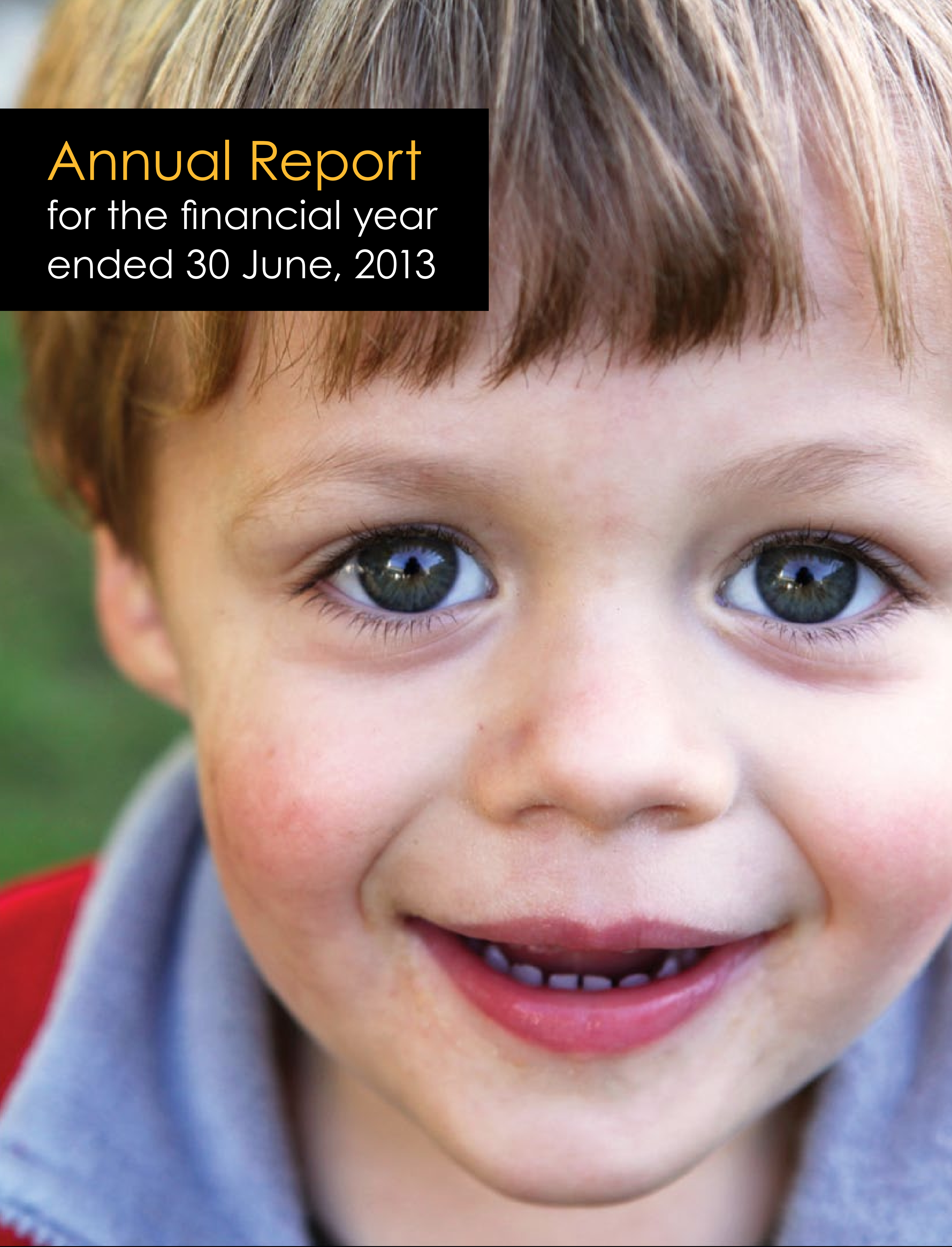
Annual Report
for the financial year ended 30 June, 2013



Australian Childhood Foundation

childhood.org.au
ACN: 057 044 514

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Last year, there were 252,962 reports of child abuse and neglect received across Australia

Introduction

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

Advocacy for children

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

Education

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 delivered through its capacity as a Registered Training Organisation and a the provision of a national provisional development calendar. In 2012-2013, the Foundation provided training to more than 8000 professionals.

Research

In partnership with Monash University, we have established Child Abuse Prevention Research Australia to research the problem of child abuse and identify constructive solutions. A number of research reports have been written and are due to be published in 2013.

Child abuse prevention programs

We run nationally recognised child abuse prevention programs that seek to decrease the incidence of child abuse and raise awareness about how to stop it even before it starts. 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 group parenting program developed by the Australian Childhood Foundation for a wide range of parents including those who might be considered vulnerable or 'at risk'. This program uses mindful reflection to support parents to review and enhance their patterns of communication with their children, promote more respectful interactions and encourage the development of children's positive self-identity.

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

Mapping of our services

There were more than 695 new reports of child abuse per day. That equates to one report of abuse or neglect every two minutes.

Board, Patrons and Ambassadors

President

Mr Jamie Perrott - Communications
(Retired as President in July 2013)
Mr Simon McCall - Social Research
(Appointed President in July 2013

Honourary Treasurer

Mr Simon Marsh - Accounting

Directors

Mr Mark Thomas - Communications
Ms Julie Reilly - Not for profit
Mr Andrew Newbold - Solicitor and Company Director
Mr John Gutteridge - Advertising
Mr Justin Smith - Media
Mr Nick Pelham - Infrastructure and Mining

Patron in Chief

Ms Quentin Bryce AC CVO - Governor General of Australia

Patrons

Mr Eric Bana and Ms Rebecca Bana
Dr Robert Birrell AO, OAM - Retired Paediatrician

Life Governors

Mr Charles Maynard - Advertising
Ms Susan Halliday - Business
Mr David Rosback, AM – Retail and Former Rotary District Governor
Mr Laurie Wilson – Commerce
Dr Anne Small - Medicine

Ambassadors

Chris Hemsworth - Actor
Liam Hemsworth - Actor
Nadine Garner - Actor
Stefan Dennis - Actor
Casey Burgess - Entertainer
David Boon - Former Australian Cricketer
Robyn Moore - Actor
Kim Geale and Dave Noonan - Radio Presenters
Lindsay Field - Singer and Musician
Jodhi Meares - Fashion Designer
Kit Podgornik - Fashion Designer
Melanie Milburne - Author
Larissa Bartlett - Community Engagement Coordinator
Megan Park - Fashion Designer

Key Supporters

Judi Lay
Marilyn Kraner
Adam Tomison
Jim Earle
David Stephenson
Amy Smith

The number of children on care and protection orders has increased dramatically over the past five years. In 2011-2012, 40,962 children required court action in order to ensure their protection from abuse and neglect. This is an increase of 70% since 2004-2005 when there were 24,075.

Our Heartfelt Thanks

The Australian Childhood Foundation sincerely thanks the following individuals and organisations for their support of our work throughout 2012-2013. We cannot thank them enough for their commitment to the safety and protection of children in Australia.

Major Partners

Corporate Partners

BGC Partners

Buchan

Mitchells Group

PepsiCo

Rodeo

Horizon Communications

LOTE Marketing

MONA

Government and Community Supporters

Australian Government Department of Families, Housing, Community Services and Indigenous Affairs

Department of Disability, Housing and Community Services, ACT

Department of Education and Children's Services, South Australia

Department of Health and Human Services, Tasmania

Department of Education, Tasmania

Department of Human Services, Victoria

Trusts and Foundations

Jack & Robert Smorgon Families Foundation

Foundation of Graduates in Early Childhood Studies

Last year, there were more children living away from home because it is too dangerous for them to return home than ever before. The number of children in care has almost tripled from 13,979 in 1996 to 39,621 in 2012.

Become involved and support our work

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

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

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

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

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

Australian Childhood Foundation
PO Box 525
Ringwood VIC 3134

Phone: (03) 9874 3922
Email: info@childhood.org.au

All donations over $2 are tax deductible

Directors' Report 30 June 2013

The Board of Directors of the Australian Childhood Foundation present this report on the company for the financial year ended 30 June 2013.

Directors

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:

Name Particulars

Jamie Perrott	Jamie Perrott is former President of the Australian Childhood Foundation, having retired from that role in July 2013. He joined the Board in 1993. He has extensive experience in corporate affairs and government relations. He has also served on the Foundation's networking and marketing committee.
Simon McCall	Simon McCall joined as a Director in 2001 and became President of the Foundation in July 2013. 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 Thomas joined the Board in 2005. He has been a political adviser to a range of government Ministers. He has senior community and corporate communications experience.
Julie Reilly	Julie Reilly joined as a Director in 2006. She has worked in various public relations, media and not for profit organisations. She has served on the Foundation's networking and marketing committee.
Andrew Newbold	Andrew Newbold is a solicitor with significant corporate experience. He is the President of the Hawthorn Football Club and brings strategic and legal expertise to the Board. He joined as a Director in 2009.
John Gutteridge	John Gutteridge is a senior advertising executive with extensive international experience. He joined as a Director in 2011 and has also served on the Foundation's networking and marketing committee.
Simon Marsh	Simon Marsh is the Treasurer and Company Secretary of the Foundation. He is a Chartered Accountant and 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 Smith 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 Pelham 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.

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 and neglect 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; and,
- implementation of programs that build the capacity of

Performance Measure

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

Meetings of Directors

The number of meetings of the company's Board of Directors and of each Board committee held during the year ended 30 June 2013, and the number of meetings attended by each director were:

Full Board	Attended	Held
Jamie Perrott	6	7
Simon McCall	5	7
Mark Thomas	1	7
Julie Reilly	4	7
Andrew Newbold	5	7
John Gutteridge	0	7
Simon Marsh	7	7
Justin Smith	4	7
Nick Pelham	6	7

Held represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Directors' Report 30 June 2013

Operating results

The net surplus of the company amounted to $114,543. No provision for income tax is necessary, as the Company is endorsed as an income tax exempt charitable entity under Division 50 of the Income Tax Assessment Act 1997.

Significant changes in state of affairs

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

After balance date events

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

Indemnifying officers or auditor

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

Directors and Officers Liability and Professional Indemnity Insurance	**$3,300 (2013)**

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

Contributions on winding up

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

The total amount that members of the company are liable to contribute if the company is wound up is $1,900, based on 19 current ordinary members (2012: 20 members).

Proceedings on behalf of the company

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

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 and comply with Australian Accounting Standards – Reduced Disclosure Requirements.

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

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

Simon McCall
President

Dated this 1st day of October 2013

Hayes Knight Audit
chartered accountants - your partners in success

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Registered Audit Company 291969

Australian Childhood Foundation
ACN: 057 044 514

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hayes Knight Audit

Hayes Knight Audit Pty Ltd
Melbourne

Geoff S. Parker
Director

Dated this 1 day of October 2013

Directors' declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 14 to 37, are in accordance with the Corporations Act 2001 and:

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

    b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the entity.

2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Simon McCall
President

Dated this 1st day of October 2013

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2013

	2013 $	2012 $
Continuing operations		
REVENUE		
Fundraising and Donations	2,355,011	2,376,872
Grants	5,616,841	4,191,981
Service fees	422,494	218,735
Education Programs	2,019,761	2,137,633
Membership	220	598
Interest	5,762	22,642
	10,420,089	8,948,461
EXPENSES		
Fundraising Expenses	(709,061)	(776,074)
Grants Program Allocations	(383,357)	(353,592)
Education Program Expenses	(1,174,832)	(1,100,590)
Depreciation	(281,989)	(286,671)
Occupancy	(330,762)	(275,020)
Finance costs	(46,119)	(52,981)
Employee Benefits	(6,034,240)	(5,715,437)
Administration and service expenses	(1,338,929)	(1,070,445)
Foreign exchange loss	(6,257)	(22,775)
	(10,305,546)	(9,653,585)
SURPLUS/ (DEFICIT) FOR THE YEAR	114,543	(705,124)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Gain on revaluation of properties	118,941	-
TOTAL COMPREHENSIVE INCOME/ (DEFICIT) FOR THE YEAR	233,484	(705,124)

Statement of financial position

for the year ended 30 June 2013

	Note	2013 $	2012 $
Assets			
CURRENT ASSETS			
Cash and cash equivalents	3	913,152	25,402
Trade and other receivables	4	655,069	481,367
Other assets	5	114,815	139,269
TOTAL CURRENT ASSETS		1,683,036	646,038
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,913,488	1,866,587
Intangible Assets	7	57,800	98,050
TOTAL NON-CURRENT ASSETS		1,971,288	1,964,637
TOTAL ASSETS		3,654,324	2,610,675
Liabilities			
CURRENT LIABILITIES			
Trade and other payables	8	1,662,180	831,356
Borrowings	9	154,681	141,871
Short-term Provisions	10	641,379	540,201
TOTAL CURRENT LIABILITIES		2,458,240	1,513,428
NON CURRENT LIABILITIES			
Borrowings	9	255,223	398,207
Long-term provisions	10	129,727	121,391
TOTAL NON-CURRENT LIABILITIES		384,950	519,598
TOTAL LIABILITIES		2,843,190	2,033,026
NET ASSETS		811,134	577,649
Equity			
Reserves	17	900,423	781,482
Retained surpluses/(deficit)		(89,289)	(203,832)
TOTAL EQUITY		811,134	577,649

Statement of changes in equity

for the year ended 30 June 2013

	Retained earnings $	Asset Revaluation Reserve $	Building appeal reserve $	Total $
BALANCE AT 1 JULY 2011	501,292	481,221	300,261	1,282,774
Surplus/ (deficit) for the year	(705,124)	-	-	(705,124)
BALANCE AT 30 JUNE 2012	(203,832)	481,221	300,261	577,649
Surplus/ (deficit) for the year	114,543	-	-	114,543
Other comprehensive income/ (deficit) for the year	-	118,941	-	118,941
Total comprehensive income for the year	114,543	118,941	-	233,484
BALANCE AT 30 JUNE 2013	(89,289)	600,162	300,261	811,134

Statement of cashflows

for the year ended 30 June 2013

	Note	2013	2012
		$	$
Cash flow from operating activities			
Receipts from fund raising activities & customers		2,355,253	2,364,434
Receipts from grants		6,004,824	4,520,825
Receipts from service fees		464,743	240,608
Receipts from education programs		2,993,883	2,431,512
Payments for direct cost of fund raising, suppliers and employees		(10,590,582)	(9,741,148)
Interest received		5,762	22,642
Borrowing cost paid		(46,119)	(52,981)
Net cash provided by (used in) operating activities	12(b)	1,187,764	(214,108)
Cash flow from investing activities			
Payment for property, plant and equipment		(169,699)	(254,762)
Receipts from maturity of short term deposits		-	230,000
Payment for short term deposits		(142)	(104)
Net cash used in investing activities		(169,841)	(24,866)
Cash flow from financing activities			
Proceeds from borrowings		-	93,052
Repayment of borrowings		(130,173)	(111,012)
Net cash used in financing activities		(130,173)	(17,960)
Net increase/ (decrease) in cash held		887,750	(256,934)
Cash at beginning of year		25,402	282,336
Cash at end of year	12(a)	913,152	25,402

Notes to the financial statements

for the year ended 30 June 2013

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 2013 were authorised for issue in accordance with a resolution of the directors on 1 October 2013.

Basis of Preparation

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

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

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

Early adoption of Accounting Standards

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

Accounting Policies

a. Revenue

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

Fundraising and donations
Donations and bequests are recognised as revenue when received.

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

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.

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

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

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

b. Property, Plant and Equipment

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

Accounting Policies

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

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

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

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

As the revalued buildings are depreciated the difference between depreciation recognised in the statement of 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.

The depreciation rates for each class of depreciable assets are:

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to the statement of 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 in an arm's-length transaction. Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. 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.

(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 reocgnised 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.

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 imparment 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.

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.

NOTE 2. Application of new and revised accounting standards

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

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

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

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

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

AASB 1054 'Australian Additional Disclosures', AASB 2011-1 'Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project' and AASB 2011-2 'Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements' (AASB 2011-2 has been adopted in advance of its effective date of 1 July 2013)

AASB 1054 sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. It sets out the disclosure requirements that are in addition to IFRSs in areas such as compliance with Australian Accounting Standards, the nature of financial statements (general purpose or special purpose), audit fees and the reconciliation of net operating cash flow to profit (loss).

AASB 2011-1 makes amendments to a range of Australian Accounting Standards and Interpretations to more closely align to IFRS's and for greater harmonisation between Australian and New Zealand Standards. The amendment deletes various Australian-specific guidance and disclosures from other Standards (Australian-specific disclosures retained are now contained in AASB 1054), and aligns the wording used to that adopted in IFRS's.

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

The application of these standards and amendments, in the current year, has resulted in additional disclosure on whether the company is a for-profit or a not-for-profit entity.

	2013 $	2012 $
NOTE 3. Cash and cash equivalents		
CURRENT		
Cash at bank		
National Australia Bank Operating Accounts	911,502	23,602
National Australia Bank Donation Account	1,000	1,000
Cash on hand	650	800
	913,152	25,402

NOTE 4. Trade and other receivables

	2013 $	2012 $
Trade receivables	655,069	470,012
Provision for impairment of receivables (a)	-	(14,318)
	655,069	455,694
Other receivables	-	25,673
	655,069	481,367

(a) Provision for Impairment of Receivables

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

	$	$
Provision for impairment as at 30 June 2011	-	
Charge for the year	48,235	
Written off	(33,917)	
Provision for impairment as at 30 June 2012	14,318	
Charge for the year	800	
Written off	2,500	
Amounts recovered during the year	(17,618)	
Provision for impairment as at 30 June 2013	-	

NOTE 5. Other current assets

	2013 $	2012 $
Prepayments	98,293	122,889
Security deposit	16,522	16,380
	114,815	139,269

NOTE 6. Property, plant and equipment

	2013 $	2012 $
Land at fair value	736,876	617,936
Buildings at fair value	648,730	618,863
Accumulated depreciation	(285,606)	(264,409)
	1,100,000	972,391
Office furniture & equipment at cost	731,604	681,470
Accumulated depreciation	(494,296)	(360,128)
	237,308	321,342
Motor vehicles at cost	457,564	457,564
Accumulated depreciation	(134,045)	(76,853)
	323,519	380,711
Computer Software	443,457	313,507
Accumulated depreciation	(190,796)	(121,364)
	252,661	192,143
Total Property Plant & Equipment	1,913,488	1,866,587

6b. Movements in Carrying Amounts

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

	Freehold Land $	Buildings $	Office Furniture & Equipment $	Motor Vehicles $	Computer Software $	Total $
Balance at 30 June 2011	617,936	368,260	414,476	349,624	230,013	1,980,309
Additions at cost	-	-	64,592	84,999	23,358	172,949
Disposals	-	-	-	-	-	-
Depreciation expense	-	(13,805)	(157,726)	(53,912)	(61,228)	(286,671)
Balance at 30 June 2012	617,936	354,455	321,342	380,711	192,144	1,866,587
Additions at cost	-	29,866	50,135	-	129,949	209,950
Disposals	-	-	-	-	-	-
Depreciation expense	-	(21,197)	(134,168)	(57,192)	(69,432)	(281,989)
Revaluation increase/ (decrease)	118,940	-	-	-	-	118,940
Balance at 30 June 2013	736,876	363,124	237,309	323,519	252,661	1,913,488

	2013 $	2012 $

NOTE 7. Intangible assets

	2013 $	2012 $
Computer software in development - at cost	57,800	98,050
Accumulated amortisation	-	-
Accumulated impairment	-	-
Net carrying value	57,800	98,050

	Computer software in development
Balance at 1 July 2011	16,237
Additions at cost	83,501
Reallocation to computer software	(1,688)
Disposals	-
Amortisation charge	-
Impairment losses	-
Balance at 1 July 2012	98,050
Additions at cost	71,700
Reallocation to computer software	(111,950)
Disposals	-
Amortisation charge	-
Impairment losses	-
Balance at 30 June 2013	57,800

NOTE 8. Trade and other payables

CURRENT

	2013 $	2012 $
Trade payables	194,865	316,974
Accrued accounts	126,436	128,328
Education fees paid in advance	201,463	140,775
Grants paid in advance	711,457	-
Other current payables	427,959	245,279
	1,662,180	831,356

	2013 $	2012 $
NOTE 9. Interest bearing liabilities		
CURRENT		
Commercial Hire Purchase	135,569	122,759
Bank Loan	19,112	19,112
	154,681	141,871
NON-CURRENT		
Commercial Hire Purchase	89,285	224,854
Bank Loan	165,938	173,353
	255,223	398,207
TOTAL BORROWINGS	409,904	540,078

Leased liabilities are secured by the underlying leased assets.

The company has in place a bank loan of $185,050, secured against 579 Whitehorse Road with a floating charge of 5.63% at 30 June 2013. This loan is interest and principal over a 15.82 year term.

NOTE 10. Provisions

	2013 $	2012 $
CURRENT		
Employee Benefits	641,379	540,201
NON-CURRENT		
Employee Benefits	129,727	121,391
	771,106	661,592

NOTE 11. Capital and leasing commitments

a. Operating Lease Commitments

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

	2013 $	2012 $
Payable - minimum lease payments		
- not later than 12 months	115,376	177,502
- later than 12 months but not later than 5 years	79,274	97,572
- later than 5 years	-	-
	194,650	275,074

	2013	2012
	$	$
b. Commercial Hire Purchase Contract Commitments		
Payable - minimum payments		
- not later than 12 months	151,716	151,716
- later than 12 months but not later than 5 years	93,108	244,825
Minimum payments	244,824	396,541

Commercial Hire Purchase Contracts on motor vehicles (2013: 7, 2012: 7) are four-year leases.

NOTE 12. Cash flow information

(a) Reconciliation of Cash		
Cash at bank	912,502	24,602
Petty cash	650	800
	913,152	25,402
(b) Reconciliation of Cash Flow from Operations with Operating Surplus / (Deficit)		
Net surplus/ (deficit) for the year	114,543	(705,124)
Non-cash flows in Operating Surplus:-		
Depreciation Expense	281,989	286,671
Provision for Employee Benefits	109,513	74,166
Provision for Projects not completed	-	(148,187)
Changes in Assets and Liabilities:-		
(Increase) Decrease in Receivables, Prepayments	(149,105)	71,008
Increase (Decrease) in Payables	830,824	207,358
CASH FLOWS FROM (USED IN) OPERATIONS	1,187,764	(214,108)

NOTE 13. Events occurring after the reporting period

The company begun negotiations to sell and lease back, by way of operating lease, all vehicles financed through commercial hire purchase as at 30 June 2013. These negotiations were completed by August 2013. This change is expected to reduce liabilities by $224,854 and reduce non-current assets by $323,519. The new operating leases have total monthly lease repayments of $9,453 and lease terms ranging from 4 months to 2 years. Total commitment for the term of the operating leases is $110,946.

NOTE 14. Related party transactions and key management personnel

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

	2013 $	2012 $
Key management personnel	436,428	583,009
Indemnity Insurance	3,300	3,299
	439,728	586,308

Other transactions with directors

A director, Mr Simon Marsh, is a partner in the firm of BDO. BDO provided general accounting services to the company during the year on normal commercial terms and conditions.

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

	2013 $	2012 $
Amounts recognised as expense		
Consulting fees	110,418	4,600

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

	2013 $	2012 $
Current liabilities	7,172	-

NOTE 15. Renumeration of auditors

Audit services - Hayes Knight Audit

	2013 $	2012 $
Audit of the financial report	14,000	12,000
Other services	-	1,800
	14,000	13,800

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 operates under policies approved by Board of Directors.

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

	2013	2012
	$	$

NOTE 17. Reserves

	2013 $	2012 $
Building Appeal	300,261	300,261
Asset Revaluation Reserve	600,162	481,221
	900,423	781,482

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 2013 the number of members was 19 (2012: 20).

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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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 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Australian Childhood Foundation
ACN: 057 044 514

Independent Audit Report to the Members of Australian Childhood Foundation

Qualification

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

Opinion

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

(a) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Hayes Knight Audit

Hayes Knight Audit Pty Ltd
Melbourne

Geoff S. Parker
Director

Dated this 1 day of October 2013

Australian
Childhood Foundation
Protecting Children

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