Annual Financial Statements

Year Ended 30 June 2024

Contents

ChildFund Australia

(A Company limited by guarantee)

ABN 79 002 885 761

Directors' report

The directors present their report on the consolidated financial statements of ChildFund Australia ("the Group") for the year ended 30 June 2024 and the auditor's report thereon.

Directors

The directors in office during the financial year and up to the date of this report were:

Michael Pain (Chair)

Michael Pain is an experienced Non-executive Director for For-Purpose organisations, having been a director in this sector across multiple organisations for over 15 years. Previously, Michael worked for 25 years with Accenture in a range of leadership roles across Australia and Asia Pacific. He was appointed as Deputy Chair of Childfund Australia in November 2020, and then to the role of Board Chair in November 2023. Michael is currently a member of the Program Review Committee, the Governance and Nominations Committee and the Audit and Risk Committee.

Lyndsey Rice (Deputy chair)

Lyndsey has over 15 years leadership experience gained across international markets and is currently the Chief Executive Officer of Children's Hospital Foundation. She is experienced in strategic planning, fundraising, marketing, philanthropy, digital transformation and leading highly effective teams. Lyndsey's career spans international development, social services, health, medical research and the arts and she is passionate about building inclusive, engaged, and inspiring cultures to achieve the best possible outcomes. Lyndsey is a member of the Communications and Marketing Committee and Audit and Risk Committee.

David Shortland

David Shortland is a specialist governance advisor and communication counsel to boards and senior executives. David is co-chair of the Governance and Nominations committee and a member of the Audit and Risk Committee and the Communications and Marketing Committee. David is a director of the international board of ChildFund Alliance.

Tureia Sample

Tureia Sample is an experienced lawyer and executive specialising in governance, corporate advisory and critical infrastructure projects particularly in the communications, health, energy and transport sectors. She is the office managing partner of Ashurst PNG based in Port Moresby. She was previously a partner at PwC Legal, and prior to that held senior executive roles at SBS (including Company Secretary and Director of Corporate Affairs) as well as working for law firm Allens in Sydney and Hong Kong. She is a graduate of the Australian Institute of Company Directors. Tureia is co-chair of the Governance and Nominations committee and a member of the Program Review Committee.

Lisa Hresc

Lisa Hresc is an experienced media, brand, and digital marketing strategist. Lisa has held executive leadership roles in brand, marketing and communications across media, broadcast and in the not-for-profit sector for over twenty years. She is a member of Australian Institute of Company Directors. Lisa is Chair of the Communications and Marketing Committee, and a member of the Audit and Risk Committee and the Governance and Nominations committee.

Directors' report (continued)

Kobus Ehlers

Kobus Ehlers Kobus Ehlers is an experienced leader in assurance, risk, governance and compliance with more than 25 years' experience working and leading teams in large multinational companies across a range of industries and markets including Asia Pacific and Africa. Kobus is Chair of the Audit and Risk Committee.

Nancy Tchou

Nancy Tchou is a senior finance professional with over 18 years' experience in mergers and acquisitions, capital raisings, strategic reviews, stakeholder engagement, asset and fund management. She is currently Head of Infrastructure and Government Advisory at a global investment bank. Nancy has significant experience in local and cross-border projects and has led landmark, high profile government strategic reviews and transactions. Nancy is a member of the Audit and Risk Committee and the Communications and Marketing Committee.

Shantanu Paul

Shantanu leads the Catalyst Fund at Teach for All, a multi-million-dollar growth fund that supports social entrepreneurs and organizations in enhancing financial sustainability and program impact through leadership development innovations. Shantanu's career began in the aid and development sector before he moved on to managing Ashoka's network of leading social entrepreneurs across South Asia and Southeast Asia. Before joining Teach for All, Shantanu held leadership roles in various global network organizations in the social impact sector. As Managing Director of Leaders for Climate Action in Australia, he developed a network of businesses dedicated to addressing climate change and reducing emissions. Shantanu is Chair of the Program Review Committee and a member of the Governance and Nominations Committee.

Philippa Venning

Philippa Venning has over 20 years of experience in international development and program implementation. She is currently Vice President at Abt Associates, leading Abt's technical team to provide quality advice and implementation across programs in women's economic empowerment, governance and health in Asia Pacific. Prior to joining Abt, Philippa worked for Department of Foreign Affairs and Trade (DFAT), the World Bank, United Nations Development Program, and several non government organisations. Before becoming a development professional, Philippa spent several years as a corporate lawyer working for Allens Linklaters in Sydney and Singapore. Philippa is a member of the Program Review Committee.

Yih Jeh (EJ) Teen

Yih-Jeh has over 15 years of global experience in strategic business and technology transformation working with large international organisations, ASX listed companies and not-for-profits. Currently, Yih-Jeh is the Product Manager Leader for the deposit portfolio at Bank Australia, and previously worked for The Fred Hollows Foundation as Head of Innovation and Save the Children Australia as Head of Strategy and Business Consulting. She started her career and worked for over 12 years with Accenture specialising in the Financial Services and International Development sector. Yih-Jeh is a member of the Communications and Marketing Committee.

Belinda Lucas

Belinda Lucas has over 20 years of experience in international development. She is the co-founder and director of Learning4Development, a consulting practice that provides advisory services to multiple international development organisations and programs. Belinda specialises in gender and inclusion, safeguarding, program design and evaluation. Belinda retired from the Board in November 2023 at the end of her tenure. Prior to her retirement, Belinda was Chair of the Board, a member of the Governance and Nominations Committee, Audit and Risk Committee and the Program Review committee.

Directors' report (continued)

The following directors were appointed during the financial year:

Philippa Venning **(**Appointed 29 November 2023)
Yih Jeh (EJ) Teen **(**Appointed 29 November 2023)

The following Directors resigned during the financial year:

Belinda Lucas (Appointed 25 November 2015 - resigned 29 November 2023)

Company Secretary
Adrian Graham

Directors' meetings

The number of directors' meetings and other committee meetings attended by each of the directors during the financial year were:

	Board Meetings		**Audit and Risk Committee**		**Program Review Committee**		**Communications and Marketing Committee**		**Governance and Nominations Committee**	
	A	B	A	B	A	B	A	B	A	B
Belinda Lucas	2	2	2	1	2	-	-	-	1	1
Lyndsey Rice	4	4	2	2	-	-	4	4	-	-
Tureia Sample	4	4	-	-	4	4	-	-	1	1
Lisa Hresc	4	2	4	2	-	-	4	4	1	1
Shantanu Paul	4	4	-	-	4	4	-	-	2	2
Nancy Tchou	4	4	4	3	-	-	4	4	-	-
Michael Pain	4	4	4	3	4	4	2	2	2	2
David Shortland	4	4	4	4	-	-	4	4	2	2
Kobus Ehlers	4	4	4	4	-	-	-	-	-	-
Philippa Venning	2	2	-	-	2	2	-	-	-	-
Yih Jeh Teen	2	2	-	-	-	-	2	2	-	-

Column A – Indicates the number of meetings the director was eligible to attend.
Column B – Indicates the number of meetings attended.

From time to time, directors have also attended other meetings of importance.

Objectives

The Group is an independent international development organisation that works to reduce poverty for children in the most disadvantaged communities. Our vision is a world without poverty where all children and young people can say: "I am safe. I am educated. I contribute. I have a future." The Group works in partnership to create community and systems change which enables children and young people, in all their diversity, to assert and realise their rights.

Principal activities

The principal activity of the Group during the financial year was international aid and development delivered by working in partnership with children and their communities. Expenditure on overseas development activities, including community education was $37,446,910 (2023: $41,421,964). There were no significant changes in the nature of the activities of the Group during the year.

Directors' report (continued)

Performance measurement

The Group has in place several performance measurement systems for its various functions. Program effectiveness is assessed against stated program objectives through regular monitoring and evaluation processes conducted by staff, partners and independent evaluators. Fundraising performance is measured against targets agreed annually.

Review and results of operations

Total comprehensive deficit for the year ended 30 June 2024 was $2,213,405 (2023: $2,332,278), which included an unrealised gain on investments of $446,063 (2023: $162,757) .The total equity of the Group as at 30 June 2024 totalled $17,446,428 (2023: $19,659,833).

Dividends

The Group's constitution does not permit dividends to be paid.

Liability of members

The liability of each member is limited to contributing up to $100 for payment of the Group's debts and liabilities, and of the costs, charges, and expenses of winding up and for adjustments of the rights of the contributions among themselves.

Environmental regulation

The Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of environmental requirements as they apply to the Group.

Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Likely developments

It is not foreseen that the Group will undertake any changes in its general direction during the coming financial year. Further information about likely developments in the operations of the Group and the expected results in future financial years has not been included in this report because disclosure of such information would likely result in unreasonable prejudice to the Group.

Events subsequent to reporting period

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the directors, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Indemnification and insurance of officers

Indemnification

The Group has agreed to indemnify the current directors of the Group and the former directors against all liabilities to another person (other than the Group or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith.

Directors' report (continued)

Insurance premiums

During the financial year, the Group maintained an Association Liability insurance policy which included cover in respect of directors' and officers' liabilities and legal expenses for current and former directors and officers. The insurance policy relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain personal advantage.

The Association Liability insurance policy does not disclose separately the premium for the above insurance in respect of individual officers of the Group or in aggregate for all directors and officers. The premium paid for the Association Liability insurance policy was $14,000 (2023: $12,000).

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 7 and forms part of the Directors' report for financial year ended 30 June 2024.

Signed in accordance with a resolution of the directors:

Michael Pain	Kobus Ehlers
Director	Director

Dated at Sydney this 25th day of September 2024

Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of ChildFund Australia

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

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

KPMG

Patrice Scott

KPMG

Patrice Scott

Partner

Sydney

25 September 2024

Consolidated Statement of profit and loss and other comprehensive income

For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue			
Monetary donations and gifts		19,616,346	21,868,496
Legacies and bequests		918,015	108,307
Grants			
Department of Foreign Affairs and Trade	6	6,547,086	7,004,056
Other Australian	7	1,914,957	1,217,488
Overseas	8	14,418,442	16,642,116
		22,880,485	24,863,660
Investment income	9	836,382	787,428
Other income		87,721	122,032
Total revenue		**44,338,949**	**47,749,923**
Expenditure			
International Aid and Development Programs Expenditure			
International programs			
Funds to international programs	10	34,457,818	38,617,206
Program support costs		2,290,527	2,135,170
		36,748,345	40,752,376
Community education		698,565	669,588
Fundraising costs			
Public		6,320,428	6,343,196
Government, multilateral and private		177,157	139,657
Accountability and administration	11	3,019,901	3,122,272
Total expenditure		**46,964,396**	**51,027,089**
Deficit of revenue over expenditure		**(2,625,447)**	**(3,277,166)**
Other comprehensive income			
Net change in fair value of equity investments	9	446,063	162,757
Foreign operations – foreign currency translation		(34,021)	782,131
Total comprehensive deficit for the year		**(2,213,405)**	**(2,332,278)**

The Consolidated statement of profit and loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 12 to 32.

Consolidated Statement of financial position

As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Cash and cash equivalents	13	11,879,365	12,224,975
Trade and other receivables	14	2,755,410	3,191,009
Investments – financial assets	15	2,606,541	6,345,455
Total current assets		17,241,316	21,761,439
Investments – financial assets	15	6,530,214	3,980,208
Property, plant, and equipment	16	811,125	861,141
Intangibles	17	365,796	573,399
Right-of-use assets	18(a)	784,337	887,772
Total non-current assets		8,491,472	6,302,520
Total assets		**25,732,788**	**28,063,959**
Liabilities			
Trade and other payables	19	4,841,996	5,171,139
Provisions	20	1,273,517	1,194,685
Lease liabilities	18(b)	302,170	455,906
Total current liabilities		6,417,683	6,821,730
Provisions	20	1,361,968	1,133,209
Lease liabilities	18(b)	506,709	449,187
Total non-current liabilities		1,868,677	1,582,396
Total liabilities		**8,286,360**	**8,404,126**
Net assets		**17,446,428**	**19,659,833**
Equity			
Unrestricted reserves			
Retained surplus	21	9,565,662	9,765,928
Fair-value reserve	21	1,183,093	737,030
Unrestricted reserves		10,748,755	10,502,958
Restricted reserves	21	6,697,673	9,156,875
Total Equity		**17,446,428**	**19,659,833**

The Consolidated Statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 12 to 32.

Consolidated Statement of changes in equity

For the year ended 30 June 2024

	Retained surplus $	Fair value reserve $	Restricted reserve $	Total equity $
Balance as at 1 July 2022	**10,438,007**	**574,273**	**10,979,831**	**21,992,111**
Total comprehensive income for the period				
Deficit of revenue over expenditure	(3,277,166)	-	-	(3,277,166)
Other comprehensive income				
Net change in fair value of equity investments at FVOCI	-	162,757	-	162,757
Transfers to restricted funds	2,605,087	-	(2,605,087)	-
Foreign operations – foreign currency translation	-	-	782,131	782,131
Balance as at 30 June 2023	**9,765,928**	**737,030**	**9,156,875**	**19,659,833**
Balance as at 1 July 2023	**9,765,928**	**737,030**	**9,156,875**	**19,659,833**
Total comprehensive income for the period				
Deficit of revenue over expenditure	(2,625,447)	-	-	(2,625,447)
Other comprehensive income				
Net change in fair value of equity investments at FVOCI	-	446,063	-	446,063
Transfers to restricted funds	2,425,181	-	(2,425,181)	-
Foreign operations – foreign currency translation	-	-	(34,021)	(34,021)
Balance as at 30 June 2024	**9,565,662**	**1,183,093**	**6,697,673**	**17,446,428**

The Consolidated Statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 12 to 32.

Consolidated Statement of cash flows

For the Year Ended 30 June 2024

	Note	2024	2023
		$	$
Cash flows from operating activities			
Cash received from DFAT	6	5,985,885	6,404,757
Cash receipts in the course of operations		38,009,951	37,159,358
Cash payments in the course of operations		(46,176,074)	(49,535,883)
Interest paid on lease liabilities	18(d)	(47,350)	(49,414)
Net cash used in operating activities	22	(2,227,588)	(6,021,182)
Cash flows from investing activities			
Investment in financial assets		(1,676,917)	(155,787)
Proceeds from bank term deposits		3,311,887	6,761,109
Acquisition of property, plant & equipment	16	(126,648)	(116,440)
Acquisition of intangibles	17	(20,000)	-
Investment income received		137,656	138,040
Interest received		698,726	649,388
Net cash from investing activities		2,324,704	7,276,310
Cash flows from financing activities			
Proceeds from sub-leasing		32,119	6,136
Repayment of lease obligations	18(d)	(474,845)	(487,513)
Net cash used in financing activities		(442,726)	(481,377)
Net (decrease) /increase in cash and cash equivalents		(345,610)	773,751
Cash and cash equivalents at 1 July		12,224,975	11,451,224
Cash and cash equivalents at 30 June	13	**11,879,365**	**12,224,975**

The Consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 12 to 32.

Notes to the consolidated financial statements
Year ended 30 June 2024

1. Reporting entity

ChildFund Australia and its consolidated entity (the "Group") is a public Company limited by guarantee and a not-for-profit entity. It is an income tax exempt charitable organisation domiciled in Australia and its registered office is at Level 8, 162 Goulburn Street, Surry Hills NSW 2010. The mission of the Group is to work in partnership to create community and systems change which enables children and young people, in all their diversity, to assert and realise their rights.

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board (including Australian Interpretations), Australian Charities and Not-for-profits Commission (ACNC) and the Australian Council for International Development (ACFID) Code of Conduct Guidance.

The financial statements were approved by the Board of Directors on the 25th day of September 2024

(b) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

(c) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(d) Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. Intercompany transactions, balances and unrealised gains on transactions between companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group has one subsidiary: ChildFund Papua New Guinea Inc. The Group operates in five overseas branches in Cambodia, Timor-Leste, Laos, Myanmar and Vietnam.

2. Basis of preparation (continued)

(e) Comparability

Comparative material information across the financial statements is reclassified where appropriate to enhance comparability.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Group is a signatory to the ACFID Code of Conduct and the Group has presented its Consolidated statement of profit and loss and other comprehensive income in accordance with the Code of Conduct Implementation Guidance.

(a) Revenue recognition

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under AASB 1058
Child sponsorship, Global community, gifts and donations	The nature of revenue is such that it does not meet the requirements of AASB 15 as there is no enforceable contract nor there are any specific performance obligations. Revenue is recognised when the Group gains control of the contribution.	Revenue is recognised when the Group gains control of the contribution. Amounts received are recognised immediately in profit or loss.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under AASB 15
Grants	Grant revenue reflects the status of the delivery of goods and services to date. Unexpended grants are recognised as liabilities (deferred revenue) to reflect the performance obligations to deliver further goods and services outlined in the grant agreement.	Grants from Government, multilateral and non-government organisations are recognised as revenue when (or as) the performance obligations are satisfied. Unexpended grants are recognised as liabilities to reflect the obligation to repay any unspent portion at the completion of the program.

(b) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

Notes to the consolidated financial statements
Year ended 30 June 2024

3. Material accounting policies (continued)

(b) Leases (continued)

(i) As a lessee (continued)

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities are also presented separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the consolidated financial statements
Year ended 30 June 2024

3. Material accounting policies (continued)

(b) Leases (continued)

(ii) As a Lessor

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, then the Group applies AASB 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in AASB 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of “other income”.

(c) Taxation

No income tax is payable as the Group is exempt under Australian taxation legislation.

(d) Goods and services tax

Revenues, 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). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

3. Material accounting policies (continued)

(e) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to Australian dollars at the foreign exchange rate at that date. Foreign exchange differences arising on translation are recognised in the Consolidated statement of profit and loss and other comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

Financial statements of foreign operations

The assets and liabilities of foreign operations are translated to Australian dollars at foreign exchange rates ruling at the end of each reporting period. Foreign exchange differences arising on consolidation are recognised in other comprehensive income.

(f) Financial instruments

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

(ii) Classification and initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

(iii) Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through profit or loss (FVTPL);
- Debt instruments at fair value through other comprehensive income (FVOCI);
- Equity instruments at FVOCI

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Group's debt instruments are subsequently measured at amortised cost and equity instruments at FVOCI.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Notes to the consolidated financial statements
Year ended 30 June 2024

3. Material accounting policies (continued)

(f) Financial instruments (continued)

(iv) Subsequent measurement of financial assets

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets - Subsequent measurement and gains and losses

(a) Financial assets at amortised cost
Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income is recognised in profit or loss. The Group's receivables fall into this category of financial instruments.

Receivables comprise cash and cash equivalents, term deposits and trade and other receivables.

(b) Equity investments at FVOCI
These assets are subsequently measured at fair value. 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 and are never reclassified to profit or loss.

(c) Financial liabilities - Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3. Material accounting policies (continued)

(g) Impairment

(i) Financial assets

AASB 9 requires an expected credit loss model as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Group has one type of financial assets (trade and other receivables) that are subject to AASB 9's expected credit loss model. Trade and other receivables do not contain a significant financing element and therefore expected credit losses are measured using the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there has been no identification of any impairment loss as the balances are held with financial institutions with high credit rating.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to the Consolidated statement of profit and loss and other comprehensive income. The cumulative loss that is reclassified from equity to statement of comprehensive income is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in the Consolidated statement of profit and loss and other comprehensive income. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in the statement of comprehensive income. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite life intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an assets or its related cash generating unit (CGU) exceeds its recoverable amount.

Notes to the consolidated financial statements
Year ended 30 June 2024

3. Material accounting policies (continued)

(h) Property, plant and equipment

Owned assets
Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs
The cost of replacing an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the Consolidated statement of profit and loss and other comprehensive income as incurred.

Depreciation
Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each consolidated part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods were as follows:

- Furniture, fittings, and office equipment — 4 to 5 years
- Buildings — 40 years

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

Non-current assets at overseas branches
Items of plant and equipment acquired for use on specific grant funded projects for use by overseas branches are expensed at the time of purchase.

Capital works in progress
Only items ready for use are included in cost of assets and depreciated. Capital works in progress are capitalised but not depreciated.

(i) Intangible assets and software

The implementation cost of information technology systems that have a useful life beyond 2 years is capitalised and amortised over the expected life of 9 years once available for use. Only direct labour and external consultant costs are capitalised.

(j) Employee benefits

Wages, salaries, annual leave and non-monetary benefits
Liabilities for employee benefits for wages, salaries, annual leave and non-monetary benefits that are expected to be settled within 12 months of each reporting period date represent present obligations resulting from employees' services provided to the end of each reporting period. These are calculated at undiscounted amounts based on remuneration wages and salary rates that the Group expects to pay as at the end of each reporting period including related on-costs such as workers compensation insurance and payroll tax. Non-accumulation non-monetary benefits are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

Notes to the consolidated financial statements
Year ended 30 June 2024

3. Material accounting policies (continued)

(j) Employee benefits (continued)

Long term service benefits
The Group's net obligation in respect of annual leave expected to be settled after 12 months and other long term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates and is discounted using the rates attached to the corporate bonds at the end of reporting period which have maturity dates approximating to the terms of the Group's obligations.

Superannuation
Contributions made by the Group to employee superannuation funds are charged as expenses when incurred. The Group has no legal obligation to cover any shortfall in the fund's obligation to provide benefits to the employee upon retirement.

(k) Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(l) Finance income

Interest income is recognised in the Consolidated statement of profit and loss and other comprehensive income, using the effective interest method.

4. Determination of fair value

Investments in equity and debt securities
The fair value of investments in equity instruments is determined by reference to their last sale price at the end of each reporting period.

5. Personnel expenses

	2024 $	2023 $
Management and support staff (Australia)		
Salaries and wages	6,705,725	6,435,190
Superannuation	711,951	643,574
Other personnel expenses	51,623	123,649
Subtotal	**7,469,299**	**7,202,413**
Project staff in countries of operation		
Salaries and wages	7,103,730	6,683,395
Social protection expenses	143,481	138,092
Other personnel expenses	763,912	799,778
Subtotal	**8,011,123**	**7,621,265**
Total personnel expenses	**15,480,422**	**14,823,678**

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Notes to the consolidated financial statements
Year ended 30 June 2024

6. Department of Foreign Affairs and Trade Grants

	2024 $	2023 $
Deferred DFAT Grants at the beginning of the year	612,166	1,211,465
DFAT Grants received during the year	5,985,885	6,404,757
DFAT Grants revenue recognised during the year	(6,547,086)	(7,004,056)
Deferred DFAT Grants at the end of the year	**50,965**	**612,166**

7. Other Australian Grants

	2024 $	2023 $
Deferred Grants at the beginning of the year	101,572	347,291
Other Australian Grants received during the year	2,744,726	971,769
Other Australian Grants revenue recognised during the year	(1,914,957)	(1,217,488)
Deferred Grants at the end of the year	**931,341**	**101,572**

8. Overseas Grants

	2024 $	2023 $
Deferred Grants at the beginning of the year	2,061,082	4,210,509
Overseas Grants received during the year	14,255,485	14,492,689
Overseas Grants revenue recognised during the year	(14,418,442)	(16,642,116)
Deferred Grants at the end of the year	**1,898,125**	**2,061,082**

9. Investment income

	2024 $	2023 $
Recognised in profit and loss		
Income from equity investments	137,656	138,040
Interest on term deposits	698,726	649,388
	836,382	**787,428**
Recognised in other comprehensive income		
Net change in fair value of equity investments	446,063	162,757
	446,063	**162,757**

Notes to the consolidated financial statements
Year ended 30 June 2024

10. Funds to international programs

	2024 $	2023 $
Asia	20,606,456	21,491,426
Pacific	8,911,058	10,184,247
Africa	4,408,105	5,842,336
Latin America	400,941	784,932
East Europe	-	314,265
United States of America	131,258	-
	34,457,818	**38,617,206**

Funds to international programs are funds remitted overseas to aid and development projects.

11. Accountability and administration

	2024 $	2023 $
Personnel expenses (part of personnel expenses set out in note 5)	2,315,201	2,353,285
Depreciation - Property, plant and equipment *	77,374	93,580
Amortisation **	71,992	71,905
Depreciation – Right-of-use Assets *	15,526	15,653
Interest – Lease liabilities *	3,065	3,972
Audit fees	68,927	69,208
Insurance	163,570	138,774
Office expenses	148,635	149,146
Other administration expenses	155,611	226,749
	3,019,901	**3,122,272**

***** Depreciation – Property, plant and equipment, Depreciation – Right-of-use Assets and Interest – Lease liabilities incurred in ChildFund Australia Sydney office are recognised in Accountability and administration expenditure. Those costs incurred in ChildFund Australia country offices are recognised in Funds to international programs in the Consolidated statement of profit and loss and other comprehensive income.
****** Total amortisation costs of $227,603 (Included in note 17) for the marketing software solution has been apportioned across fundraising, program support and accountability and administration expenditure.

Notes to the consolidated financial statements
Year ended 30 June 2024

12. Auditors remuneration

	2024 $	2023 $
Audit services:		
Auditors of the Group		
KPMG Australia:		
- audit of financial statements	68,927	69,208
Other audit firms Australia:		
- audit of financial statements	-	2,000
Overseas KPMG firms:		
- audit and review of financial statements	87,594	90,087
Overseas other audit firms:		
- audit and review of financial statements	12,024	12,180
	168,545	173,475
Other services:		
Overseas other audit firms:	44,405	62,875
	44,405	**`62,875**

13. Cash and cash equivalents

	2024 $	2023 $
Cash at bank (held in AUD)*	780,714	1,820,226
Cash at bank (held in various currencies)	1,010,355	1,003,078
Cash term deposits (held in AUD and USD)**	8,329,713	7,620,720
Cash at bank, branch offices & others (held in various currencies)	1,758,583	1,780,951
	11,879,365	**12,224,975**

Cash at bank

*The weighted average interest rate on cash at bank held in AUD at 30 June 2024 was 0.841% (2023: 0.163%). No interest is receivable on USD bank balance.

Cash term deposits

**The deposits are fixed term deposits maturing in less than three months from the date of acquisition. The weighted average interest rate on short term deposits as at 30 June 2024 is 5.227% (2023: 5.014%).

Notes to the consolidated financial statements
Year ended 30 June 2024

14. Trade and other receivables

	2024 $	2023 $
Sundry debtors	2,238,845	2,766,535
Prepayments	504,662	424,474
Lease receivable	11,903	-
	2,755,410	**3,191,009**

15. Investments – financial assets

	2024 $	2023 $
Current		
Term deposits and other – current	2,606,541	6,345,455
	2,606,541	**6,345,455**
Non-current		
Equity investments at FVOCI	6,530,214	3,980,208
	6,530,214	**3,980,208**
Total Investments	**9,136,755**	**10,325,663**

Term deposit current and other

The deposits are fixed term deposits maturing three months or more from the date of acquisition and cash in the investment portfolio. The weighted average interest rate on these term deposits as at 30 June 2024 is 4.78% (2023: 4.68%).

Equity investments at FVOCI

Equity investments at FVOCI represents long term investments held by the Group for strategic purposes. An unrealised gain of $446,063 (2023: unrealised gain of $162,757) being the difference between the fair value of the equity investments at FVOCI at balance sheet date and carrying value was taken up in equity. The Group’s Equity investments are managed by JB Were and Morgan Stanley Wealth Management.

Notes to the consolidated financial statements
Year ended 30 June 2024

16. Property, plant, and equipment

	Buildings	Furniture, fittings, and office equipment	Total
	$	$	$
Cost			
Balance at 1 July 2023	1,182,042	1,805,413	2,987,455
Acquisitions	-	126,648	126,648
Disposals and write-offs	-	(116,549)	(116,549)
Effect of movements in exchange rates	-	(61,029)	(61,029)
Balance at 30 June 2024	1,182,042	1,754,483	2,936,525
Depreciation			
Balance at 1 July 2023	644,189	1,482,125	2,126,314
Depreciation charge for the year	31,639	138,760	170,399
Disposals and write-offs	-	(116,549)	(116,549)
Effect of movements in exchange rates	-	(54,764)	(54,764)
Balance at 30 June 2024	675,828	1,449,572	2,125,400
Carrying amounts			
At 1 July 2023	**537,853**	**323,288**	**861,141**
At 30 June 2024	**506,214**	**304,911**	**811,125**

17. Intangibles

	Total
Software	$
Cost	
Balance at 1 July 2023	2,410,572
Acquisition	20,000
Balance at 30 June 2024	2,430,572
Amortisation	
Balance at 1 July 2023	1,837,173
Amortisation charge for the year	227,603
Balance at 30 June 2024	2,064,776
Carrying amounts	
At 1 July 2023	**573,999**
At 30 June 2024	**365,796**

Notes to the consolidated financial statements
Year ended 30 June 2024

18. Leases

Leases as lessee (AASB16)

The Group leases office properties and equipment under operating leases. The leases typically run for a period of two to five years. The leases generally provide the Group with an option to review at which time all terms are renegotiated. Some leases provide for additional rent payments that are based on changes in local price indices.

a) Right-of-use assets

Right-of-use assets are leased office properties and equipment that do not meet the definition of property owned by the Group and presented as property, plant and equipment (see Note 17).

	Property	Office equipment	Total
	$	$	$
Cost			
Balance at 1 July 2023	2,217,082	78,138	2,295,220
Acquisitions	402,593	-	402,593
Write-offs	(203,589)	-	(203,589)
Effect on movements in exchange rate	(103,453)	-	(103,453)
Balance at 30 June 2024	**2,312,633**	**78,138**	**2,390,771**
Depreciation			
Balance at 1 July 2023	1,382,093	25,355	1,407,448
Depreciation	446,617	15,527	462,144
Write-offs	(203,589)	-	(203,589)
Effect on movements in exchange rate	(59,569)	-	(59,569)
Balance at 30 June 2024	**1,565,552**	**40,882**	**1,606,434**
Carrying amounts			
Balance at 1 July 2023	834,989	52,783	887,772
Balance at 30 June 2024	**747,081**	**37,256**	**784,337**

b) Lease liabilities

	Property	Office equipment	Total
	$	$	$
Balance at 1 July 2023	849,130	55,963	905,093
Additions	402,593	-	402,593
Interest	44,285	3,065	47,350
Lease payments	(503,855)	(18,340)	(522,195)
Effect on movements in exchange rates	(23,962)	-	(23,962)
Balance at 30 June 2024	**768,191**	**40,688**	**808,879**

Notes to the consolidated financial statements
Year ended 30 June 2024

18. Leases (continued)

b) Lease liabilities (continued)

Presented in the statement of financial position as follow:

	2024	2023
	$	$
Current	302,170	455,906
Non - current	506,709	449,187
	808,879	**905,093**

c) Amounts recognised in statement of profit and loss and other comprehensive income

	2024	2023
	$	$
Interest on lease liabilities	47,350	49,414
Depreciation expenses	462,144	500,914

d) Amounts recognised in statement of cash flows

	2024	2023
	$	$
Interest paid on lease liabilities	47,350	49,414
Repayment of lease obligations	474,845	487,513
Total Cash outflow for leases	**522,195**	**536,927**

	2024	2023
	$	$
19. Trade and other payables		
Accounts payable	1,255,852	1,349,525
Unremitted funds	513,088	794,324
Donation revenue received in advance	192,625	252,470
Deferred grant revenue - DFAT	50,965	612,166
Deferred grant revenue – Other Australian Grants	931,341	101,572
Deferred grant revenue – Overseas Grants	1,898,125	2,061,082
	4,841,996	**5,171,139**

Interest accrues (at bank deposit rate) on unspent DFAT grants. All such interest is added to the grant amount and is used to fund DFAT funded international programs.

Notes to the consolidated financial statements
Year ended 30 June 2024

20. Provisions

	2024 $	2023 $
Current liabilities		
Liability for annual leave	667,749	648,873
Liability for long service leave	605,768	545,812
	1,273,517	**1,194,685**
Non-current liabilities		
Liability for long service leave	1,361,968	1,133,209
	1,361,968	**1,133,209**

21. Share capital and reserves

Share capital
No share capital has been issued as the Group is a Company limited by guarantee.

Unrestricted reserves
Unrestricted reserves are not restricted or designated for use in particular programs or other defined or designated purpose. These funds are available to be allocated at the discretion of the directors. Unrestricted reserves compose:

Retained Surplus
The retained surplus is general unrestricted funds for use at the discretion of the directors in furtherance of the objective of the Group. A portion of these funds have been set aside as a long term stability fund by the directors and are invested in equity investments.

Fair value reserve
The fair value reserve comprises the cumulative net change in the fair value of equity investments at FVOCI until the investment is derecognised or impaired.

Restricted reserves
Restricted reserves are tied to particular purposes specified by donors or as identified at the time of a public appeal; but with no obligation to return unspent funds to donors. The foreign currency translation difference on consolidation of foreign operations is included in restricted reserves. They are not available for use in other ChildFund Australia work.

22. Notes to the statement of cash flows

	2024 $	2023 $
Deficit for the year	(2,625,447)	(3,277,166)
Depreciation – Property, plant and equipment	170,399	185,098
Amortisation	227,603	227,233
Depreciation – Right-of-use Assets	462,144	500,914
Investment income	(137,656)	(138,040)
Interest income	(698,726)	(649,388)
Foreign Operations – Foreign currency translation	(51,854)	775,005
Operating loss before changes in working capital and provisions	(2,653,537)	(2,376,344)
Decrease/ (increase) in trade and other receivables	447,502	(338,619)
Decrease in trade and other payables	(329,143)	(3,423,106)
Increase in employee benefits provisions	307,590	116,887
Net cash used in operating activities	**(2,227,588)**	**(6,021,182)**

*Decrease in trade and other receivables exclude increase in lease receivable of $11,903. See Note 14.

23. Financial instruments

The following table shows the carrying amounts of financial assets and financial liabilities in AUD.

	Note	2024 $	2023 $
Financial assets measured at amortised cost			
Trade and other receivables**	14	2,250,748	2,766,535
Cash and cash equivalents	13	11,879,365	12,224,975
		14,130,113	14,991,510
Financial liabilities measured at amortised cost			
Trade and other payables	19	**4,841,996**	**5,171,139**

**prepayments are not financial instruments and are excluded

The fair value of financial assets and liabilities are equivalent to the carrying amounts in the balance sheet.

24. Members' liability

The maximum liability of each member in the event of a winding up is $100 per member. As at 30 June 2024 there were 10 members (2023: 9 members).

25. Related parties

Transactions with key management personnel

In addition to a salary, the Group also provides non-cash benefits to key management personnel and contributes to a post-employment defined contribution superannuation fund on their behalf. No loans were made, guaranteed, or secured by the entity to key management personnel.

Notes to the consolidated financial statements
Year ended 30 June 2024

25. Related parties (continued)

Key management personnel compensation

The key management personnel compensation included in the statement of comprehensive income and the statement of financial positions are as follows:

	2024	2023
	$	$
Short - term employee benefits	1,072,262	1,052,415
Post-employment benefits	118,849	106,174
Long - term employee benefits	92,107	73,302
	1,283,218	**1,231,891**

26. Controlled entities and overseas branches

The results of controlled entities and overseas branches are included in these consolidated financial statements.

a) Controlled entities

i) ChildFund PNG inc

ChildFund PNG Inc is a locally registered NGO in Papua New Guinea and delivers the Group's principal activities. The subsidiary is under the control of the Group and prepares separate financial statements which are independently audited by KPMG PNG.

During the year, the funds from the Group to the Papua New Guinea country office totalled $1,973,466 (2023: $2,081,704). In-country grants to Papua New Guinea country office totalled $3,846,203 (2023: $4,794,405). At year-end, the net assets were $111,449 (2023: $120,221). At year-end, Childfund Australia has a funds payable position of $10,344 to ChildFund PNG (2023: receivable of $598,827 from ChildFund PNG).

b) Overseas branches

Overseas branches are an extension of ChildFund Australia, operating under the laws of the country office jurisdictions and are not a separate legal entity.

(i) Vietnam

The Group operates a country office in Vietnam to assist in the Group's principal activities. The country office is under the control of the Group and prepares separate financial statements which are independently audited by KPMG Vietnam.

During the year, the funds from the Group to the Vietnam country office totalled $3,852,782 (2023: $4,939,712). In-country grants to Vietnam country office totalled $770,806 (2023: $699,451). At year-end, the net assets were $1,813,424 (2023: $2,503,620).

26. Controlled entities and overseas branches (continued)

b) Overseas branches (continued)

(ii) Cambodia

The Group operates a country office in Cambodia to assist in the Group's principal activities. The country office is under the control of the Group and prepares separate financial statements which are independently audited by KPMG Cambodia.

During the year, the funds from the Group to the Cambodia country office were $4,214,949 (2023: $5,995,811). In-country grants to Cambodia country office totalled $3,026,964 (2023: $1,491,516). At year-end, the net assets were $821,227 (2023: $1,469,013).

(iii) Laos

The Group operates a country office in Laos to assist in the Group's principal activities. The country office is under the control of the Group and prepares separate financial statements which are independently audited by KPMG Laos.

During the year, the funds from the Group to the Laos country office totalled $1,875,667 (2023: $2,182,365). In-country grants to Laos' country office totalled $735,069 (2023: $1,615,354). At year-end, the net assets were $134,481 (2023: $133,398).

It is the intention of the Group to close the ChildFund Laos Country Office and cease program operations by December 2025.

(iv) Myanmar

The Group operates a country office in Myanmar to assist in the Group's principal activities. The country office is under the control of the Group and prepares separate financial statements which are independently audited by The Right Partner Consulting Group Company Limited (Myanmar).

During the year, the funds from the Group to the Myanmar country office totalled $615,288 (2023: $487,892). In-country grants to Myanmar country office totalled $1,068,177 (2023: $298,203). At year-end, the net assets were $20,907 (2023: $24,561).

(v) Timor Leste

The Group operates a country office in Timor Leste to assist in the Group's principal activities. The country office is under the control of the Group and prepares specific financial statements which are independently audited by Stantons International (Australia).

During the year, the funds from the Group to the Timor Leste country office totalled $1,874,118 (2023: $1,845,434). In-country grants to Timor Leste country office totalled $546,882 (2023: $390,719). At year-end, the net assets were $1,168,486 (2023: $1,466,232).

27. ChildFund Alliance

ChildFund Australia is a member of the ChildFund Alliance – a global network of 11 organisations which assists more than 36 million children and families in 70 countries.

During the year, sponsorship, gifts, donations and grants totalling $6,951,828 (2023: $8,961,012) were included in disbursements to ChildFund Alliance members who have the responsibility for allocating those funds to programs throughout the world. During the year ChildFund Australia received $10,264,324 (2023: $11,471,285) from ChildFund Alliance members for programs in ChildFund Australia managed country programs.

Notes to the consolidated financial statements
Year ended 30 June 2024

28. Additional information and declarations to be furnished under the Charitable Fundraising (NSW) Act 1991

Public fundraising appeals conducted during the financial year

- Ongoing sponsorship of children, gifts for children and donations.

Statements showing how funds received were applied to charitable purposes

	2024 $	2023 $
Gross revenue from public activities	20,534,361	21,976,803
Less: Public fundraising costs	(6,320,428)	(6,343,196)
Net public funds	14,213,933	15,633,607
Gross Government, overseas, multilateral & corporate grants	22,880,485	24,863,660
Less: Government, multilateral & corporate fundraising costs	(177,157)	(139,657)
Net Government, overseas, multilateral & corporate funds	22,703,328	24,724,003
Other revenue	924,103	909,460
Net funds raised	37,841,364	41,267,070
Overseas project disbursements	34,457,818	38,617,206
Program support costs	2,290,527	2,135,170
Community education costs	698,565	669,588
Total funds disbursed towards the objectives of the Company	37,446,910	41,421,964
Accountability and administration expenses	3,019,901	3,122,272
Operating deficit	**(2,625,447)**	**(3,277,166)**

29. Events subsequent to reporting period

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the directors, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Directors' declaration

In the opinion of the directors of ChildFund Australia ("the Group"):

(a) the Group is not publicly accountable;

(b) the financial statements and notes that are set out on pages 8 to 32 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

(i) giving a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance, as represented by the results of its operations and cash flows, for the year ended on that date; and

(ii) complying with Australian Accounting Standards – Simplified Disclosure requirements, the Australian Charities and Not-for-profits Commission Regulation 2022; and

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Michael Pain
Director

Kobus Ehlers
Director

Dated at Sydney this 25th day of September 2024

Declaration by Chief Executive Officer in respect of fundraising appeals

I, Margaret Sheehan, Chief Executive Officer of ChildFund Australia, declare that in my opinion:

(a) the accounts give a true and fair view of all income and expenditure of ChildFund Australia with respect to fundraising appeals for the financial Year Ended 30 June 2024;

(b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals as at 30 June 2024;

(c) the provisions of the Charitable Fundraising Act (NSW) 1991 and Regulations and the conditions attached to the authority have been complied with for the year ending 30 June 2024; and

(d) the internal controls exercised by the ChildFund Australia are appropriate and effective in accounting for all income received.

Margaret Sheehan
Chief Executive Officer

Dated at Sydney this 25th day of September 2024

Independent Auditor's Report

To the members of ChildFund Australia

Report on the audit of the Annual Financial Statements

Opinion

We have audited the ***Annual Financial Statements***, of ChildFund Australia ("the Group").

In our opinion, the accompanying Annual Financial Statements of ChildFund Australia are in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991* including:

i. giving a true and fair view of the Group's financial position as at 30 June 2024, and of its financial performance and its cash flows for the year ended on that date;

ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022 (ACNCR)* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021;* and

iii. complying with the presentation and disclosure requirement of the ACFID Code of Conduct.

The ***Annual Financial Statements*** comprises:

i. Consolidated statement of financial position as at 30 June 2024.

ii. Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.

iii. Notes, including material accounting policies.

iv. Directors' declaration.

v. Declaration by the Chief Executive Officer in respect of fundraising appeals.

The Group consists of ChildFund Australia ("the Company") and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Annual Financial Statements* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and 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 Annual Financial Statements in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Other Information is financial and non-financial information in ChildFund Australia's annual reporting which is provided in addition to the Annual Financial Statements and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Annual Financial Statements does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Annual Financial Statements, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Annual Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Annual Financial Statements

The Directors are responsible for:

i. Preparing the Annual Financial Statements that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW)* 1991 and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.

ii. Implementing necessary internal control to enable the preparation of Annual Financial Statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

iii. Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objective is:

i. to obtain reasonable assurance about whether the Annual Financial Statements as a whole is free from material misstatement, whether due to fraud or error; and

ii. 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 Annual Financial Statements.

Auditor's responsibilities for the audit of the Annual Financial Statements (continued)

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

i. Identify and assess the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Group's internal control.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Annual Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group and Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the of the registered Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities for the audit of the Annual Financial Statements is located at the Auditing and Assurance Standard Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor's Report.

In addition we have:

i. Obtained an understanding of the internal control structure for fundraising appeal activities.

ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Act and Regulation.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Annual Financial Statements such as accruals, prepayments, provisioning and valuations.

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- the Annual Financial Statements give a true and fair view of the Group's financial result of the fundraising appeal activities for the financial year ended 30 June 2024;
- the Annual Financial Statements have been properly drawn up, and the associated records have been properly kept for the period from 1 July 2023 to 30 June 2024, in accordance with *the Charitable Fundraising Act (NSW)* 1991 and Regulations;
- money received as a result of Fundraising appeal activities conducted during the period from 1 July 2023 to 30 June 2024 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW)* 1991 and Regulations;
- and there are reasonable grounds to believe that the Group and Company will be able to pay its debts as and when they fall due.

KPMG

KPMG

Patrice Scott

Partner

Sydney

25 September 2024