the balance sheet date.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of comprehensive income except where a credit balance exists in the revaluation reserve, in which case it is debited to that reserve.

As the revalued buildings are depreciated the difference between depreciation recognised in the statement of profit and loss and other comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

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

PLANT AND EQUIPMENT

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

DEPRECIATION

The depreciable amount of all fixed assets in excess of \$1,000 including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the unexpired period of the lease.

The depreciation rates for each class of depreciable assets are:

| Class of Fixed Asset | |
|------------------------------|----------|
| Leasehold Improvements | 33% |
| Buildings | 2 - 4% |
| Office Furniture & Equipment | 10 - 25% |
| Computer Equipment | 33% |
| Computer Software | 20% |

The residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to the statement of profit and loss and other comprehensive income.

c. Leases

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

Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Lease assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

d. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit and 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

(i) **Financial assets at fair value through profit or loss**

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or where they are 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 fair value (ie gains or losses) being recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

(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.

(iii) **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 entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being 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.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains or losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) **Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets cease to be recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities cease to be recognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets' fair value less costs to sell and its value in use, is compared to the assets' carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

f. 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 payable later than one year 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 not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

ON-COSTS

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

SUPERANNUATION

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

g. 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.

h. Goods and Services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

i. Income tax

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

j. Intangibles

SOFTWARE DEVELOPMENT

Software development costs are capitalised and recorded at cost until such time the project is complete and costs can be measured reliably. Once completed it is transferred to computer software. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of five years. It is assessed annually for impairment.

k. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

l. Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

m. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

n. Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Significant accounting judgements

The company has entered into leases of premises, motor vehicles and office equipment as disclosed in Note 11(a). Management has determined that all of the risks and rewards of ownership of these premises and equipment remain with the lessor and has therefore classified the leases as operating leases.

Significant accounting estimates and assumptions

The key estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Property

The freehold land and building at Mitcham was independently valued on 24 June 2013 by Hay Property Group. The valuation was based on the market value.

Provisions for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, attrition rate and periods of service.

The amount of these provisions would change should any of these factors change in the next 12 months.

o. Foreign Currency Translation

Transactions in foreign currencies are initially recorded by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented on a net basis within other income or other expenses.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

NOTE 2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

The following new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') have been adopted in the previous financial year and have affected the amounts reported in these financial statements.

AASB 1053 'Application of Tiers of Australian Accounting Standards' and AASB 2010-2 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' (these standards have been early adopted ahead of their effective date of 1 July 2013)

AASB 1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements, comprising Tier 1: Australian Accounting Standards and Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements (RDR). AASB 2010-2 makes numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the company's disclosure requirements.

Amendments to AASB 101 'Presentation of Financial Statements' (part of AASB 2011-9 'Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income')

The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

AASB 2011-2 'Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements' (AASB 2011-2 has been adopted in advance of its effective date of 1 July 2013)

AASB 2011-2 establishes reduced disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards - Reduced Disclosure Requirements in relation to the Australian additional disclosures arising from the Trans-Tasman Convergence Project.

The adoption of this amending standard does not have any material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

2014 \$

2013 \$

NOTE 3. CASH AND CASH EQUIVALENTS

CURRENT

| | | |
|--|---------|---------|
| Cash at bank | | |
| National Australia Bank Operating Accounts | 383,943 | 911,502 |
| National Australia Bank Donation Account | 12,897 | 1,000 |
| National Australia Bank Term Deposits | 80,494 | - |
| Cash on hand | 694 | 650 |
| | 478,028 | 913,152 |

NOTE 4. TRADE AND OTHER RECEIVABLES

| | | |
|---|---------|---------|
| Trade receivables | 463,377 | 655,069 |
| Provision for impairment of receivables (a) | - | - |
| | 463,377 | 655,069 |
| Other receivables | 89 | - |
| | 463,466 | 655,069 |

(a) Provision for Impairment of Receivables

Current receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual receivable is impaired. These amounts have been included in administration and service expenses.

| | | |
|---|----------|----|
| | \$ | \$ |
| Provision for impairment as at 30 June 2012 | 14,318 | |
| Charge for the year | 800 | |
| Written off | 2,500 | |
| Amounts recovered during the year | (17,618) | |
| Provision for impairment as at 30 June 2013 | - | |
| Charge for the year | (1,500) | |
| Written off | 1,500 | |
| Amounts recovered during the year | | |
| Provision for impairment as at 30 June 2014 | - | |

NOTE 5. OTHER CURRENT ASSETS

| | | |
|------------------|--------|---------|
| Prepayments | 70,609 | 98,293 |
| Security deposit | 17,798 | 16,522 |
| | 88,407 | 114,815 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

| | 2014 \$ | 2013 \$ |
|--|------------------|------------------|
| NOTE 6. PROPERTY, PLANT AND EQUIPMENT | | |
| Land at fair value | 736,876 | 736,876 |
| Buildings at fair value | 648,730 | 648,730 |
| Accumulated depreciation | (309,267) | (285,606) |
| | 1,076,339 | 1,100,000 |
| Office furniture & equipment at cost | 812,921 | 731,604 |
| Accumulated depreciation | (575,636) | (494,296) |
| | 237,285 | 237,308 |
| Motor vehicles at cost | - | 457,564 |
| Accumulated depreciation | - | (134,045) |
| | - | 323,519 |
| Computer Software | 467,097 | 443,457 |
| Accumulated depreciation | (284,162) | (190,796) |
| | 182,935 | 252,661 |
| Total Property Plant & Equipment | 1,496,559 | 1,913,487 |

6b. 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 financial year.

| | Freehold Land \$ | Buildings \$ | Office Furniture & Equipment \$ | Motor Vehicles \$ | Computer Software \$ | Total \$ |
|----------------------------------|------------------|--------------|---------------------------------|-------------------|----------------------|-----------|
| Balance at 30 June 2012 | 617,936 | 354,455 | 321,342 | 380,711 | 192,144 | 1,866,588 |
| Additions at cost | - | 29,866 | 50,134 | - | 129,949 | 209,949 |
| Disposals | - | - | - | - | - | - |
| Depreciation expense | - | (21,197) | (134,168) | (57,192) | (69,432) | (281,989) |
| Revaluation increase/ (decrease) | 118,940 | - | - | - | - | 118,940 |
| Balance at 30 June 2013 | 736,876 | 363,124 | 237,308 | 323,519 | 252,661 | 1,913,487 |
| Additions at cost | - | - | 81,317 | - | 23,640 | 104,957 |
| Disposals | - | - | - | (317,677) | - | (317,677) |
| Depreciation expense | - | (23,661) | (81,340) | (5,842) | (93,366) | (204,209) |
| Balance at 30 June 2014 | 736,876 | 339,463 | 237,285 | - | 182,935 | 1,496,559 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

| | 2014 \$ | 2013 \$ |
|--|----------------------------------|---------------|
| NOTE 7. INTANGIBLE ASSETS | | |
| Computer software in development - at cost | 126,173 | 57,800 |
| Accumulated amortisation | - | - |
| Accumulated impairment | - | - |
| Net carrying value | 126,173 | 57,800 |
| | Computer software in development | |
| Balance at 1 July 2012 | 98,050 | |
| Additions at cost | 71,700 | |
| Reallocation to computer software | (111,950) | |
| Disposals | - | |
| Amortisation charge | - | |
| Impairment losses | - | |
| Balance at 1 July 2013 | 57,800 | |
| Additions at cost | 68,373 | |
| Reallocation to computer software | - | |
| Disposals | - | |
| Amortisation charge | - | |
| Impairment losses | - | |
| Balance at 30 June 2014 | 126,173 | |

NOTE 8. TRADE AND OTHER PAYABLES

CURRENT

| | | |
|--------------------------------|----------------|------------------|
| Trade payables | 321,115 | 194,865 |
| Accrued accounts | 116,755 | 126,436 |
| Education fees paid in advance | 153,728 | 201,463 |
| Grants paid in advance | - | 711,457 |
| Other current payables | 312,474 | 427,959 |
| | 904,072 | 1,662,180 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

2014 \$ 2013 \$

NOTE 9. INTEREST BEARING LIABILITIES

CURRENT

| | | |
|--------------------------|--------|---------|
| Commercial Hire Purchase | - | 135,569 |
| Bank Loan | 19,112 | 19,112 |
| | 19,112 | 154,681 |

NON-CURRENT

| | | |
|--------------------------|----------------|----------------|
| Commercial Hire Purchase | - | 89,285 |
| Bank Loan | 157,059 | 165,938 |
| | 157,059 | 255,223 |
| TOTAL BORROWINGS | 176,171 | 409,904 |

Leased liabilities are secured by the underlying leased assets.

The company has in place a bank loan of \$176,171, secured against 579 Whitehorse Road with a floating charge of 5.38% at 30 June 2014. The loan is interest and principal over a remaining of 14.82 year term.

NOTE 10. PROVISIONS

CURRENT

| | | |
|-------------------|---------|---------|
| Employee Benefits | 564,483 | 641,379 |
|-------------------|---------|---------|

NON-CURRENT

| | | |
|-------------------|---------|---------|
| Employee Benefits | 196,140 | 129,727 |
| | 760,623 | 771,106 |

NOTE 11. CAPITAL AND LEASING COMMITMENTS

a. Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments

| | | |
|---|-----------|---------|
| - not later than 12 months | 445,387 | 115,376 |
| - later than 12 months but not later than 5 years | 632,415 | 79,274 |
| - later than 5 years | - | - |
| | 1,077,802 | 194,650 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

| | 2014 \$ | 2013 \$ |
|---|----------|----------------|
| b. Commercial Hire Purchase Contract Commitments | | |
| Payable - minimum payments | | |
| - not later than 12 months | - | 151,716 |
| - later than 12 months but not later than 5 years | - | 93,108 |
| Minimum payments | - | 244,824 |

Commercial Hire Purchase Contracts on motor vehicles (2014: 0, 2013: 7) were four-year leases. No debt covenants or other such arrangements were in place.

NOTE 12. CASH FLOW INFORMATION

| | | |
|----------------------------|----------------|----------------|
| (a) Reconciliation of Cash | | |
| Cash at bank | 477,334 | 912,502 |
| Petty cash | 694 | 650 |
| | 478,028 | 913,152 |

Please note that reconciliation of cash from operations is not required under RDR.

NOTE 13. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The company begun negotiations to sell and lease back, by way of operating lease, all vehicles financed through commercial hire purchase as at 30 June 2013. These negotiations were completed in August 2013. The completion of these negotiation had reduced liabilities by \$224,854 and reduced non-current assets by \$323,519. The new operating leases have total monthly lease repayments of \$19,215 and lease terms ranging from 7 months to 3 years.

The company also had a re-negotiation in relation to printers for offices across Australia in January 2014 with a lease term of 4 years.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

2014 \$

2013 \$

NOTE 14. KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTIONS

The aggregate compensation made to key management personnel of the company is set out below:

| | | |
|--------------------------|---------|---------|
| Key management personnel | 475,520 | 436,428 |
| Indemnity Insurance | 3,300 | 3,300 |
| | 478,820 | 439,728 |

Other transactions with directors

A director, Mr Simon Marsh, was a partner in the firm of BDO for the duration of the 2014 financial year. BDO provided general accounting services to the company during the year on normal commercial terms.

As of 1 July 2014, Mr Simon Marsh ceased to be a partner of BDO.

Aggregate amounts of the above other transactions with directors of the company:

Amounts recognised as expense

| | | |
|-----------------|--------|---------|
| Consulting fees | 32,428 | 110,418 |
|-----------------|--------|---------|

Aggregate amounts payable to directors of the company at the end of the reporting period relating to the above types of other transactions:

| | | |
|---------------------|---|-------|
| Current liabilities | - | 7,172 |
|---------------------|---|-------|

NOTE 15. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Hayes Knight Audit, the auditor of the company, and its related practices:

Audit services - Hayes Knight Audit

| | | |
|-------------------------------|--------|--------|
| Audit of the financial report | 14,200 | 14,000 |
| Other services | 2,575 | - |
| | 16,775 | 14,000 |

NOTE 16. CAPITAL MANAGEMENT

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from the investments are maximised. The finance committee or governance subcommittee operates under policies approved by Board of Directors.

The entity's equity consists of financial liabilities, supported by financial assets.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

| | 2014 \$ | 2013 \$ |
|---------------------------|---------|---------|
| NOTE 17. RESERVES | | |
| Building Appeal | 300,261 | 300,261 |
| Asset Revaluation Reserve | 600,162 | 600,162 |
| | 900,423 | 900,423 |

The Building Appeal represents fundraised money kept aside for Mitcham property.
The Asset Revaluation Reserve records the revaluation of freehold property at Mitcham.

NOTE 18. MEMBERS GUARANTEE

The company is limited by guarantee. If the company is wound up, the company's Constitution states that each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the company. At 30 June 2014 the number of members was 19 (2013: 19).

NOTE 19. COMPANY DETAILS

The registered office of the company is:
579 Whitehorse Road
Mitcham Vic 3132

The principal place of business is:
Unit 21/42 New Street
Ringwood Vic 3134



Hayes Knight Audit
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Registered Audit Company 291969

Australian Childhood Foundation

ACN: 057 044 514

Independent Audit Report to the Members of Australian Childhood Foundation

Report on the Financial Report

We have audited the accompanying financial report of Australian Childhood Foundation, which comprises the statement of financial position as at 30 June 2014, 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 – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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Australian Childhood Foundation

ACN: 057 044 514

Independent Audit Report to the Members of Australian Childhood Foundation

Qualification

It is not practical for the company to establish total control over income from certain fund raising activities prior to its entry into the accounting records. Accordingly, our audit relating to such income was limited to the amounts recorded in the accounts.

Opinion

In our opinion, except for the effects, if any, of the matters referred to in the qualification above, the financial report of Australian Childhood Foundation is in accordance with the *Corporations Act 2001*, including:

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

Hayes Knight Audit
Hayes Knight Audit Pty Ltd
Melbourne


Geoff S. Parker
Director

Dated this

30

day of

September

2014



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Australian Childhood Foundation

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