

# ANNUAL REPORT

FOR THE FINANCIAL YEAR  
ENDED 30 JUNE, 2015



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LAST YEAR, THERE WERE **304,097**  
**REPORTS** OF CHILD ABUSE AND  
NEGLECT RECEIVED ACROSS AUSTRALIA

# SAFEGUARDING CHILDREN – INCREASING AWARENESS AND INCREASING NEED...

## THERE HAS BEEN A SPOTLIGHT ON CHILD SEXUAL ABUSE WITHIN ORGANISATIONS.

This year, the community has learnt so much about the terrible reality of how children and young people have come to be sexually abused by staff and volunteers who are part of organisations that provide programs and services to them.

The Royal Commission into Institutional Responses to Child Sexual Abuse released an interim report and other research. Amongst its findings, it has concluded that

- **90% of perpetrators of institutional child sexual abuse were male;**
- **25% of perpetrators were members of the clergy, although foster carers and teachers were also reported; and,**

- **on average girls were around age 9 at the time of the first abuse and boys were aged 10 years old.**

The stories unearthed by the Royal Commission to date have highlighted how vital it is for adults in organisations to be vigilant and prepared to make children's safety a priority.

## WHY ARE CHILDREN NOT PROTECTED IN SOME ORGANISATIONS?

The Australian Childhood Foundation has also conducted its own research about what makes some organisations not safe for children. This research has identified four key organisational vulnerabilities described in the following diagram.



Typically, abuse by volunteers or employees of organisations involves the presence of at least two of the identified risk factors. In these circumstances, the whole of the organisation is exposed for not adequately exercising its duty of care to the children and young people it services or supports.

### **Vulnerability 1. Lack of awareness**

Managers, employees and volunteers can lack awareness about the prevalence of abuse within organisations. As a consequence, they underestimate the impact of abuse on children and young people. It can lead to them ignoring the early warning signs of abuse and exploitation. They can engage in false optimism, preferring to believe that if the abuse is occurring, it will stop of its own accord. Critically, individuals do not feel responsible for creating and maintaining protective practices with their organisations.

### **Vulnerability 2. Lack of knowledge**

Managers, employees and volunteers can lack the knowledge about the ways in which abuse occurs within organisations. A lack of knowledge complicates and creates barriers to individuals taking action to protect children when required. It can lead to individuals not understanding how abuse is kept secret and the truth manipulated by adults. They do not know how to recognise the manifestations of abuse. Individuals do not understand what is expected of them.

### **Vulnerability 3. Lack of confidence**

A lack of confidence in managers, employees and volunteers increases personal discomfort in relation to the protection of children and young people from abuse and exploitation. It introduces uncertainty in decision making about specific children. Individuals feel isolated from organisational support and resources. Critically, they may fail to adhere to organisational policies and procedures.

### **Vulnerability 4. Lack of processes and support**

A lack of organisational processes and support does not create or maintain a culture about protecting children. It leads to a lack of clarity about roles and individual conduct in relation to children. As a result, managers, employees and volunteers may defer to others to make decisions. They are confused about the procedures to follow. It promotes a culture of complacency and uncertainty.





## WHAT HAS BEEN THE IMPLICATION OF THIS INCREASE IN COMMUNITY AWARENESS?

The spotlight on the issue of child sexual abuse in institutions has helped to generate increased understanding about the traumatic impact of such abuse on children, families and the entire community. It has also generated a heightened acknowledgement that organisations and the community must change to be more protective of children.

Many organisations have become aware of and are engaging with the Foundation's Safeguarding Children Program. It is a unique voluntary accreditation scheme for organisations who have a duty of care to children and young people whilst delivering a service or activity to them and/or their families. It systematically builds the capacity of organisations to keep children and young people safe from abuse and exploitation by staff, volunteers or other relevant related individuals.

Organisations, such as schools, child care centres, welfare groups, sporting clubs, youth and social groups, play a vital role in the health, well-being, care and education of children and young people.

The Safeguarding Children Program provides the resources to support organisations meet evidence based standards that ultimately reduce the risk of abuse of children and young people by employees and volunteers. It achieves this through facilitating organisations to

- **recognise the factors that increase a child's vulnerability to maltreatment;**
- **be aware of the vulnerabilities which may indicate a need to assess, monitor or curtail the behaviour of individuals in relation to children and young people within organisations;**
- **create an environment which limits the opportunity for children to be maltreated;**
- **develop and maintain a culture that is child-focused, transparent and respectful; and,**
- **implement a comprehensive framework that ensures appropriate policies and guidelines for all individuals associated with an organisation.**

The Safeguarding Children Program has developed a set of seven unique strategies to build the capacity of organisations to keep children and young people safe from abuse and exploitation by staff, volunteers or other relevant related individuals.



Each strategy is evidence based and supported by a range of organisational documents that make it easy to implement. These strategies also form the basis for the standards used in achieving organisational accreditation in the Safeguarding Children scheme.

### 1. A commitment to safeguarding children

Through its 'safeguarding children' statement our organisation documents its clear commitment to safeguarding children and young people from abuse and neglect.

### 2. Personnel roles and conduct

Our organisation ensures that each person involved in our delivery of services to children and young people understands their role, and the behaviour we expect in safeguarding children and young people from abuse and neglect.

### 3. Recruitment and screening practices

Our organisation has appropriate measures in place to minimise the likelihood that we will recruit a person who is unsuitable to work with children or young people.

### 4. Personnel induction and training

Our organisation's induction, education and training programs are a vital part of our commitment to safeguarding children and young people from abuse and neglect.

### 5. Involving children and parents

Our organisation's induction, education and training programs are a vital part of our commitment to safeguarding children and young people from abuse and neglect.

### 6. Child abuse reports and allegations

Our organisation has measures in place to ensure that all our people who work with children and young people understand their responsibility to report possible abuse or neglect and understand our reporting procedures.

### 7. Supporting a child-safe culture

Our organisation has measures in place to ensure that all our people who work with children and young people understand their responsibility to report possible abuse or neglect and understand our reporting procedures and neglect.

## WHO HAVE WE WORKED WITH IN 2014-15 IN RELATION TO OUR SAFEGUARDING CHILDREN PROGRAM?

The Australian Childhood Foundation has worked with the Australian Sports Commission to complete a national research project about the strengths and needs of the sports sector to keeping children safe from abuse and exploitation by volunteers and employed personnel. In the sport context, we have also intensively resources and collaborated with VicSport, Surf Life Saving Australia and Swimming Australia.

The following organisations have successfully completed and or are currently registered and undertaking the Safeguarding Children Program.

We and our supporters congratulate all these organisations for their initiative and commitment to provide a safer environment for children and young people.

## SAFEGUARDING CHILDREN ACCREDITED ORGANISATIONS

Uniting Care Burnside	Somerville Family Support
Camp Quality	CatholicCare NT
CatholicCare Tas	Anglicare Tas
Chabad Youth	Ruby Gaea
YMCA Australia	YMCA Canberra
YMCA Central Australia	YMCA Ballarat
YMCA Bendigo	YMCA Brisbane
YMCA Bundaberg	YMCA Manningham
YMCA South Australia	YMCA WA
YMCA Top End	

## CURRENTLY UNDERGOING SAFEGUARDING CHILDREN ACCREDITATION

Anglicare NT	Aurora Projects and Programs
Australian Zionist Youth Council	The Humour Foundation (Clown Doctors)
Jewish Care Victoria	Jewish Labour Bund
Possability	Preshil
Rabbinical Council of Victoria	Relationships Australia NT
Ronald McDonald House Charities	Scotch College
Stand Up	Yeshivah College
YMCA Eastern Goldfields	YMCA Geelong
YMCA Hobart	YMCA Inner North East Adelaide
YMCA Katherine	YMCA Launceston
YMCA Northern Grampians	YMCA Queanbeyan
YMCA South Australia	YMCA Stanthorpe
YMCA NSW	YMCA Victoria
YMCA Whittlesea	YMCA Auckland



# SAFEGUARDING CHILDREN PROGRAM

**WE WANT CHILDREN AND YOUNG PEOPLE TO TELL US WHAT THEY THINK**



We are really interested to hear what you think about the programs and activities that we offer children and young people.

From time to time, we will ask you about what you think.

Tell us the things you like and don't like.

With your ideas, we can make our programs better for others just like you.

At any time, it is OK for you to tell us if you are not happy with something that is happening here or there is something you are worried.

You can also bring a support person with you to talk with us.

We will always take what you tell us seriously, no matter how old you are.

We will try as hard as we can to fix any problem or worry that you have.

If you are still worried or not happy, then you can talk to one of the people in charge here at the Foundation. They will help you.

ACF #P 076 Poster (Commitment feedback) for Children and Young People v1-1.  
 Approved by Joe Tucci, CEO on 1 October 2015.

 Australian Childhood Foundation

[safeguardingchildren.com.au](http://safeguardingchildren.com.au)


**Safeguarding Children**

## Safeguarding News

**Hello and welcome to the first ever YMCA Safeguarding Children newsletter.**

The Safeguarding newsletter is an initiative of YMCA Australia and the Australian Childhood Foundation (ACF) developed out of our partnership to deliver safeguarding children and young people training and accreditation.

The Safeguarding newsletter will keep YMCA members up to date about developments in relation to safeguarding children and young people from organisational abuse. The newsletter will also highlight some best practice initiatives from Y's across Australia.



**New National Safeguarding Policy**


This year marks a great step forward for the YMCA. In June the YMCA will launch its new national commitment to safeguarding children and young people. The policy is a powerful statement of the YMCA's organisations to develop comprehensive procedures and processes to ensure the safety of children and young people involved in their programs, and to become accredited as safeguarding organisations. The policy will be officially launched in June 2015.

The new policy differs from the old policy in that it is a broad commitment to take action to meet safeguarding standards rather than a detailed statement of the processes required at service level to meet this commitment. It provides a framework for YMCA member organisations to be able to develop appropriate processes for safeguarding children and young people by engaging in the ACF accreditation program.

**New Resources**

The ACF is providing a range of resources to support YMCA member organisations and to create pathways to accreditation for member organisations. These include:

- Improvements to the introductory on-line training including more intuitive and interactive functionality, better reporting capacity and connectivity to other databases
- Additional training resources including short video presentations and tailored face-to-face training
- Access to enhanced accreditation supports including an on-line audit management system and self-assessment tools
- And access to up to date information including this newsletter!

 Australian Childhood Foundation

[safeguardingchildren.com.au](http://safeguardingchildren.com.au)

**Safeguarding Children Program**





**SAFEGUARDING CHILDREN**

 Australian Childhood Foundation

**Safeguarding Children Accreditation Panel**



**SAFEGUARDING CHILDREN**

 Australian Childhood Foundation



THERE WERE MORE THAN **835 NEW REPORTS** OF CHILD ABUSE PER DAY. THAT EQUATES TO ONE REPORT OF ABUSE OR NEGLECT EVERY TWO MINUTES.



# OUR MOVEMENT TO PROTECT CHILDREN HAS GROWN....

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



Last year, we launched the #notanotherchild campaign which aims to encourage and empower Australians to become part of a movement aimed at preventing more children suffering the trauma and pain of abuse.

It 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.

In 2014-15, we have begun the process of recruiting and resourcing Childhood Community Action Teams. These community members have volunteered to work as part of a network that will support the Foundation's initiatives to prevent child abuse and reduce the impact of trauma in the lives of vulnerable children and young people.

It is a great initiative and we would like to thank all these wonderful adults who want to make a real difference in the lives of children and young people.





# WE LAUNCHED OUR NEW BLOG – PROSODY

IN 2014, WE LAUNCHED OUR NEW BLOG – CALLED PROSODY. IT HAS BEEN AN OUTSTANDING SUCCESS AND IS NOW A MAJOR SOURCE OF INFORMATION FOR PROFESSIONALS WORKING IN THE HEALTH, WELFARE, EDUCATION AND LEGAL FIELDS. IT IS FREE AND CAN BE ACCESSED BY ANYONE WHO WANTS TO KNOW MORE ABOUT CHILDREN, THEIR NEEDS AND THE NEUROSCIENCE OF RELATIONSHIPS AND TRAUMA. THE FIRST ARTICLE WAS INTRODUCED BY OUR CEO, DR JOE TUCCI, WHO EXPLAINS THE MEANING OF THE WORD PROSODY.

## WELCOME TO PROSODY FROM DR JOE TUCCI – OUR CEO

Sometimes a word captures your attention. Sometimes, it is its meaning – you can sense that it holds ideas and concepts that will act as a resource to your own understanding. Sometimes, it is the way it sounds. Its tone signals its aims – it resonates between form and function.

Other times, that word is just hard to pronounce. You slow yourself down and it becomes a little easier. The more deliberate you are in pronouncing it, the better it sounds. It moves from challenging to achievable. It reflects back to you your own persistence and effort. In so doing, the word itself comes to mean more to you than its own meaning.

Prosody is exactly one of these words. In linguistics, it is defined as the patterns of stress and intonation in a language. It refers to the curves and patterns of speech – its rhythm and pitch, its tone and pace.

Professor Steve Porges, the originator of the Polyvagal Theory in neuroscience, was the first person I ever heard use the word prosody. He uses it tellingly to convey both the complexity and the simplicity of the quality of speech of a mother with her infant in her efforts to soothe and comfort. Importantly, in his view, prosody and the musculature which can affect it is not only part of social communication, but an intrinsic part of social engagement and relationship.

**After I heard it once, it was like it was everywhere.**

Master dyadic therapist, Dan Hughes changes the prosody of his voice when he is talking to children and young people who have experienced trauma. It is the melodic character of his voice that is as important as the content of his words in his invitation to children and their carers to be playful in a world that is often void of opportunity for connection.



For all of these reasons, Prosody seemed to be a logical choice to name our blog. Inspired by its meaning, we have interpreted it relationally to mean more broadly the rhythm and tone of communication.

It underscores our hope that we can engage in conversations with the community of professionals who have joined us already, or come to join us along the way, in a collective process to understand children and young people, their needs, their relationships and the ways we can protect their vulnerabilities and resource their strengths.

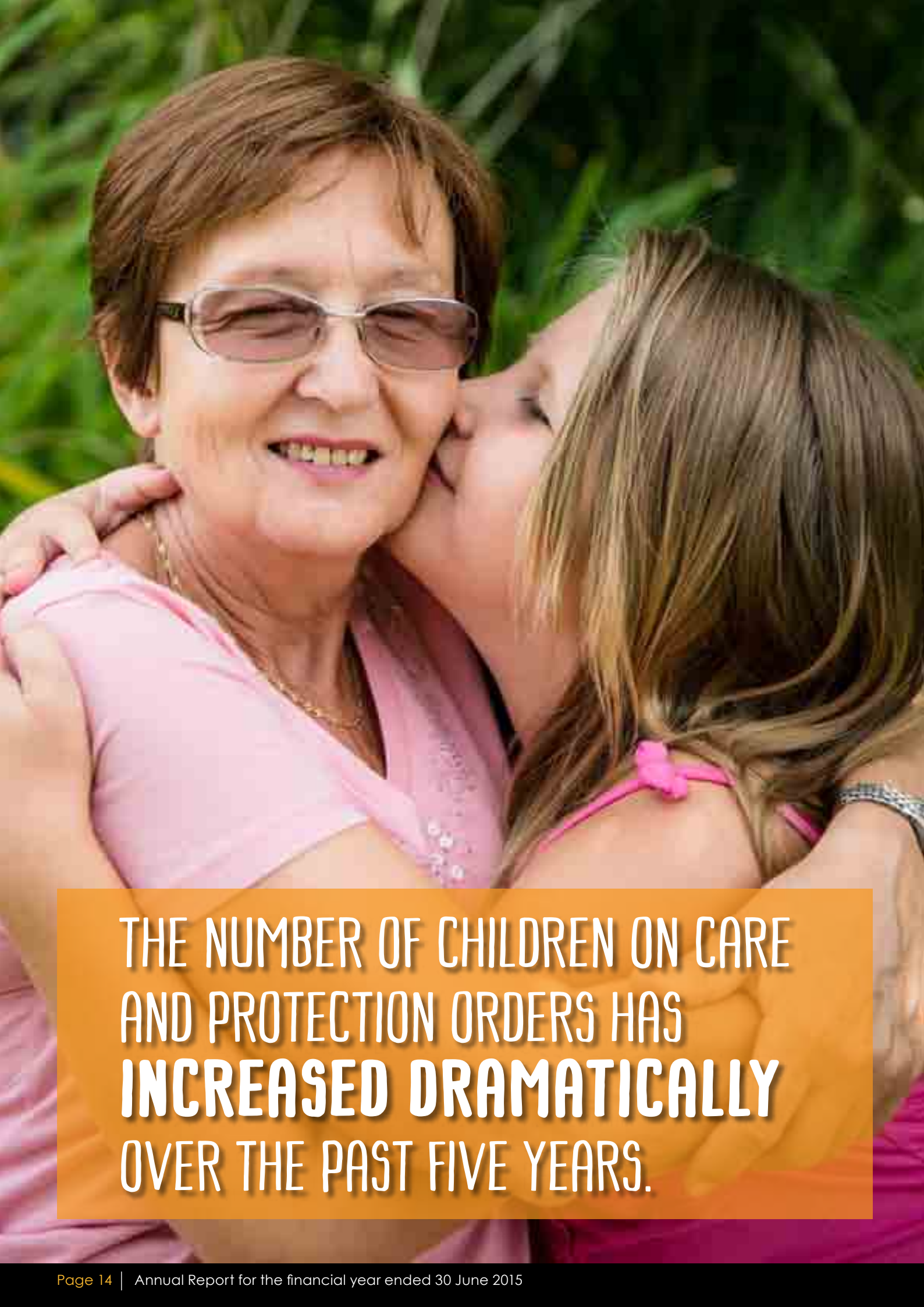
The Foundation's blog is a forum for reflection about children and young people and the nature of the relationships that they need to nurture them and help them to thrive. It will include topics on children's rights, innovations in trauma intervention, training and professional education, child protection, out of home care, safeguarding children in organisations and preventing abuse, neglect and family violence. It will provide opportunities for you to engage in initiatives with us that are aimed at promoting reform to policies and legislation to better protect and support vulnerable children and young people. It will also offer you new and innovative resources that are developed, reviewed or sourced by us for working creatively with children, young people and families. All of these areas form the very scope of the work undertaken by the Foundation.

Children's needs and how to best meet them will be the central and organising theme of our writing.

I hope that you will find it interesting and visit us often. And if you are so moved, you may choose to share an article or two with your own networks.


I think that we cannot talk enough about children in our community. They need all the words they can muster from the adults around them. And it is in the very contours of all our conversations – its communal prosody – that our children will find safety, understanding and belonging.





THE NUMBER OF CHILDREN ON CARE  
AND PROTECTION ORDERS HAS  
**INCREASED DRAMATICALLY**  
OVER THE PAST FIVE YEARS.

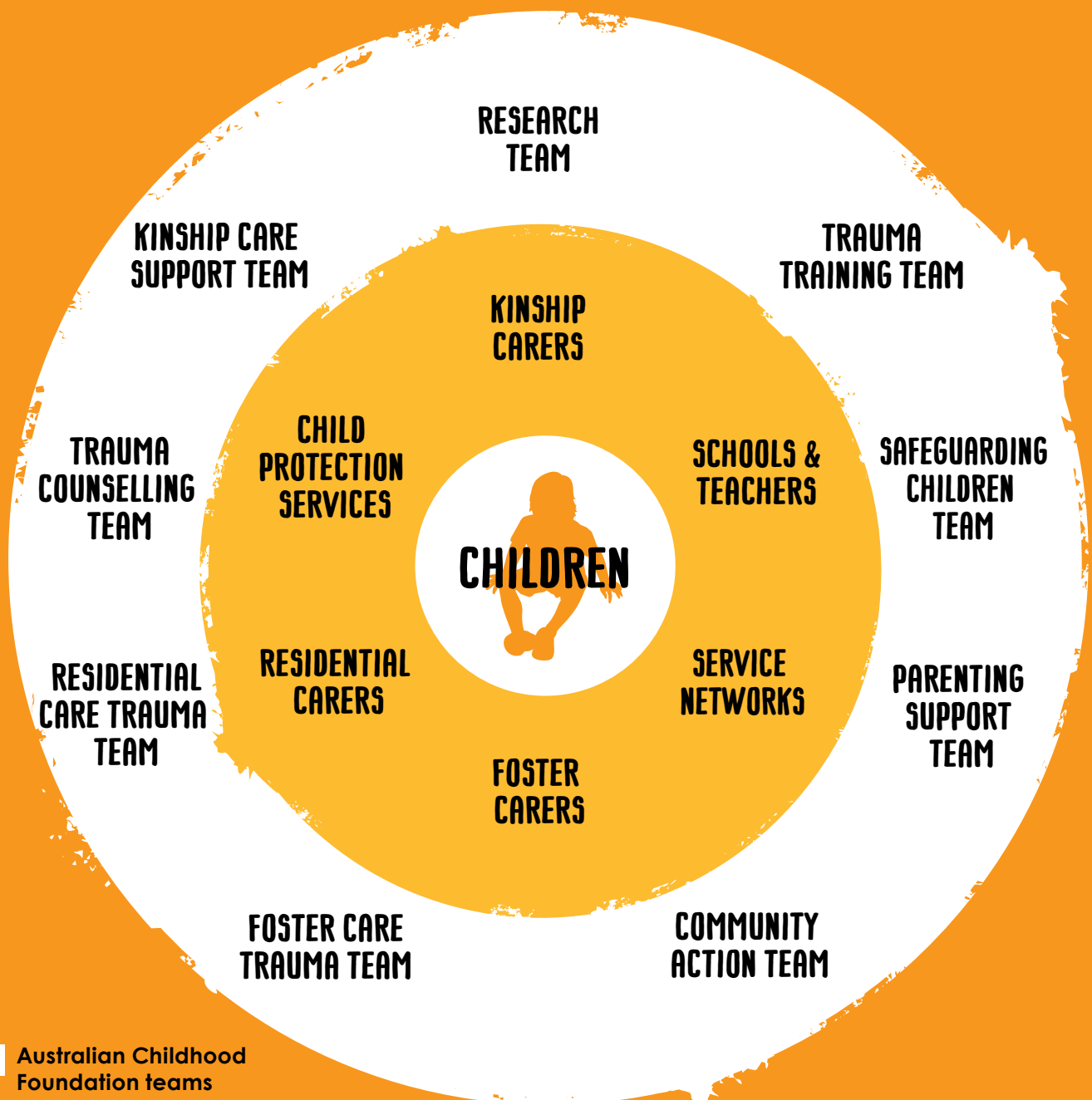


A photograph of a man and a young boy looking at a document together. The man is on the left, leaning over the boy on the right. They are both looking down at a piece of paper held by the boy. The background is a plain, light-colored wall.

**IN 2013–2014, 55,067 CHILDREN**  
REQUIRED COURT ACTION IN ORDER TO  
ENSURE THEIR PROTECTION FROM ABUSE  
AND NEGLECT. THIS NUMBER OF CHILDREN  
ON CHILD PROTECTION ORDERS HAS MORE  
THAN DOUBLED SINCE 2004–2005 WHEN  
THERE WERE 24,075.

# THE AUSTRALIAN CHILDHOOD FOUNDATION

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 kinship care, 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.

## PARTNERSHIPS WITH ABORIGINAL FAMILIES AND ORGANISATIONS

The Foundation has significantly expanded its work with Aboriginal children families and communities. We have developed partnerships with Aboriginal organisations, combining our collective wisdom to support the development of culturally strong trauma informed services and programs for Aboriginal children, families and communities. It has been our privilege to share in this work with local organisations based as far afield as Alice Springs, Darwin and Katherine in the Northern Territory, Adelaide, Perth, and Lilydale, Gippsland and the Mallee in Victoria.

For example, we have established a partnership with Boorndawan Willam Aboriginal Healing Service to provide trauma counselling to Aboriginal children who have experienced family violence in and around Lilydale.

In addition, we have been fortunate to achieve funding to develop an innovative therapeutic kinship care program in Perth specifically for Aboriginal children and their relative carers. We are proud to have been able to employ a highly experienced social worker and manager who is highly regarded in her Nyungah community to implement the program. Called Woon-yah Ngullah Goorlanggass which translated is Nyungah for 'Caring for our children', the program has received significant support from and endorsement by local Aboriginal organisations as meeting an important gap in support for Aboriginal kinship carers.



## 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 2014-2015, the Foundation provided training to more than 8000 professional.

## SAFEGUARDING CHILDREN PROGRAM

The 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 national 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 2200 parenting and family support professionals across Australia extending its reach to more than 80 000 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.

# Middle ear may hold answers for treatment

The Age, September 5, 2014

Written by Julia May

You're home alone, in bed, with the lights off. You hear a dull thud at the other end of the house, like an intruder trying to break in. You hold your breath and your eyes widen. Your heart pounds, your ears strain. You want to get up and investigate or pick up the phone to call the police, but you can't. You're frozen with fear.

Behind these instantaneous physical reactions is a system designed to protect you. It begins in your middle ear, which detects the sounds and feeds them to your brain, which communicates to your nervous system that danger is imminent. This triggers physical reactions suited to the level of threat. Fortunately, for most of us, the visceral urge to fight, fly or freeze is relatively uncommon.

But for people who have experienced trauma or neglect, and those with some psychiatric disorders, everyday scenarios can switch the nervous system to high alert. So accustomed are they to danger they detect it everywhere, unable to distinguish between friend and foe.

Flooded with fear, they freeze out other people and can end up estranged from society. It can harm every aspect of life, from forging relationships, to learning, to being physically well.

American psychiatrist Stephen Porges has spent his life trying to decode the nervous system. In the process he has explored the function of the middle ear in helping us sense danger, interpret emotional meaning, express ourselves and even stay alive.

He has developed a simple but "revolutionary" therapy, called the Listening Project, which he says retunes the nervous system via the middle ear, to trigger both a sense of safety and the ability to socially engage.

Dr Porges has successfully treated children with psychiatric disorders and learning problems in the US and, in a pioneering study with the Australian Childhood Foundation, will treat Australian children affected by trauma. His supporters hope it could present a breakthrough in the way we treat and support children who have experienced abuse or neglect.

Decades of working with damaged children has lent Dr Porges, a professor of psychiatry at the University of Illinois, a mellifluous tone and an understated manner. His US work has been peer-reviewed and published in medical journals including the International Journal of Psychophysiology.

He coined the term "neuroception" to describe how the nervous system evaluates risk. It explains why a baby coos at a caregiver but



**Revolutionary:** American Psychiatrist Stephen Porges, left, and Joe Tucci, chief of the Australian Childhood Foundation, in Melbourne. *Photo: Josh Robenstone*

cries at a stranger; why our palms might sweat when we enter a room full of noisy strangers.

This instinct for danger comes to us in part because of our middle ear, the tiny part of the body that distinguished prehistoric mammals from reptiles. The nerves in the middle ear play a crucial role in our ability not only to hear, but also, Dr Porges asserts, to express ourselves and interpret what others mean when they communicate with us.

Central to his thesis is the idea that the muscles in the middle ear allow in higher frequency sounds. This enabled our prehistoric cousins to signal to one another that it was safe to approach. These softer sounds, once communicated to the brain, help us differentiate between words and interpret the emotional content of language.

"You watch a mother with a baby, singing a lullaby," Dr Porges says. "A lullaby is really getting into that frequency which signals safety."

Prehistoric predators, on the other hand, projected lower frequency, less distinct sounds, like rumbles and roars. In modern times this might be a crowded room or someone shouting. For children who have been abused or neglected, or have conditions like autism spectrum or attention deficit hyperactivity disorder, Dr Porges says the middle ear can become permanently tuned to pick up predators, causing them to withdraw or react defensively.

"They can't hear the ends of the words, because words just blur into the background. They have difficulty following verbal instructions. Then they get accused of not paying attention or of being stupid" – when

in reality they're not processing the higher frequency, comfort-inducing parts of sound.

Dr Porges' therapy is very simple. Each child is exposed to periods of high-frequency sound; in this case, five daily, hour-long sessions. He says: "We know the acoustic frequency that makes people feel safer and calmer" – in this case, theme songs from Disney movies, with female voices. "We can amplify those prosodic [comfort-inducing] features in the music and therefore have an opportunity to trigger safety."

He says recalibrating the child's middle ear makes them better equipped to interpret the emotional meaning of language and to understand – and use – hand and facial gestures.

One of Dr Porges' earliest patients in the US was Tom Clark, now 27. As a child Tom had frequent ear infections, missed language milestones and was diagnosed with infantile autism. He wouldn't make eye contact, was upset by loud noises and was unable to socially engage.

Clark spent most of his early primary school years in remedial classes. After a week of therapy with Dr Porges in 1997, his occupational therapist was amazed to discover he was able to print letters between the lines rather than drawing each the size of the page.

He continued with the Listening Project annually until 2005, with each treatment bringing dramatic improvements: his understanding of language and social interactions improved; he began greeting others spontaneously, and by grade three he was fully integrated with regular students, with the help of an aide.



## Middle ear may hold answers for treatment - continued

Though his autism spectrum diagnosis remains it has changed from “severe” to “high functioning”. He graduated from high school and then from a local college and recently started working.

“The Listening Project helped Tom focus and to tune in to conversations,” his father, Jack Clark, a psychologist, says. “It helped him to develop language and control his behaviour. It is completely non-invasive, based in science, and I whole-heartedly recommend it to people with issues like Tom’s.

“Prior to his therapies with Dr Porges, Tom would either withdraw or have tantrums if he was upset. After therapy, Tom’s behaviour was exemplary.” He says the therapy has had a permanent effect on Tom’s ability to cope, to socially engage and to learn. “We feel that it has made his life more meaningful to him.”

Dan Siegal is a professor of psychiatry at UCLA School of Medicine and a world-renowned expert on the nervous system and social behaviour. He describes Dr Porges’ work as “new and important” and “profoundly and revolutionarily helpful”.

He says: “If you can’t filter out an intense channel that’s coming at you, it’s going to drive you into retreat. That’s one way of understanding what a significant number of people with [autism spectrum or a trauma history] are doing – they’re retreating from social engagement because the sensory input is just too intense and floods them.”

He says by retreating, children reduce the sensory load but also reduce their ability to learn and engage. “Before you know it they’re three or four years of age, you give them a label and think it’s a primary brain problem” – rather than a physical response to an overloaded middle ear.

But not everyone is convinced. Professor Stephen O’Leary is an ear, nose and throat specialist at the University of Melbourne and the Royal Eye and Ear Hospital in Melbourne. While he says Dr Porges’ US research demonstrate improvements in the way children with auditory hypersensitivity responded to sound, he expresses concerns about its theoretical basis, describing the idea of retuning the middle ear as “exceptionally tenuous”.

“What we can take from the study is, if you amplify the frequency of the human voice, the kids in this study did seem to be less averse to sound. You can conclude that from the limited evidence available. That’s a fair interpretation.

“[Dr Porges’ theory] is plausible, but plausibility doesn’t equate to the actual explanation for what’s going on. There may be other, perfectly reasonable explanations. It might be because [the sound] is more human-like so that it makes the child relax, and for other psychological reasons they’re not as averse to sound in the future because they’ve learnt how to listen.”

But support workers like Angela Weller have high hopes for the therapy. Weller is the manager of child trauma services in Victoria for the Australian Childhood Foundation, a national non-profit agency that provides counselling and support services for abused children.

She and her staff work with children who have experienced family violence, sexual assault and who display problem sexual behaviour. She says traumatised children can present similarly to children like Tom Clark.

They usually have problems with concentration and self-control; they can be agitated, angry, or on the attack – “those strong defensive responses to not feeling safe in the world”. They can also shut down.

“They seem not present, not able to connect or be part of the world in the way that kids need to be.”

Like autistic children, too, the children that Weller works with can be hypersensitive to sound and light. “They will jump if there’s a big sound outside the room. They’ll notice the sound of the air-conditioner ... they will feel frightened of things that you might not expect them to because of the vigilance in their system.”

Joe Tucci, chief executive of the foundation, says it’s common for children who have experienced trauma to struggle with relationships; making and keeping friends and reading social cues.

“It’s complicated for these kids because they’re overly focused on identifying threat in a relationship because that’s what they’ve had to do to protect themselves. Their behaviour is often seen as misbehaviour, because they don’t follow rules, and they get punished for it.”

He says Dr Porges’ work sheds light on what’s “inside children rather than just interpreting the behaviour we see”.

The Australian trial will involve up to 60 children aged seven to 14. After an assessment to check for auditory hypersensitivity, they will be split into two groups: one group will receive the treatment and the other won’t.

Each group will be assessed during the intervention, after three months and again after 12 months. (The children who don’t initially receive the treatment will later be invited to participate.) If a success, the therapy could be rolled out nationally in delivery centres overseen by the foundation.

Professor O’Leary is cautiously supportive of the foundation’s trial, “since it involves listening to voices or music and giving the child attention that is beneficial to them”. But he adds, “I’d be very interested to hear what the outcome is, particularly if these children become less sensitive to sound, but I wouldn’t be convinced that the middle ear muscles have been tuned. I think that’s in the land of conjecture and requires a much better evidence base.”

Dr Siegal, too, raises questions about the long-term effectiveness of the therapy for children when they are exposed, once again, to stress. How would they be convinced “that the world is safe, when they only feel safe when they have those headphones on?” he asks.

Dr Porges acknowledges that a child’s new-found resilience can go dormant again if they get sick or are put in non-supportive environments. But the system is easily rehabilitated, he says; in some cases with just an hour of treatment.

Weller hopes the therapy will help to reshape the children’s identities. “When you’re not calm and feeling that relationships aren’t safe, it’s really hard to be a kid in the world and do the things like play and hope and dream and have fun,” she says.

“The point that Dr Porges makes, that connectedness is a biological imperative, really resonates with me. We need to feel connected to another to be able to be physically alive and well and calm in the world.”

Dr Tucci says he views the affected children’s middle ears rather like out-of-tune violins. “We’ll take that middle ear muscle and tone it; retune it, to make the human voice a song to these kids, rather than a source of terror.”



WE WOULD LIKE TO THANK GANDEL  
PHILANTHROPY FOR THEIR SUPPORT OF  
THIS IMPORTANT THERAPEUTIC PROJECT.



# BOARD, PATRONS AND AMBASSADORS

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**Mr Simon McCall** Social Research

## HONOURARY TREASURER

**Mr Simon Marsh** Accounting

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**Mr Justin Smith** Media

**Mr Nick Pelham** Infrastructure

**Mr David Stephenson** Creative Services

**Dr Ciara Earley** Paediatrician

**Mr Rod Lampugh** Solicitor

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**Eric Bana** Actor

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**Stefan Dennis** Actor

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**Robyn Moore** Actor

**Dave Noonan** Radio Presenters

**Lindsay Field** Singer and Musician

**Jodhi Meares** Fashion Designer

**Melanie Milburne** Author

# MANAGEMENT, SUPPORTERS AND ACCREDITATION PANELS

## MANAGEMENT TEAM

<b>Dr Joe Tucci</b>	CEO
<b>Janise Mitchell</b>	Deputy CEO
<b>Noel Macnamara</b>	National Manager, Therapeutic Services
<b>Monique Blom</b>	National Manager, Safeguarding Children Program
<b>Craig MacMillan</b>	National Manager, Partnerships, Fundraising and Marketing Program
<b>Angela Weller</b>	Manager, Child Trauma Service Victoria
<b>Lisa Ranahan</b>	Manager, Therapeutic Care Programs
<b>Jenny Wing</b>	Manager, Therapeutic Care Programs
<b>Beth Guy</b>	Manager, Professional Education and Training Programs
<b>Marina Dickson</b>	Manager, Vocational Education and Training Programs
<b>Deb Holmes</b>	Manager, Safeguarding Children Program
<b>Cate Airey</b>	Manager, Administration Program

## KEY SUPPORTERS

**Andrew Newbold**  
**Julie Reilly**  
**Judi Lay**  
**Marilyn Kraner**  
**Adam Tomison**  
**Chris Goddard**  
**Nigel Gaunt**  
**Tony Forrest**  
**Katie Finney**  
**Kelly Black**  
**Andrew Macree**  
**Matthew Crook**  
**Tom Chambers**

## SAFEGUARDING CHILDREN ACCREDITATION PANEL

<b>Susan Halliday</b>	Former Chair of the Victorian Institute of Teachers
<b>Anton Herman</b>	Minter Ellison
<b>Superintendent Andrew Allen</b>	Victoria Police

# OUR HEARTFELT THANKS

THE AUSTRALIAN CHILDHOOD FOUNDATION SINCERELY THANKS THE FOLLOWING INDIVIDUALS AND ORGANISATIONS FOR THEIR SUPPORT OF OUR WORK THROUGHOUT 2014-2015. WE CANNOT THANK THEM ENOUGH FOR THEIR COMMITMENT TO THE SAFETY AND PROTECTION OF CHILDREN IN AUSTRALIA.

## OUR SUPPORTERS – MAJOR PARTNERS

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**GUCCI**

## 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 Health and Human Services, Victoria

Department of Attorney General, Western Australia

Department of Children and Families, Northern Territory

## TRUSTS AND FOUNDATIONS

Jack & Robert Smorgon Foundation

Foundation of Graduates in Early Childhood Studies

Lotterywest

Rose and Andrew Lazar Trust

The Besen Family Foundation

Johnson Family Foundation



# 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](http://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)

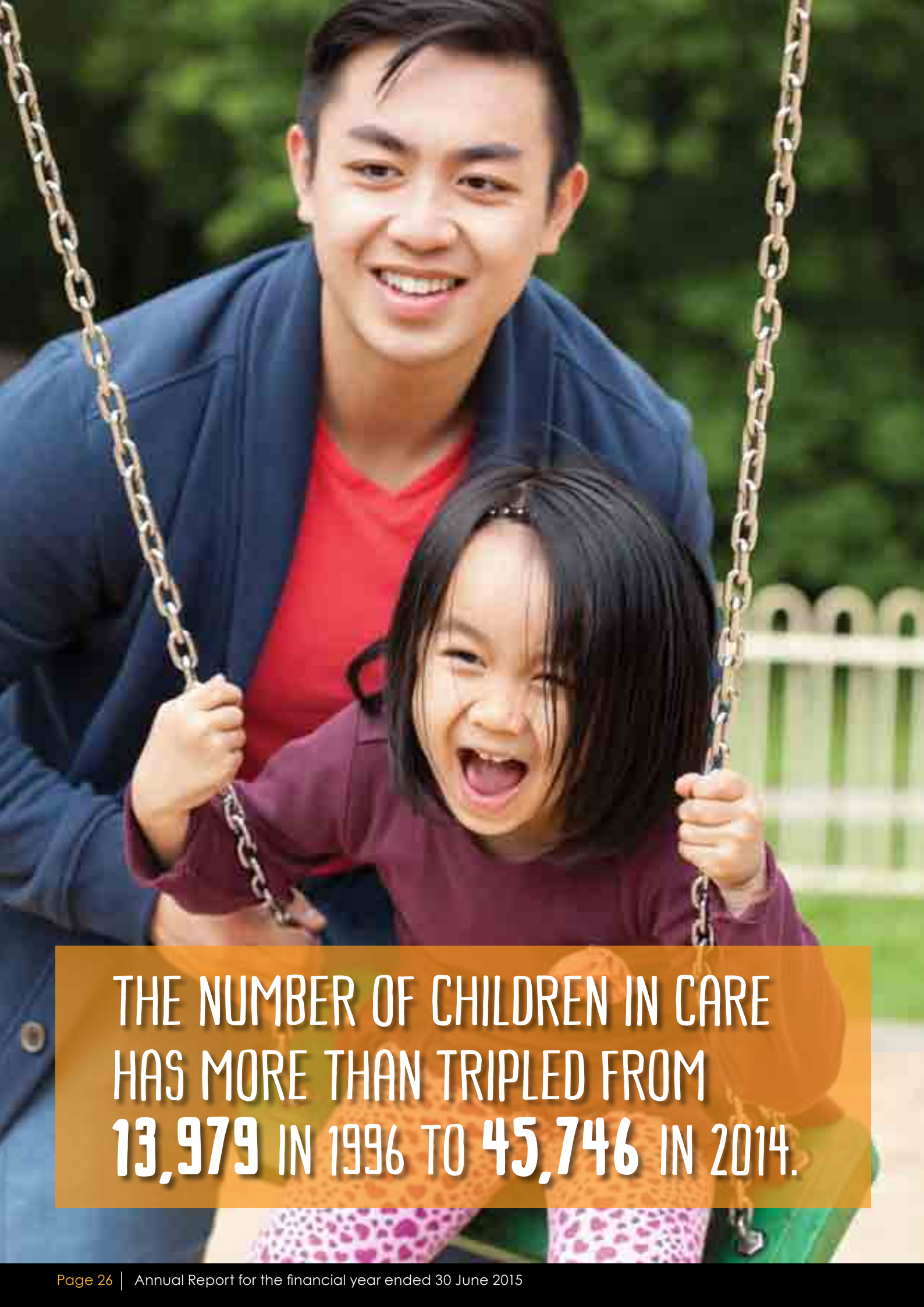
All donations over \$2 are tax deductible





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





**THE NUMBER OF CHILDREN IN CARE  
HAS MORE THAN TRIPLED FROM  
13,979 IN 1996 TO 45,746 IN 2014.**



# DIRECTORS' REPORT

## 30 JUNE 2015

THE BOARD OF DIRECTORS OF AUSTRALIAN CHILDHOOD FOUNDATION PRESENT  
THIS REPORT ON THE COMPANY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015.

### DIRECTORS

#### BACKGROUND INFORMATION ON DIRECTORS

<b>Jamie Perrott</b>	Corporate Affairs Consultant - (resigned 31/10/2014)
<b>Simon McCall</b>	Social Researcher
<b>Mark Thomas</b>	Corporate Affairs Consultant
<b>Julie Reilly</b>	Public Relations – (resigned 31/10/2014)
<b>Andrew Newbold</b>	Solicitor – (resigned 31/10/2014)
<b>John Gutteridge</b>	Advertising Executive - (resigned 22/10/2013)
<b>Simon Marsh</b>	Accountant
<b>Justin Smith</b>	Media
<b>Nick Pelham</b>	Infrastructure Manager
<b>David J Stephenson</b>	Digital Creative Director
<b>Ciara Earley</b>	General Paediatric Consultant

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:

#### **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.

#### **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.

#### **David Stephenson**

David joined as 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, Grey and Singleton.

#### **Ciara Earley**

Ciara joined as 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 & 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 2015, and the number of meetings attended by each director were:

Full Board	Attended	Held
Jamie Perrott	0	7
Simon McCall	7	7
Mark Thomas	0	7
Julie Reilly	1	7
Andrew Newbold	1	7
John Gutteridge	0	7
Simon Marsh	6	7
Justin Smith	1	7
Nick Pelham	6	7
David J Stephenson	5	7
Ciara Earley	6	7

Resigned on 31/10/14

## 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.

## 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 \$157,249. 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:

<b>Directors and Officers Liability and Professional Indemnity Insurance</b>	<b>\$3,300 (2015)</b>
--	-----------------------

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 \$2,100, based on 21 current ordinary members (2014: 19 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.

A handwritten signature in black ink, appearing to read 'S McCall', is written over a horizontal line.

**Simon McCall**  
**President**

Dated this 16th day of September 2015



**Australian Childhood Foundation**  
ACFI: 857 044 514

## Auditor's Independence Declaration to the Directors of Australian Childhood Foundation

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* and *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.

*Hayes Knight Audit*  
Hayes Knight Audit Pty Ltd  
Melbourne

  
Geoff S. Parker  
Director

Dated this: 16 day of SEPTEMBER 2015

# DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 27 to 53, are in accordance with the Australian Charities and Not for Profit Commission Act 2012.

a. comply with Australian Accounting Standards - Reduced Disclosure Requirements;

b. give a true and fair view of the financial position as at 30 June 2015 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.

Signed in accordance with a resolution of the Board of Directors and subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013



**Simon McCall**  
**President**

Dated this 16th day of September 2015



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
<b>CONTINUING OPERATIONS</b>		
<b>REVENUE</b>		
Fundraising and Donations	2,584,408	2,617,927
Grants	6,055,385	6,011,874
Service fees	1,127,942	359,588
Education Programs	2,696,801	1,849,486
Membership	200	350
Interest	7,467	12,644
<b>TOTAL REVENUE</b>	<b>12,472,203</b>	<b>10,851,869</b>
<b>EXPENSES</b>		
Fundraising Expenses	(800,705)	(867,962)
Grants Program Allocations	(381,436)	(461,848)
Education Program Expenses	(971,000)	(954,305)
Depreciation	(260,562)	(204,209)
Occupancy	(385,768)	(320,811)
Finance costs	(9,037)	(27,877)
Employee Benefits	(7,490,266)	(6,435,100)
Administration and service expenses	(1,972,827)	(1,558,520)
Foreign exchange loss	(43,355)	(20,604)
<b>TOTAL EXPENSES</b>	<b>(12,314,954)</b>	<b>(10,851,236)</b>
<b>SURPLUS/ (DEFICIT) FOR THE YEAR</b>	<b>157,249</b>	<b>633</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified subsequently to profit or loss:		
Gain on revaluation of properties	-	-
<b>TOTAL COMPREHENSIVE SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>157,249</b>	<b>633</b>

# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	718,437	478,028
Trade and other receivables	4	538,061	463,466
Other assets	5	75,807	88,407
<b>TOTAL CURRENT ASSETS</b>		<b>1,332,305</b>	<b>1,029,900</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,665,501	1,496,559
Intangible Assets	7	-	126,173
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,665,501</b>	<b>1,622,732</b>
<b>TOTAL ASSETS</b>		<b>2,997,806</b>	<b>2,652,632</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	1,119,433	904,072
Borrowings	9	19,112	19,112
Short-term Provisions	10	597,452	564,483
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,735,997</b>	<b>1,487,667</b>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	9	147,379	157,059
Long-term provisions	10	145,415	196,140
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>292,794</b>	<b>353,199</b>
<b>TOTAL LIABILITIES</b>		<b>2,028,791</b>	<b>1,840,866</b>
<b>NET ASSETS</b>		<b>969,015</b>	<b>811,766</b>
<b>EQUITY</b>			
Reserves	17	900,423	900,423
Retained surpluses/(deficit)		68,592	(88,656)
<b>TOTAL EQUITY</b>		<b>969,015</b>	<b>811,767</b>

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Retained Earnings \$	Asset Revaluation Reserve \$	Building Appeal Reserve \$	Total \$
<b>BALANCE AT 1 JULY 2013</b>	<b>(89,289)</b>	<b>600,162</b>	<b>300,261</b>	<b>811,134</b>
Surplus / (deficit) for the year	633	-	-	633
Other comprehensive surplus/ (deficit) for the year	-	-	-	-
<b>BALANCE AT 30 JUNE 2014</b>	<b>(88,656)</b>	<b>600,162</b>	<b>300,261</b>	<b>811,768</b>
Surplus/ (deficit) for the year	157,249	-	-	157,249
Other comprehensive surplus/ (deficit) for the year	-	-	-	-
Total comprehensive surplus for the year	157,249	-	-	157,249
<b>BALANCE AT 30 JUNE 2015</b>	<b>68,592</b>	<b>600,162</b>	<b>300,261</b>	<b>969,015</b>



# STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from fund raising activities & customers, service fees and education programs		6,285,567	4,334,833
Receipts from grants		6,104,574	6,804,665
Payments for direct cost of fund raising, suppliers and employees		(11,835,150)	(11,431,253)
Interest received		7,467	12,644
Borrowing cost paid		(9,037)	(27,877)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>553,421</b>	<b>(306,988)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(303,331)	(104,957)
Payment for intangible assets		-	(68,373)
Proceeds on disposal of PPE		-	280,204
Payment for short term deposits		-	(1,277)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(303,331)</b>	<b>105,597</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		(9,681)	(233,733)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(9,681)</b>	<b>(233,733)</b>
Net (decrease) /increase in cash held		240,409	(435,124)
Cash at beginning of year		478,028	913,152
<b>CASH AT END OF YEAR</b>	<b>12</b>	<b>718,437</b>	<b>478,028</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

### 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 2015 were authorised for issue in accordance with a resolution of the directors on 16 September 2015.

#### 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 Australian Charities and Not for Profit Commission Act 2012. 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 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

### **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. Last revaluation date was 24 June 2013 by Hay Property Group.

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.

#### **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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

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 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 2015

### **(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 2015

## 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 2015

## **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 2015

## NOTE 2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2014. Information on these new Standards is presented below.

**AASB10 supersedes the consolidation requirements in AASB 127 'Consolidated and Separate Financial Statements' (AASB 127) and AASB Interpretation 112 'Consolidation - Special Purpose Entities'**

AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged. AASB 10 is applicable to not for profit entities for annual reporting periods beginning on or after 1 January 2014.

**AASB 2012-3 'Amendments to Australian Accounting Standards-Offsetting Financial Assets and Financial Liabilities'**

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of 'currently has a legally enforceable right of set off' and that some gross settlement systems may be considered equivalent to net settlement. AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014. The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

**AASB 2013-6 'Amendments to AASB 136 arising from Reduced Disclosure Requirements'**

AASB 2013-6 makes amendments to AASB 136 'Impairment of Assets' to establish reduced disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards - Reduced Disclosure Requirements arising from AASB 2013-3 'Amendments to AASB 136 - 'Recoverable Amount Disclosures for Non Financial Assets''. AASB 2013-3 made narrow scope amendments to AASB 136, addressing disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. AASB 2013-6 became applicable to annual reporting periods beginning on or after 1 January 2014. The adoption of these amendments has not had a material impact on the Group.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
<b>NOTE 3. CASH AND CASH EQUIVALENTS</b>		
<b>CURRENT</b>		
Cash at bank		
National Australia Bank Operating Accounts	615,018	383,943
National Australia Bank Donation Account	22,925	12,897
National Australia Bank Term Deposits	80,494	80,494
Cash on hand	-	694
	<b>718,437</b>	<b>478,028</b>

<b>NOTE 4. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	180,646	463,377
Provision for impairment of receivables (a)	-	-
	180,646	463,377
Other receivables	357,415	89
	<b>538,061</b>	<b>463,466</b>

**(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.

<b>PROVISION FOR IMPAIRMENT AS AT 30 JUNE 2013</b>	-
Charge for the year	(1,500)
Written off	1,500
Amounts recovered during the year	-
<b>PROVISION FOR IMPAIRMENT AS AT 30 JUNE 2014</b>	
Charge for the year	
Written off	
Amounts recovered during the year	
<b>PROVISION FOR IMPAIRMENT AS AT 30 JUNE 2015</b>	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
<b>NOTE 5. OTHER CURRENT ASSETS</b>		
Prepayments	57,882	70,609
Security deposit	17,925	17,798
	<b>75,807</b>	<b>88,407</b>
<b>NOTE 6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land at fair value	736,876	736,876
Buildings at fair value	683,721	648,730
Accumulated depreciation	(335,755)	(309,267)
	<b>1,084,842</b>	<b>1,076,339</b>
Office furniture & equipment at cost	909,745	812,921
Accumulated depreciation	(668,581)	(575,636)
	<b>241,164</b>	<b>237,285</b>
Motor vehicles at cost	-	-
Accumulated depreciation	-	-
	-	-
Computer Software	764,203	467,097
Accumulated depreciation	(424,708)	(284,162)
	<b>339,494</b>	<b>182,935</b>
<b>TOTAL PROPERTY PLANT &amp; EQUIPMENT</b>	<b>1,665,501</b>	<b>1,496,559</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 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 \$
<b>BALANCE AT 30 JUNE 2013</b>	<b>736,876</b>	<b>363,124</b>	<b>237,308</b>	<b>323,519</b>	<b>252,661</b>	<b>1,913,488</b>
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)
Revaluation increase/ (decrease)	-	-	-	-	-	-
<b>BALANCE AT 30 JUNE 2014</b>	<b>736,876</b>	<b>339,463</b>	<b>237,285</b>	<b>-</b>	<b>182,935</b>	<b>1,496,559</b>
Additions at cost	-	34,991	96,824	-	297,106	428,921
Disposals	-	-	-	-	-	-
Depreciation expense	-	(26,488)	(92,945)	-	(140,546)	(259,979)
<b>BALANCE AT 30 JUNE 2015</b>	<b>736,876</b>	<b>347,966</b>	<b>241,164</b>	<b>-</b>	<b>339,495</b>	<b>1,665,503</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
<b>NOTE 7. INTANGIBLE ASSETS</b>		
Computer software in development - at cost	-	126,173
Accumulated amortisation	-	-
Accumulated impairment	-	-
<b>NET CARRYING VALUE</b>	<b>-</b>	<b>126,173</b>
	Computer software in development	
<b>BALANCE AT 1 JULY 2013</b>	<b>57,800</b>	
Additions at cost	68,373	
Reallocation to computer software	-	
Disposals	-	
Amortisation charge	-	
Impairment losses	-	
<b>BALANCE AT 1 JULY 2014</b>	<b>126,173</b>	
Additions at cost	-	
Reallocation to computer software	(126,173)	
Disposals	-	
Amortisation charge	-	
Impairment losses	-	
<b>BALANCE AT 30 JUNE 2015</b>	<b>-</b>	

## NOTE 8. TRADE AND OTHER PAYABLES

### CURRENT

Trade payables	119,308	321,115
Accrued accounts	143,096	116,755
Education fees paid in advance	620,090	153,728
Grants paid in advance	-	-
Other current payables	236,939	312,474
	<b>1,119,433</b>	<b>904,072</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
<b>NOTE 9. INTEREST BEARING LIABILITIES</b>		
<b>CURRENT</b>		
Commercial Hire Purchase		-
Bank Loan	19,112	19,112
	<b>19,112</b>	<b>19,112</b>
<b>NON-CURRENT</b>		
Commercial Hire Purchase		-
Bank Loan	147,379	157,059
	<b>147,379</b>	<b>157,059</b>
<b>TOTAL BORROWINGS</b>	<b>166,491</b>	<b>176,171</b>

Leased liabilities are secured by the underlying leased assets.

The company has in place a bank loan of \$166,491, secured against 579 Whitehorse Road with a floating charge of 4.93% at 30 June 2015. The loan is interest and principal over a remaining of 13.82 year term.

## NOTE 10. PROVISIONS

### CURRENT

Employee Benefits	597,452	564,483
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### NON-CURRENT

Employee Benefits	145,415	196,140
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	<b>742,867</b>	<b>760,623</b>
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# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2015 \$

2014 \$

## 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	495,132	445,387
- later than 12 months but not later than 5 years	401,210	632,415
- later than 5 years	-	-

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	<b>896,342</b>	<b>1,077,802</b>
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The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements. Increase in lease commitments may occur in line with CPI.

## NOTE 12. CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at bank	718,437	477,334
Petty cash	-	694

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	<b>718,437</b>	<b>478,028</b>
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## NOTE 13. AFTER BALANCE DATE EVENTS

No matters or circumstances has 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2015 \$

2014 \$

## 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	517,435	475,520
Indemnity Insurance	3,300	3,300
	<b>520,735</b>	<b>478,820</b>

## 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
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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	-	-
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## NOTE 15. RENUMERATION 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	14,650	14,200
Other services	3,450	2,575
	<b>18,100</b>	<b>16,775</b>

## 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 2015

	2014 \$	2013 \$
<b>NOTE 17. RESERVES</b>		
Building Appeal	300,261	300,261
Asset Revaluation Reserve	600,162	600,162
	<b>900,423</b>	<b>900,423</b>

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 2015 the number of members was 21 (2014: 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**  
chartered accountants - your partners in success

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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 2015, the statement of profit or loss and other comprehensive income, the 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 *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 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 audit opinion.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001* and *Australian Charities and Not-for-profits Commission Act 2012*.

An independent Member of the Hayes Knight Group and Morison International.  
Liability limited by a scheme approved under Professional Standards Legislation.  
Associated Offices : Adelaide | Auckland | Brisbane | Darwin | Melbourne | Perth | Sydney

**Australian Childhood Foundation**

ACN: 657 044 514

**Independent Audit Report to the Members of Australian Childhood Foundation**

*Basis for Qualified Opinion*

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 possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of Australian Childhood Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2015 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

*Hayes Knight Audit*  
Hayes Knight Audit Pty Ltd  
Melbourne



Geoff S. Parker  
Director

Dated this 16 day of September 2015





Australian Childhood Foundation

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