




# Annual Report

for the financial year  
ended **30 June 2018**





“...Our central purpose is to bring love and safety to children affected by the trauma of child abuse and family violence. For this very reason, we believe that really valuing the kindness, sensitivity, trust and protection that good relationships provide children is a way to make it harder for violence to keep its hold on our families and communities...”

Dr. Joe Tucci, CEO,  
Australian Childhood Foundation

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The Australian Childhood Foundation acknowledges Aboriginal and Torres Strait Islander peoples as the traditional custodians and owners of this land. We pay our respects to their elders past and present and to the children who are their leaders of tomorrow. We acknowledge their history and living culture and the many thousands of years in which they have raised their children to be safe and strong.

All children in this annual report are models.

Australian Childhood Foundation  
PO Box 3335  
Richmond VIC 3121  
Phone: 1300 381 581  
Email: [info@childhood.org.au](mailto:info@childhood.org.au)

# Our impact this year

## Our Therapeutic Services

Every day, 900 abused and traumatised children received intensive therapeutic support from our trained counsellors and specialists.



**77% of children** catch up to their age-appropriate academic level as a result of their involvement with the Foundation.



**88% of children** do not experience further foster care placement breakdowns after coming to the Foundation.



**72% of children** experience a reduction in their trauma symptoms as a result of their involvement with the Foundation.



**82% of foster carers** report an increase in confidence as a result of the support and training they received from the Foundation.

## Our Safeguarding Children Services



**57 000 individuals** who work with children and young people have completed our Safeguarding Children Training.



**165 organisations** are involved in our Safeguarding Children Accreditation Program ensuring that children accessing these organisations are afforded a high degree of protection.

## Our Parenting Education Services



Increased the number of facilitators of our Bringing up Great Kids Program to **3500 nationally**.



Our Bringing up Great Kids group programs have been run with **30000 parents nationally**.

# Our impact this year

## Our Professional Education Services



**2600 national and international professionals** attended our 2018 International Childhood Trauma Conference in Melbourne.



**254 professionals** with a direct role with traumatised children completed our Graduate Certificate in Developmental Trauma.



**1600 teachers and educational professionals** have undergone our trauma informed training nationally.



**30 schools** have worked on action research projects to embed trauma informed practice principles.



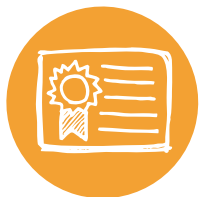
**1100 residential care workers** in Victoria have completed our training in trauma informed care.





# Our impact this year

## Our Transformational Practice Projects



We were awarded contract by NSW Government to establish and run an **Australian first Centre for Excellence in Therapeutic Care** in NSW.



We have started our partnership with **Many Colours One Direction outside Darwin** to support young people in need of intensive therapeutic forms of care.



We completed independent evaluations of two of our major programs – **Safeguarding Children** (Queensland University of Technology) and our **Treatment and Care for Kids** (TrACK) Program (Southern Cross University). Both found significant positive outcomes for vulnerable children.



We have continued to support the implementation of a new model of **Therapeutic Residential Care with NT Government**.



We have continued to support the implementation of a model of trauma informed support with **MercyCare WA**.



We have continued to build the evidence base for our new **Connect Up Program** using horses to training residential care workers about the hidden language of relationships.



## Our impact this year

### Evaluation outcome of our TrACK Therapeutic Foster Care Program

The Treatment and Care for Kids (TrACK) Program is an intensive therapeutic foster care program now providing 18 placement targets for significantly traumatised children and young people who present with a range of complex needs and challenging behaviours. Developed and delivered in partnership by the Australian Childhood Foundation and Anglicare Victoria, the program was borne out of limitations within the then placement and support system and sought to provide an alternative for children and young people living in residential care who were otherwise considered too 'difficult' or 'challenging' to be successfully accommodated in foster care. It has been funded by the Eastern Division of the Department of Health and Human Services, Victoria since its commencement.

### How did TrACK start?

In 2002, the TrACK program successfully pioneered therapeutic foster care placements in Australia for young people who were engaging in problem sexual behaviour and were previously living in residential care. Following its success, its eligibility was extended to include children and young people with a range of complex and challenging trauma-based behaviours who had been living in residential care or living in high-cost individualised placements.

An early independent evaluation of the TrACK program undertaken by Success Works (2005) noted that the TrACK program is underpinned by

*"...theoretical frameworks including the neurobiology of abuse related trauma and attachment in understanding disrupted developmental pathways for chronically traumatised children and its impact on emotional, psychological and behavioural functioning. Children's experiences of trauma are privileged as a means of understanding their complex matrix of needs and responding to their behaviour... (p. 3)".*

## Our impact this year

Success Works (2005) identified that for all children there were significant changes in critical areas of emotional, psychological and social function, including self-esteem, ability to verbalise fears and worries, and ability to establish and maintain relationships with carers and demonstrate affection. There was substantial improvement across a range of behaviours commonly referred to as 'challenging' in the care environment. The program was seen to act as a catalyst for reducing placement breakdowns and unplanned changes—a characteristic of this group of children prior to their entry into the program. Success Works concluded that

*“...the TrACK program effectively demonstrates the essential components of ‘therapeutic foster care’, marrying the contribution of trauma and attachment theories to practices within a home-based care setting. The centrality of the carer’s role in care planning and treatment further confirms the program’s adherence to current best practice standards in therapeutic fostering. The training and secondary consultation provided by the program coupled with the intensive casework and support are clearly essential in maintaining placement stability and are highly valued by foster carers... (p. 4)”*

At the time of its establishment, the TrACK program was the only therapeutic foster care program in Australia. The model was subsequently used as the basis for models of therapeutic foster care in South Australia and the Australian Capital Territory. The key elements of the model also formed the basis of the development of Circle Therapeutic Foster Care Program that was implemented across Victoria by the Victorian Government.

### How effective is the TrACK Program?

It has been evaluated most recently by Southern Cross University which found compelling evidence to suggest that it is a program worth investing in. It produces tangible and lasting results for children. Children who had experienced many placements and years of threat and deprivation before they entered TrACK were almost always able to achieve stability as a result of TrACK.

A total of 48 children have now experienced the TrACK program, comprising 28 males and 20 females. Almost half of the children—19 of the 48—came to the TrACK program directly from a residential care program.

Twenty-nine children had experienced more than three placements in the lead-up period to their referral into TrACK. The striking feature of the data was the extreme instability that some of the children had experienced prior to TrACK, with 15 children having lived in more than six placements before TrACK. Seven of these children had experienced more than ten placements, with one child having experienced 18, and another child, 30 placements.

Almost all of those children who came to TrACK remained in stable care. There have only been six children whose placements ended in an unplanned manner. The median length of placement for children in TrACK was 3 years and six months. Many have been with the same family for over five years.

Most children accepted into the program had experienced significant educational disruption and disadvantage prior to entering the TrACK program. All the children currently in the TrACK program are participating in full-time school.

Every child who has experienced the TrACK program, including those who did not complete the TrACK program in a planned manner, was reported to have made gains in their capacity to self-regulate and ability to use relationships to support effective decision making, especially in relation to future-planning and addressing areas of risk in their behaviour.



## Our impact this year

The nature and quality of the caregiver-child relationship was consistently identified as the critical ingredient for healing and change. There was clear evidence that as a result of TrACK, children were able to develop warm and trusting relationships with their carers, which contributed to their safety, stability and well-being.

TrACK has achieved stabilisation for children who had witnessed a murder, attempted suicide, endured torture—including severe sexual exploitation at the hand of paedophile rings—and experienced extreme and inhumane deprivation.

### Conclusion – Why is the TrACK evaluation important for Australian systems?

The long-term effectiveness of the TrACK Program represents how important it is for Governments to consider locally developed evidence-based interventions for children in out of home care. These programs do not require complex adaptations as they have evolved as part of the existing legislative and policy systems and frameworks. As such they are more likely to be successful in their full implementation. Significantly, they also showcase the persistence that is often required by organisations which try to implement service innovation in the face of the risks often inherent in these strategies.

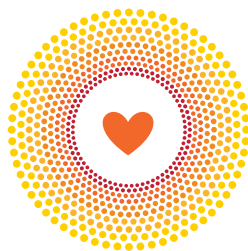




## Our impact this year

### Our engagement with the community

Four hundred people showed up, stood up and took a walk to defend childhood at our Big Love Light twilight walk on Saturday 28 October 2017 at Birrarung Marr in Melbourne.



**Big  
LOVE  
Light**  
Twilight Walk

The event brought together individuals and families who wanted to stand in opposition to the acts of violence that so many children suffer every day. The Big Love Light Walk celebrates how important love and safety is to all children.

Since the event we have received overwhelming positive feedback from everyone involved, many felt the authenticity of the night, made it such a great experience for our corporate volunteers and community who suggested it was beautiful to see us holding an event with, and for children.

The event was supported by a volunteer development committee, Patron Chris Hemsworth, Ambassadors Casey Burgess and Stefan Dennis.

Our Key partner, Exhibitions and Events Australia supported the event with \$25,000 of sponsorship funding and the EEA team promoted the event across their networks.



## Our impact this year

Ernst Young hosted two private dining lunches to launch the event, and 40 of their staff volunteered, participating in our Big Love Light volunteer program.

YMCA delivered key marketing activities for the event to their audiences YMCA supported the promotion of the event across networks, centres and specifically Whittlesea YMCA provided a team to host children's activities on the night.

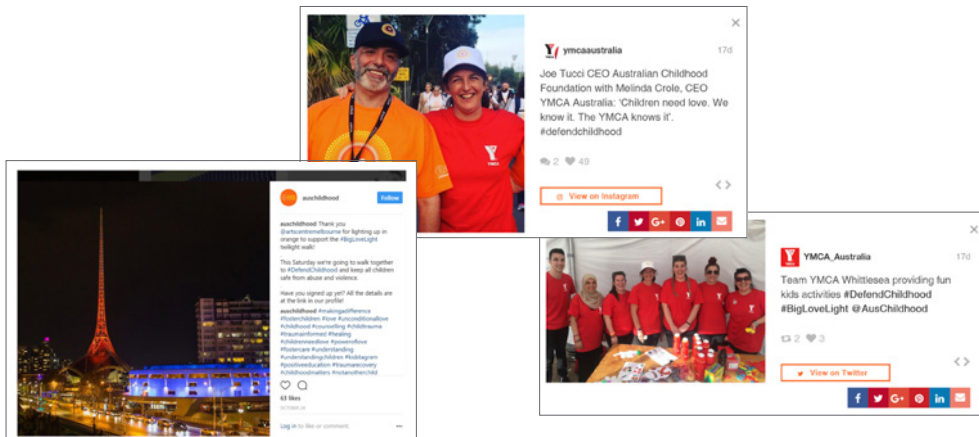


Crown hosted billboard across Kings Way, Melbourne for 6-week campaign period.

Partner Rothfield Print Management provided pro-bono print support to the value of \$10,000.

The Arts Centre Melbourne lit up the spire for a three-night campaign.

**Thank you to all our incredible supporters for making this a truly unique and powerful community event for children.**



An email from Helen, one of our community participants at the walk;

**“ To the staff and volunteers, It was so nice to be a part of the evening and so lovely to see what a strong and committed organisation you still have. I worked in child protection (Eastern region) for 15 years and respect the wonderful work you all do. It doesn't go unnoticed, Keep up the wonderful work. ”**





# This year, we have had wonderful people involved with us...

## Our Board

### President

**Mr David Stephenson** Advertising

### Honourary Treasurer

**Mr Simon Marsh** Accounting

### Directors

**Mr Mark Thomas** Communications

**Mr Justin Smith** Media

**Mr Nick Pelham** Infrastructure

**Dr Ciara Earley** Paediatrics

**Mr Rod Lamplugh** Law

**Mr Cliff Weeks** Aboriginal Affairs

**Mr Simon McCall** Social Research

## Life Governors

**Mr Jamie Perrott** Communications

**Ms Susan Halliday** Business

**Mr David Rosback, AM** Retail and former

Rotary District

Governor

**Mr Laurie Wilson** Commerce

**Dr Anne Small** Medicine

**Mr Ted Garland** Accounting

## Patrons

**Mr Chris Hemsworth** Actor

**Dr Robert Birrell** Retired Paediatrician

**AO, OAM**

## Ambassadors

**Liam Hemsworth** Actor

**Nadine Garner** Actor

**Stefan Dennis** Actor

**Casey Burgess** Entertainer

**David Boon** International Cricket

Council Match

Referee

**Robyn Moore** Actor and public

speaker

**Lindsay Field** Musician

**Kim Napier** Radio Presenter

**Melanie Milburne** Author

**Clint Newton** Rugby League

Players' Association

President

**John X** Actor and entertainer

**Carolyn Creswell** Company founder



# This year, we have had wonderful people involved with us...

## Our Senior Management Team

<b>Dr Joe Tucci</b>	CEO
<b>Janise Mitchell</b>	Deputy CEO
<b>Monique Blom</b>	Executive Manager, Safeguarding Children Services
<b>Craig McMillan</b>	Executive Manager, Partnerships, Fundraising and Marketing
<b>Justin Wightman</b>	Executive Manager, Corporate Services
<b>Marina Dickson</b>	Executive Manager, Professional Education Services
<b>Noel MacNamara</b>	Executive Manager, Research and Policy
<b>Angela Weller</b>	General Manager, Therapeutic Services
<b>Jenny Wing</b>	General Manager, Therapeutic Services
<b>Deb Holmes</b>	Manager, Safeguarding Children Program
<b>Cyra Fernandes</b>	Manager, Therapeutic Services
<b>Geoff Moore</b>	Manager, Therapeutic Services
<b>Sonya Pringle-Jones</b>	Manager, Therapeutic Services
<b>Jana Sarnovski</b>	Manager, Therapeutic Services
<b>Blythe McAuley</b>	Manager, Therapeutic Services
<b>Mary-Ann Delaney</b>	Manager, Therapeutic Services
<b>Monica Robertson</b>	Manager, Therapeutic Services
<b>Deb McKenzie</b>	Manager, School Services Program
<b>Pauline Lodge</b>	Manager, Professional Education Services
<b>Sally Denning</b>	Manager, Quality Unit

<b>Lauren Thomas</b>	Manager, Professional Community Engagement
<b>Pat Jewell</b>	Manager, Parenting and Early Years Services
<b>Georgia Pattison</b>	Manager, People and Culture
<b>Liliana Inguanti</b>	Manager, Support Services
<b>Narelle Lowe</b>	Manager, Finance
<b>Catherine Robertson</b>	Manager Marketing and Fundraising
<b>Janet Davis</b>	Manager Marketing and Fundraising

## Our Key Supporters and Committee Members

<b>Andrew Newbold</b>	<b>Julie Reilly</b>
<b>Judi Lay</b>	<b>Marilyn Kraner</b>
<b>Adam Tomison</b>	<b>Chris Goddard</b>
<b>Nigel Gaunt</b>	<b>Tony Forrest</b>
<b>Katie Finney</b>	<b>Kelly Black</b>
<b>Tom Chambers</b>	

## Our Safeguarding Children Accreditation Panel

<b>Susan Halliday</b>	Former Chair of the Victorian Institute of Teachers
<b>Anton Herman</b>	Minter Ellison
<b>Rudy Kirby</b>	CEO of Mallee District Aboriginal Services
<b>Superintendent Andrew Allen</b>	Victoria Police
<b>Merrilee Barnes</b>	Australian Sports Commission





## Our Heartfelt Thanks

The Australian Childhood Foundation is deeply appreciative of the following individuals and organisations for their support of our work throughout 2017-2018.

### Our Supporters - Major Partners



**BIG h ART**

hill  
street

Brains on Fire  
and Geno Church

lotterywest  
supported



**ROTHFIELD**  
Print & Image Management

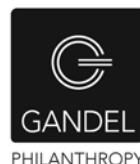
HORIZON  
COMMUNICATION GROUP



**ROAR**

**POLISHED  
MAN** | another project by  
ygap

**WATPAC**



### Government Departments

- Department of Disability, Housing and Community Services, ACT
- Department of Education and Children's Services, South Australia
- Department of Education and Training, Victoria
- Department of Health and Human Services, Tasmania
- Department of Health and Human Services, Victoria
- Department of Attorney General, Western Australia
- Territory Families, Northern Territory

### Trusts and Foundations

- Telstra Foundation
- Gandel Philanthropy
- Foundation of Graduates in Early Childhood Studies
- Rose and Andrew Lazar Trust
- Johnson Family Foundation



## Become involved and support our work

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

You can help transform the lives of children who have been severely traumatised by abuse, and assist the Foundation in running prevention programs that help stop abuse before it happens, by making a donation at [www.childhood.org.au](http://www.childhood.org.au) or by calling **1300 381 581**.

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 3335**  
**Richmond VIC 3121**  
**Phone: 1300 381 581**  
**Email: [info@childhood.org.au](mailto:info@childhood.org.au)**

All donations over \$2 are tax deductible





# Financial Report

for the financial year  
ended 30 June 2018

# Directors' Report

30 June 2018

The Board of Directors of Australian Childhood Foundation (ACF) present this report on the company for the financial year ended 30 June 2018.

## Directors

### Background Information on Directors

<b>Simon McCall</b>	Social Researcher
<b>Mark Thomas</b>	Corporate Affairs Consultant
<b>Simon Marsh</b>	Accountant
<b>Justin Smith</b>	Media
<b>Nick Pelham</b>	Infrastructure Manager
<b>David J Stephenson</b>	Marketing
<b>Ciara Earley</b>	General Paediatric Consultant
<b>Rod Lamplugh</b>	Solicitor
<b>Cliff Weeks</b>	Public Servant

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

#### Simon McCall

Joined as a Director in 2001 and was the chairperson of the Foundation until October 2015. 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

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

#### Simon Marsh

Is the Treasurer and Company Secretary of the

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

#### Justin Smith

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.

#### David Stephenson

Is currently the Chairperson of the Foundation having joined as Director in 2013. David currently runs his own marketing consultancy business.

David was Managing Director of Aegis Media ANZ's Digital Creative division from January 2011 until June 2016. He has spent 25 years working in the Advertising and Digital world, with stints at some of Australia's most respected and biggest Advertising Agencies including Clemenger, Grey and Singleton.

#### Ciara Earley

Joined as Director in 2014. She is a qualified Paediatrician and works as a Consultant at Monash Medical Centre. She has extensive experience dealing with and treating abused and neglected children

#### 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.

#### 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 a Public Servant in Western Australia from 2011 until 2016.

## Meetings of Directors

The number of meetings of the company's Board of Directors held during the year ended 30 June 2018, and the number of meetings attended by each director were:

Full Board	Attended	Held
Simon McCall	6	7
Mark Thomas	4	7
Simon Marsh	6	7
Justin Smith	2	7
Nick Pelham	5	7
David J Stephenson	6	7
Ciara Earley	6	7
Rod Lamplugh	4	7
Cliff Weeks	2	7



# Directors' Report

30 June 2018

## 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 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.

## Operating results

The operating deficit of the company amounted to \$392,006. 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

There are no after balance date events.

## 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 \$5,838.

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.

The total amount that members of the company are liable to contribute if the company is wound up is \$2,200, based on 22 current ordinary members (2017: 22 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.

## Rounding of amounts

The Foundation is a type of company referred to in the ASIC Corporation (rounding in financial/directors' reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

# Directors' Report

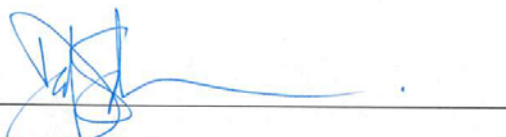
30 June 2018

## Auditor's independence declaration

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

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

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



David Stephenson  
Chairperson

Dated this 4<sup>th</sup> day of October 2018



## 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 of Australian Childhood Foundation for the year ended 30 June 2018, 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 Melbourne Audit Pty Ltd  
Melbourne



Geoff S. Parker  
Director

Dated this 4<sup>th</sup> day of October 2018

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w nexia.com.au

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# Statement of profit or loss and other comprehensive income

for the year ended 30 June 2018

# Statement of financial position

as at 30 June 2018

	2018	2017
	\$	\$
<b>Continuing operations</b>		
<b>REVENUE</b>		
Fundraising and Donations	2,019,703	2,196,567
Therapeutic Services	11,835,236	9,154,013
Safeguarding Children	1,368,314	1,132,250
Education Programs	4,973,324	3,422,042
Interest	18,335	9,055
Other Income	<u>111,978</u>	<u>1,513</u>
	20,326,890	15,915,440
<b>EXPENSES</b>		
Salaries and Wages	(13,627,421)	(10,103,284)
Organisational Expenses	(930,623)	(812,024)
Offices & Facilities	(1,440,088)	(620,869)
Telecommunications	(340,480)	(292,322)
Travel & Accommodation	(1,130,370)	(837,698)
Motor Vehicle	(850,026)	(556,770)
Program Expenses	(1,974,127)	(2,111,768)
Depreciation	(394,642)	(273,476)
Finance Costs	(6,677)	(7,654)
Foreign Exchange Loss	(16,557)	(16,512)
Fringe Benefits Tax	<u>(7,885)</u>	<u>0</u>
	(20,718,896)	(15,632,377)
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>	<u>(392,006)</u>	<u>283,063</u>
<b>Other comprehensive income</b>		
Items that will not be reclassified subsequently to profit or loss:		
Gain on revaluation of properties	546,636	-
Items that will be reclassified subsequently to profit or loss:		
Gain/(Loss) on revaluation of available for sale assets	(1,809)	4,508
<b>TOTAL COMPREHENSIVE SURPLUS/ (DEFICIT) FOR THE YEAR</b>	<u>152,821</u>	<u>287,571</u>

	Note	2018	2017
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,556,637	1,575,406
Trade and other receivables	4	590,339	1,196,293
Financial assets	5	59,106	460,915
Inventories		44,541	37,987
Other assets	6	<u>512,596</u>	<u>238,938</u>
<b>TOTAL CURRENT ASSETS</b>		<u>2,763,219</u>	<u>3,509,539</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	<u>3,455,235</u>	<u>2,529,510</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>3,455,235</u>	<u>2,529,510</u>
<b>TOTAL ASSETS</b>		<u>6,218,454</u>	<u>6,039,049</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	1,931,019	2,124,207
Borrowings	9	19,112	19,112
Employee benefits	10	<u>1,221,396</u>	<u>1,019,002</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,171,527</u>	<u>3,162,321</u>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	9	113,123	125,721
Employee benefits	10	<u>209,171</u>	<u>179,195</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>322,294</u>	<u>304,916</u>
<b>TOTAL LIABILITIES</b>		<u>3,493,821</u>	<u>3,467,237</u>
<b>NET ASSETS</b>		<u>2,724,633</u>	<u>2,571,812</u>
<b>EQUITY</b>			
Reserves	17	1,928,790	1,383,963
Retained surpluses		<u>795,843</u>	<u>1,187,849</u>
<b>TOTAL EQUITY</b>		<u>2,724,633</u>	<u>2,571,812</u>

# Statement of changes in equity

for the year ended 30 June 2018

# Statement of cashflows

for the year ended 30 June 2018

	Retained Surpluses \$	Asset Revaluation Reserve \$	Financial Assets Reserve \$	Building Appeal Reserve \$	Total \$
<b>Balance at 1 July 2016</b>	604,525	1,379,455	-	300,261	2,284,241
Surplus/ (deficit) for the year	283,063	-	-	-	283,063
Other comprehensive surplus/ (deficit) for the year	-	-	4,508	-	4,508
Total comprehensive surplus for the year	283,063	-	4,508	-	287,571
Transfers	300,261	-	-	(300,261)	-
<b>Balance at 30 June 2017</b>	1,187,849	1,379,455	4,508	-	2,571,812
Surplus/ (deficit) for the year	(392,006)	-	-	-	(392,006)
Other comprehensive surplus/ (deficit) for the year	-	546,636	(1,809)	-	544,827
Total comprehensive surplus for the year	(392,006)	546,636	(1,809)	-	152,821
Transfers	-	-	-	-	-
<b>Balance at 30 June 2018</b>	795,843	1,926,091	2,699	-	2,724,633

	Note	2018 \$	2017 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from fund raising activities & customers, service fees, education programs & grants		20,317,889	16,231,160
Payments for direct cost of fund raising, suppliers and employees		(19,961,985)	(15,295,707)
Interest received		10,098	9,055
Borrowing cost paid		(6,677)	(7,654)
Net cash provided by operating activities		<u>359,325</u>	<u>936,854</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(769,496)	(327,735)
Payment for financial assets		-	-
Proceeds on disposal of PPE		-	-
Redemption of short term deposits		408,236	-
Payment for short term deposits		-	(400,000)
Net cash used in investing activities		<u>(361,260)</u>	<u>(727,735)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(12,598)	(11,098)
Net cash used in financing activities		<u>(12,598)</u>	<u>(11,098)</u>
Net (decrease) /increase in cash held		(14,533)	198,021
Cash at beginning of year		1,575,406	1,377,385
Cash at end of year	12	<u>1,560,873</u>	<u>1,575,406</u>



# Notes to the financial statements

for the year ended 30 June 2018

## 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 2018 were authorised for issue in accordance with a resolution of the directors on 4th October 2018.

### 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 to meet the reporting requirements of the Australian Charities and Not for Profit Commission Act 2012. For the purposes of preparing the financial statements the Australian Childhood Foundation is a not-for-profit entity.

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

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

The financial statements are presented in Australian dollars, which is the company's functional currency. The foundation is a type of company referred to in the ASIC Corporation (rounding in financial/director's reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

### Accounting Policies

#### a. Revenue

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

#### Fundraising and donations

Donations and bequests are recognised as revenue when received.

#### Grant revenue

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

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

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

#### Interest

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

#### Education programs

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

### b. Property, Plant and Equipment

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

#### Property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation of buildings. This is reviewed every three years. Last revaluation date was 16 March 2018 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 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 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.

# Notes to the financial statements

## for the year ended 30 June 2018

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

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

### Plant and Equipment

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

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

### Depreciation

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

The depreciation rates for each class of depreciable assets are:

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

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

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

### c. Leases

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

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

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

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

### d. Financial Instruments

#### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit and loss' in which case transaction costs are expensed to profit or loss immediately.

#### *Classification and subsequent measurement*

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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

- (i) Financial assets at fair value through profit or loss  
Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (ie gains or losses) being recognised in profit or loss.
- (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.



# Notes to the financial statements

for the year ended 30 June 2018

## (v) Financial liabilities

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

### *Impairment*

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

### *Derecognition*

Financial assets cease to be recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities cease to be recognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

## e. Impairment of Assets

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

## f. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on corporate 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 impairment losses. It has an estimated useful life of five years. It is assessed annually for impairment.

## k. Provisions

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

## l. Comparative Figures

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

## m. Trade and Other Payables

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

# Notes to the financial statements

for the year ended 30 June 2018

## 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. 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 16 March 2018 by Charter Keck Cramer. 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

There has been no new or revised standards implemented since 1 July 2017 that have had an effect in these financial statements.

	2018 \$	2017 \$
<b>NOTE 3. CASH AND CASH EQUIVALENTS</b>		
CURRENT		
Cash at bank		
National Australia Bank Operating Accounts	881,082	464,378
National Australia Bank Cash Maximiser	558,156	977,392
National Australia Bank Donation Account	36,905	53,142
National Australia Bank Term Deposits	<u>80,494</u>	<u>80,494</u>
	<u>1,556,637</u>	<u>1,575,406</u>
<b>NOTE 4. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	443,753	529,789
Provision for impairment of receivables (a)	<u>-</u>	<u>-</u>
	443,753	529,789
Other receivables	<u>146,586</u>	<u>666,504</u>
	<u>590,339</u>	<u>1,196,293</u>
<b>(a) Provision for Impairment of Receivables</b>		
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 1 July	-	-
Charge for the year	-	47,691
Written off	-	(47,691)
Amounts recovered during the year	<u>-</u>	<u>-</u>
Provision for impairment as at 30 June	<u>-</u>	<u>-</u>
<b>NOTE 5. FINANCIAL ASSETS</b>		
Term Deposit	-	400,000
Shares (available for sale)	<u>59,106</u>	<u>60,915</u>
	<u>59,106</u>	<u>460,915</u>
<b>NOTE 6. OTHER CURRENT ASSETS</b>		
Prepayments	252,684	74,822
Security deposits	<u>259,912</u>	<u>164,116</u>
	<u>512,596</u>	<u>238,938</u>



# Notes to the financial statements

for the year ended 30 June 2018

	2018 \$	2017 \$
<b>NOTE 7. PROPERTY PLANT &amp; EQUIPMENT</b>		
Land at fair value	2,062,804	1,516,169
Buildings at fair value	507,783	507,783
Accumulated depreciation	<u>(220,586)</u>	<u>(210,294)</u>
	2,350,001	1,813,658
Leasehold Improvements at cost	283,958	83,036
Accumulated depreciation	<u>(114,350)</u>	<u>(46,717)</u>
	169,608	36,319
Office furniture & equipment at cost	970,701	1,089,196
Accumulated depreciation	<u>(520,148)</u>	<u>(747,039)</u>
	450,553	342,157
Computer Software	828,462	888,708
Accumulated depreciation	<u>(477,148)</u>	<u>(640,147)</u>
	351,314	248,561
Work in Progress	133,760	88,815
Total Property Plant & Equipment	<u>3,455,235</u>	<u>2,529,510</u>

## 7b. 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	Leasehold Improvem ents	Office Furniture & Equipment	Computer Software	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 30 June 2016	1,516,169	314,882	42,076	244,419	357,704	-	2,475,250
Additions at cost	-	-	16,692	207,228	15,000	88,815	327,735
Disposals	-	-	-	-	-	-	-
Written Back	-	-	-	-	-	-	-
Depreciation expense	-	(17,392)	(22,449)	(109,490)	(124,143)	-	(273,475)
Revaluation increase/ (decrease)	-	-	-	-	-	-	-
Balance at 30 June 2017	1,516,169	297,490	36,319	342,157	248,561	88,815	2,529,510
Additions at cost	-	-	200,923	283,851	244,013	44,945	773,732
Disposals	-	-	-	-	-	-	-
Depreciation expense	-	(10,293)	(67,634)	(175,455)	(141,260)	-	(394,642)
Revaluation increase/ (decrease)	546,635	-	-	-	-	-	546,635
Balance at 30 June 2018	<u>2,062,804</u>	<u>287,197</u>	<u>169,608</u>	<u>450,553</u>	<u>351,314</u>	<u>133,760</u>	<u>3,455,235</u>

	2018 \$	2017 \$
<b>NOTE 8. TRADE AND OTHER PAYABLES</b>		
CURRENT		
Trade payables	394,651	249,771
Accrued accounts	402,927	396,424
Revenue in advance	875,226	1,105,782
Other current payables	<u>258,215</u>	<u>372,230</u>
	<u>1,931,019</u>	<u>2,124,207</u>
<b>NOTE 9. INTEREST BEARING LIABILITIES</b>		
CURRENT		
Bank Loan	<u>19,112</u>	<u>19,112</u>
	<u>19,112</u>	<u>19,112</u>
NON-CURRENT		
Bank Loan	<u>113,123</u>	<u>125,721</u>
	<u>113,123</u>	<u>125,721</u>
TOTAL BORROWINGS	<u>132,235</u>	<u>144,833</u>

Leased liabilities are secured by the underlying leased assets.

The company has in place a bank loan of \$132,235, secured against 579 Whitehorse Road with a floating charge of 4.53% at 30 June 2018. The loan is interest and principal over a remaining of 10.82 years term.

	\$	\$
<b>NOTE 10. EMPLOYEE BENEFITS</b>		
CURRENT		
Employee Benefits	<u>1,221,396</u>	<u>1,019,002</u>
NON CURRENT		
Employee benefits	<u>209,171</u>	<u>179,195</u>
	<u>1,430,567</u>	<u>1,198,197</u>

# Notes to the financial statements

for the year ended 30 June 2018

	2018 \$	2017 \$
<b>NOTE 11. CAPITAL AND LEASING COMMITMENTS</b>		
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	1,290,503	709,542
- later than 12 months but not later than 5 years	2,109,661	769,915
- later than 5 years	-	-
	<u>3,400,164</u>	<u>1,479,457</u>

The property, motor vehicle and photocopier lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements. Increase in lease commitments may occur in line with CPI.

## NOTE 12. CASH FLOW INFORMATION

Reconciliation of Cash		
Cash at bank	1,556,637	1,575,406
Petty cash	-	-
	<u>1,556,637</u>	<u>1,575,406</u>

## NOTE 13. AFTER BALANCE DATE EVENTS

There are no after balance date events.

	2018 \$	2017 \$
<b>NOTE 14. KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTIONS</b>		
The aggregate compensation made to key management personnel of the company is set out below:		
Key management personnel	1,364,865	1,023,421
Indemnity Insurance	5,838	6,315
	<u>1,370,703</u>	<u>1,029,736</u>

In October 2016 a restructure of executive team occurred in which a National Executive Team was formed to assist the CEO & Deputy CEO with management of the Foundation.

## NOTE 15. REMUNERATION OF AUDITORS

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

<i>Audit services - Nexia Melbourne Audit Pty Ltd</i>		
Audit of the financial report	16,600	15,800
Other services	-	-
	<u>16,600</u>	<u>15,800</u>

## 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 and governance subcommittee operates under policies approved by Board of Directors.

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



# Notes to the financial statements

for the year ended 30 June 2018

# Directors Declaration

	2018	2017
	\$	\$

## NOTE 17. RESERVES

Financial Assets Reserve	2,700	4,508
Asset Revaluation Reserve	<u>1,926,090</u>	<u>1,379,455</u>
	<u>1,928,790</u>	<u>1,383,963</u>

The Asset Revaluation Reserve records the revaluation of freehold property at Mitcham.  
The Financial Assets Reserve records the revaluation of financial assets classified as available for sale.

## 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 2018 the number of members was 22 (2017: 22).

## NOTE 19. COMPANY DETAILS

The registered office of the company is:  
Level 1, 675 Victoria St  
Abbotsford Vic 3067

The principal place of business is:  
Level 1, 675 Victoria St  
Abbotsford Vic 3067

## Director's Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 23, are in accordance with the Australian Charities and Not for Profit Commission Act 2012.
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements:
  - b. Give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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



David J Stephenson  
Chairperson

Dated this 4th day of October 2018.

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

### Report on the Audit of the Financial Report

#### Qualified opinion

We have audited the financial report of Australian Childhood Foundation, which comprises the statement of financial position as at 30 June 2018, 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for qualified opinion

It is not practical for the company to establish total control over income from certain fundraising 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.

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* (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 2018, 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 – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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.

#### 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Nexia Melbourne Audit Pty Ltd**  
Melbourne



**Geoff S. Parker**  
Director

Dated this 4<sup>th</sup> day of October 2018



# Australian Childhood Foundation

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