Annual Financial Report

Financial year ended 30 June 2022

childhood.org.au

ACN: 057 044 514

Summary Financial Statements

Australian Childhood Foundation

ACN: 057 044 514

Directors' Report
30 June 2022

The directors present their report on Australian Childhood Foundation for the financial year ended 30 June 2022.

General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position
Mark Thomas	Corporate Affairs Consultant
Justin Smith	Media
Nick Pelham	Infrastructure Manager
Ciara Earley	General Paediatric Consultant
Rod Lamplugh	Solicitor
Claire Boussioutas	Consultant
Rod Naismith	Accountant
Cliff Weeks	Public Servant

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

Information on directors

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

Mark Thomas	is currently the Chairperson of the Foundation having joined as a Director in 2005. He has been a political adviser to a range of government Ministers. He has senior community and corporate communications experience.
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	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.
Ciara Earley	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 and The Victorian Institute of Forensic Medicine.
Rod Lamplugh	joined as a Director in 2015. He is a commercial lawyer and company director. He has over 25 years' experience assisting organisations with legal and media related matters particularly in the areas of acquisitions, contractual matters and compliance issues.
Claire Boussioutas	joined as a Director in 2018. Claire has been working with global and Australian organisations over 25 years as they undergo business transformation enabled by technology. She is a Partner at EY and married with three children
Rod Naismith	joined as a Director in 2018. Rod is a Chartered Accountant and a Graduate of the Institute of Australian Company Directors. Rod has worked in public practice for over 17 years and is a Partner at the global firm, BDO. He advises on a range of business, accounting and taxation issues for start-up, private and family owned businesses and not for profit organisations. He is a member of the Finance and Governance subcommittee of the Board.

General information (continued)

Information on directors (continued)

Cliff Weeks	joined as a Director in 2016. He is currently working for the Department of the Chief Minister as a senior executive based in Alice Springs. A former member of the Western Australia Police Service, Cliff has over 15 years of experience in the public sector and was Director General of the Department of Aboriginal Affairs in Western Australia from 2011 until 2016.

Principal activities

The principal activities of Australian Childhood Foundation 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 counselling, 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.

Summary Financial Statements

Australian Childhood Foundation

Australian Childhood Foundation

ACN: 057 044 514

Directors' Report

30 June 2022

General information (continued)

Members' guarantee

Australian Childhood Foundation is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to $ 100 for members, subject to the provisions of the company's constitution.

At 30 June 2022 the collective liability of members was $ 2,000 (2021: $ 2,300).

Operating results

The operating surplus of the company amounted to $709,304 (2021: $2,367,744). 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

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

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.

Meetings of directors

During the financial year, 6 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mark Thomas	6	6
Justin Smith	6	3
Nick Pelham	6	5
Ciara Earley	6	6
Rod Lamplugh	6	6
Claire Boussioutas	6	6
Rod Naismith	6	6
Cliff Weeks	6	3

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Australian Childhood Foundation.

3

Australian Childhood Foundation

ACN: 057 044 514

Directors' Report

30 June 2022

Proceedings on behalf of 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

The auditor's independence declaration in accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 30 June 2022 has been received and can be found on page 5 of the financial report.

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

A.Mark Thomas

Director: ....

Mark Thomas

Dated this 3rd day of October 2022

4

Summary Financial Statements

Australian Childhood Foundation

Nexia Australia

Nexia Melbourne Audit
Registered Audit Company 291969
Level 12 31 Queen Street
Melbourne Victoria 3000
T: +61 3 8613 8888
F: +61 3 8613 8800
nexia.com.au

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

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Australian Childhood Foundation for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

b. No contraventions of any applicable code of professional conduct in relation to the audit.

Nexia

Nexia Melbourne Audit Pty Ltd
Melbourne

Chapman Wan
Director

Dated this 3rd day of October 2022

Australian Childhood Foundation

ACN: 057 044 514

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

		2022 $	2021 $
Revenue			
Fundraising and Donations		**3,275,752**	3,249,106
Government assistance		**-**	1,524,500
Interest income		**17,012**	17,854
Other Income	10	**189,275**	167,584
Professional education services		**2,526,597**	2,334,261
Research		**99,813**	230,014
Safeguarding children services		**1,011,083**	1,038,300
Therapeutic Services		**20,688,087**	18,263,703
		27,807,619	26,825,322
Expenditure			
Amortisation of right-of-use assets		**(1,593,638)**	(1,415,448)
Depreciation		**(588,221)**	(521,506)
Employee benefits expense		**(19,972,639)**	(17,652,154)
Finance costs		**(5,386)**	(20,568)
Foreign exchange gain/(loss)		**106**	1,289
IT expenses		**(703,167)**	(523,016)
Lease interest		**(105,211)**	(133,822)
Motor vehicle expenses		**(103,585)**	(235,732)
Offices and Facilities		**(586,344)**	(279,775)
Organisational expenses		**(1,023,522)**	(918,211)
Program expenses		**(1,606,257)**	(1,958,035)
Telecommunications		**(241,861)**	(223,799)
Travel expenses		**(568,590)**	(536,142)
Loss on disposal of assets		**-**	(40,659)
		(27,098,315)	(24,457,578)
Surplus before income tax		**709,304**	2,367,744
Income tax expense		**-**	-
Surplus for the year		**709,304**	2,367,744
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation changes for property, plant and equipment		**-**	192,224
Items that will be reclassified subsequently to profit or loss			
Gain/(Loss) arising from revaluation of financial assets at fair value		**(5,374)**	18,955
Other comprehensive income/(loss) for the year, net of tax		**(5,374)**	211,179
Total comprehensive income for the year		**703,930**	2,578,923

The accompanying notes form part of these financial statements.

Summary Financial Statements

Australian Childhood Foundation

ACN: 057 044 514

Statement of Financial Position

As At 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**2,572,248**	2,509,327
Trade and other receivables	5	**1,909,917**	1,217,753
Inventories	6	**204,643**	234,977
Financial assets	7	**2,084,622**	2,079,807
Other assets	8	**719,115**	546,026
TOTAL CURRENT ASSETS		**7,490,545**	6,587,890
NON-CURRENT ASSETS			
Property, plant and equipment	9	**4,415,179**	3,758,944
Right-of-use assets	10	**1,653,532**	2,190,625
TOTAL NON-CURRENT ASSETS		**6,068,711**	5,949,569
TOTAL ASSETS		**13,559,256**	12,537,459
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**1,347,420**	1,312,774
Employee benefits	13	**1,840,082**	1,466,194
Lease liabilities	10	**1,277,186**	1,471,443
Other liabilities	12	**2,066,271**	1,392,448
TOTAL CURRENT LIABILITIES		**6,530,959**	5,642,859
NON-CURRENT LIABILITIES			
Employee benefits	13	**103,092**	160,712
Lease liabilities	10	**457,082**	969,695
TOTAL NON-CURRENT LIABILITIES		**560,174**	1,130,407
TOTAL LIABILITIES		**7,091,133**	6,773,266
NET ASSETS		**6,468,123**	5,764,193
EQUITY			
Reserves	14	**2,132,715**	2,138,089
Retained earnings		**4,335,408**	3,626,104
TOTAL EQUITY		**6,468,123**	5,764,193

The accompanying notes form part of these financial statements.

7

Australian Childhood Foundation

ACN: 057 044 514

Statement of Changes in Equity

For the Year Ended 30 June 2022

2022

	Retained Earnings $	Asset Revaluation Surplus $	Financial Asset Reserve $	Total $
Balance at 1 July 2021	**3,626,103**	**2,118,315**	**19,775**	**5,764,193**
Surplus for the year	**709,304**	**-**	**-**	**709,304**
Other comprehensive income/(loss) for the year	**-**	**-**	**(5,374)**	**(5,374)**
Balance at 30 June 2022	**4,335,407**	**2,118,315**	**14,401**	**6,468,123**

2021

	Retained Earnings $	Asset Revaluation Surplus $	Financial Asset Reserve $	Total $
Balance at 1 July 2020	1,258,359	1,926,091	820	3,185,270
Surplus for the year	2,367,744	-	-	2,367,744
Other comprehensive income for the year	-	192,224	18,955	211,179
Balance at 30 June 2021	3,626,103	2,118,315	19,775	5,764,193

The accompanying notes form part of these financial statements.

8

Summary Financial Statements

Australian Childhood Foundation

ACN: 057 044 514

Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**27,771,925**	27,024,124
Payments to suppliers and employees		**(24,597,700)**	(21,918,701)
Dividends received		**341**	323
Interest received		**17,012**	17,854
Finance costs		**(110,597)**	(154,390)
Net cash provided by/(used in) operating activities		**3,080,981**	4,969,210
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for property, plant and equipment		**(1,244,456)**	(590,891)
Purchase of financial assets		**(10,189)**	(2,003,625)
Net cash provided by/(used in) investing activities		**(1,254,645)**	(2,594,516)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		**-**	(259,999)
Repayment of lease liabilities (principal)		**(1,763,415)**	(1,529,622)
Net cash provided by/(used in) financing activities		**(1,763,415)**	(1,789,621)
Net increase/(decrease) in cash and cash equivalents held		**62,921**	585,073
Cash and cash equivalents at beginning of year		**2,509,327**	1,924,254
Cash and cash equivalents at end of financial year	4	**2,572,248**	2,509,327

The accompanying notes form part of these financial statements.

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements

For the Year Ended 30 June 2022

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

The principal activities of Australian Childhood Foundation 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 counselling, 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.

The functional and presentation currency of Australian Childhood Foundation is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

The financial report was authorised for issue by the Directors on 3 October 2022.

The financial statements, except for the cash flow information, 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.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue recognised under AASB 15 is measured at the amount which the Company expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

Where consideration comprises variable components, the amount recognised as revenue is constrained to that amount that would not result in a significant reversal of the cumulative revenue recognised when that uncertainty is resolved.

Timing of Revenue Recognition

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

If the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

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

Summary Financial Statements

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Fundraising and donations

Donations collected including cash and goods for resale, are recognised as revenue when the Company gains control of the asset.

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 revenue

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 i.e. when the performance obligation has been satisfied.

Government assistance

Government assistance has been received during the year under the Cash Flow Boost program and Jobkeeper payments. Payments under this program are recognised as revenue once the Company is entitiled to receive the payments. A receivable is recognised at year end for any payments that the Company is entitled to that have not been received. Payments received are included as part of 'Government assistance' in the statement of comprehensive income

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(d) Inventories

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

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 25 May 2021 by Charter Keck Cramer.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable wiling 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 asset's fair values at the balance sheet date.

Summary Financial Statements

Australian Childhood Foundation

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements
For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(e) Property, plant and equipment (continued)

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 profit or loss and 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 depredation 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 used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2 - 4%
Office Furniture and Equipment	10 - 25%
Computer Software	20%
Leasehold improvements	20 - 33%

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

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements
For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Company has a number of strategic investments in listed and unlisted entities over which are they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets (continued)

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets (continued)

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(g) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Summary Financial Statements

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(h) 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.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the Company the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the Company recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate.

Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the Company is reasonably certain to exercise and incorporate the Company's expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets ($10,000 or less) are recognised as incurred as an expense in the statement comprehensive income.

17

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(k) Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds, with terms to maturity that match the expected timing of cashflows.

On Costs

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

Superannuation

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

(l) Provisions

Provisions are recognised when the Company 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.

(m) 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.

18

Summary Financial Statements

Australian Childhood Foundation

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Critical Accounting Estimates and Judgments

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 10. Management has determined that all of the risks and rewards of ownership of these premises, motor vehicles 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 25 May 2021 by Charter Keck Cramer. The valuation was based on the market value.

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.

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements

For the Year Ended 30 June 2022

4 Cash and Cash Equivalents

	2022 $	2021 $
Cash at bank and in hand	**2,572,248**	2,509,327
	2,572,248	2,509,327

5 Trade and other receivables

	2022 $	2021 $
CURRENT		
Trade receivables	**1,621,149**	1,136,997
Other receivables	**288,768**	80,756
	1,909,917	1,217,753

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

6 Inventories

	2022 $	2021 $
CURRENT		
At cost:		
Finished goods	**204,643**	234,977
	204,643	234,977

7 Financial Assets

	2022 $	2021 $
CURRENT		
Term deposits	**2,013,815**	2,003,625
Shares in listed companies - fair value through other comprehensive income	**70,808**	76,181
	2,084,623	2,079,806

8 Other Assets

	2022 $	2021 $
CURRENT		
Prepayments	**393,458**	223,803
Security deposits	**325,657**	322,223
	719,115	546,026

Summary Financial Statements

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Property, plant and equipment

	2022 $	2021 $
Land		
At fair value	**2,255,029**	2,255,029
Buildings		
At fair value	**521,933**	521,933
Accumulated depreciation	**(283,830)**	(268,968)
	238,103	252,965
Furniture, fixtures and fittings		
At cost	**1,056,165**	911,095
Accumulated depreciation	**(848,962)**	(727,337)
	207,203	183,758
Computer software		
At cost	**2,268,961**	1,594,976
Accumulated depreciation	**(1,124,501)**	(727,634)
	1,144,460	867,342
Leasehold Improvements		
At cost	**359,172**	359,172
Accumulated depreciation	**(292,348)**	(237,481)
	66,824	121,691
Work in progress		
At cost	**503,560**	78,159
	4,415,179	3,758,944

Movements in Carrying Amounts

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

	Land $	Buildings $	Furniture, Fixtures and Equipments $	Computer Software $	Leasehold Improvements $	Work in progress $	Total $
Year ended 30 June 2022							
Balance at the beginning of year	2,255,029	252,965	183,758	867,342	121,691	78,159	3,758,944
Additions	-	-	145,070	673,985	-	425,401	1,244,456
Depreciation expense	-	(14,862)	(121,624)	(396,868)	(54,867)	-	(588,221)
Revaluation increase	-	-	-	-	-	-	-
Balance at the end of the year	2,255,029	238,103	207,204	1,144,459	66,824	503,560	4,415,179

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Leases

Company as a lessee

The Company has leases over a range of assets including buildings and motor vehicles.

Terms and conditions of leases

Buildings

The Company leases land and buildings for their corporate offices and other buildings, the leases are generally between 1 - 6 years and some of the leases include a renewal option to allow the Company to renew for up to twice the non-cancellable lease term.

The corporate office lease contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.

Motor Vehicles

The Company leases vehicles and equipment with lease terms varying from 2 - 5 years, the lease payments are fixed during the lease term.

Right-of-use assets

	Buildings $	Motor Vehicles $	Total $
Year ended 30 June 2022			
Balance at beginning of year	1,441,565	749,060	2,190,625
Additions and reassessments	715,316	460,437	1,175,753
Leases completed	(96,913)	(22,295)	(119,208)
Depreciation charge	(1,024,136)	(569,502)	(1,593,638)
Balance at end of year	1,035,832	617,700	1,653,532

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year $	1 - 5 years $	> 5 years $	Total undiscounted lease liabilities $	Lease liabilities included in this Statement Of Financial Position $
2022					
Lease liabilities	1,175,210	654,165	-	1,829,375	1,734,268

Summary Financial Statements

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements
For the Year Ended 30 June 2022

10 Leases (continued)

Extension options

A number of the building leases contain extension options which allow the Company to extend the lease term by up to twice the original non-cancellable period of the lease.

The Company includes options in the leases to provide flexibility and certainty to the Company operations and reduce costs of moving premises and the extension options are at the Company's discretion.

At commencement date and each subsequent reporting date, the Company assesses where it is reasonably certain that the extension options will be exercised.

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2022 $	2021 $
Interest expense on lease liabilities	**105,211**	133,822
Depreciation of right-of-use assets	**1,593,638**	1,415,448
	1,698,849	1,549,270

11 Trade and Other Payables

	2022 $	2021 $
CURRENT		
Trade payables	**346,450**	639,323
GST payable	**125,162**	113,026
Sundry payables and accrued expenses	**875,808**	560,425
	1,347,420	1,312,774

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 Other Liabilities

	2022 $	2021 $
CURRENT		
Training - income in advance	**-**	160,741
Other - income in advance	**2,066,271**	1,231,707
	2,066,271	1,392,448

23

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements
For the Year Ended 30 June 2022

13 Employee Benefits

	2022 $	2021 $
CURRENT		
Annual leave and long service leave	**1,840,082**	1,466,194
	1,840,082	1,466,194
NON-CURRENT		
Long service leave	**103,092**	160,712
	103,092	160,712

14 Reserves

	2022 $	2021 $
Asset revaluation reserve	**2,118,314**	2,118,314
Financial assets reserve	**14,401**	19,775
	2,132,715	2,138,089

The asset revaluation reserve records the revaluation of freehold property at Mitcham.

The financial assets reserve records the revaluation of financial assets classified as fair value through other comprehensive income.

15 Financial Risk Management

	2022 $	2021 $
Financial assets		
Held at amortised cost		
Cash and cash equivalents	**2,572,248**	2,509,327
Trade and other receivables	**1,909,917**	1,217,753
Term deposits	**2,013,815**	2,003,625
Fair value through Other Comprehensive Income (OCI)		
Shares in listed companies	**70,808**	76,181
Total financial assets	**6,566,788**	5,806,886
Financial liabilities		
Financial liabilities at amortised cost	**1,347,420**	1,312,776
Total financial liabilities	**1,347,420**	1,312,776

16 Members' Guarantee

In the event of the company being wound up, ordinary members are required to contribute a maximum of $100 each. The total amount that members of the company are liable to contribute If the company is wound up $2,000, based on 20 current ordinary members (2021: 23 members).

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $ 100 each towards meeting any outstandings and obligations of the Company. At 30 June 2022 the number of members was 20 (2021: 23).

24

Summary Financial Statements

Australian Childhood Foundation

ACN: 057 044 514

Notes to the Financial Statements

For the Year Ended 30 June 2022

17 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is $ 1,384,681 (2021: $ 1,434,299).

18 Auditors' Remuneration

	2022 $	2021 $
Remuneration of the auditor Nexia Melbourne Audit Pty Ltd, for:		
- auditing the financial statements	**20,100**	18,250
- other services	**9,200**	9,750
	29,300	28,000

Other services includes assistance with the preparation of the finanical statements and audit of acquittal statements.

19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021:None).

20 Related Parties

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

The following transaction occurred with related parties:

Board member Rod Naismith is a Partner at BDO. In the course of the financial year, BDO provided accounting services to the value of $16,170 (2021: $142,696).

21 Events after the end of the Reporting Period

The financial report was authorised for issue on 3 October 2022 by the Directors.

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.

22 Statutory Information

The registered office and principal place of business of the is:

Australian Childhood Foundation
Level 1
675 Victoria Stret
Abbotsford Victoria 3067

Australian Childhood Foundation

ACN: 057 044 514

Directors' Declaration

The directors declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director A.Mark Thomas ....

Mark Thomas

Dated this 3rd day of October 2022

Summary Financial Statements

Australian Childhood Foundation

Nexia Australia

Nexia Melbourne Audit
Registered Audit Company 291969
Level 12 31 Queen Street
Melbourne Victoria 3000
T: +61 3 8613 8888
F: +61 3 8613 8800
nexia.com.au

Independent Auditor's Report to the Members of Australian Childhood Foundation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Childhood Foundation, which comprises the statement of financial position as at 30 June 2022, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Australian Childhood Foundation, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information comprises the information in Australian Childhood Foundation's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. The annual report is expected to be made available to us after the date of this independent auditor's report.

Directors' responsibility for the financial report

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

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

The directors are responsible for overseeing the entity's financial reporting process.

Auditor's responsibility for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Nexia

Nexia Melbourne Audit Pty Ltd
Melbourne

Chapman Wan
Director

Dated this 3rd day of October 2022