2022 Financial Statements

Save the Children

SAVE THE CHILDREN AUSTRALIA

ACN 008 610 035

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Company Secretary: Angela Milne

Registered Office:

33 Lincoln Square South, Carlton, VIC 3053.
Telephone: 03 7002 1600

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SAVE THE CHILDREN AUSTRALIA
ACN 008 610 035
31 DECEMBER 2022

DIRECTORS' REPORT

The directors present their report on the Consolidated Entity consisting of Save the Children Australia ("the company") and the entities it controlled (Consolidated Entity) at the end of, or during, the year ended 31 December 2022.

1. Directors

Directors of the company in office at any time since the beginning of the financial year are:

Larry Kamener
Ngiare Brown (appointed 18 January 2022)
Harvey Collins
Justin Hanney
Karen Harmon
Michelle Nightingale
Gary Oliver (retired 26 May 2022)
Mary Sue Rogers
Michelle Scott
Ian Tarutia
Leonie Valentine

Directors have been in office since the beginning of the year to the date of this report unless state otherwise.

2. Directors' meetings

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

Board Member	Meetings Attended	Meetings Held*
Larry Kamener	6	6
Harvey Collins	6	6
Karen Harmon	6	6
Mary Sue Rogers	6	6
Michelle Scott	5	6
Gary Oliver (retired)	1	3

Board Member	Meetings Attended	Meetings Held*
Ngiare Brown	5	6
Justin Hanney	5	6
Michelle Nightingale	6	6
Ian Tarutia	4	6
Leonie Valentine	3	6

(*) Reflects the number of meetings held during the time the director held office during the financial year.

3. Directors' qualifications, experience, and special responsibilities

Larry Kamener BSc (Economics) (LSE), MA (Hons) (Economics) (Melb)	**Chair of the Board and ex-officio member of all Board Committees.** Larry Kamener is a Senior Adviser and Senior Partner Emeritus in the Boston Consulting Group. During his time with BCG, Larry founded and was the inaugural leader of BCG's Global Public Sector Practice. Prior to joining BCG, he worked as an economist in the Australian and Victorian Governments' Treasury Departments. Larry founded and is now the Chair of the Centre for Public Impact, a BCG Foundation based in London, as well as a Director of the Melbourne Theatre Company. Larry is a board member of Save the Children International and Save the Children Association (Switzerland), and a director of Child Wise Limited, a controlled entity of Save the Children Australia. Larry has been a director of Save the Children Australia since September 2019.
Harvey Collins B.Bus, Dip Fin, FAICD, SFFin	**Member of the Board Programs & Risk Committee and Board Nominations Committee** Harvey is currently Chairman of impact funds manager, Insitor Partners Pte. Ltd, Singapore, and an executive coach with Foresight's Global Coaching. He has held board roles in a number of ASX listed and other corporations including Chairman of Navitas Limited, Bankwest Limited, HBF Health Fund Inc, and iiNet Limited. His executive roles included CFO Challenge Bank Limited, and Executive Director, Chieftain Securities. His earlier professional work was in treasury and financial markets. In September 2016, Harvey retired as Chairman of international NGO, Hagar International. Harvey is a Chair of Save the Children Impact Fund Limited, a controlled entity of Save the Children Australia. Harvey has been a director of Save the Children Australia since May 2017.
Mary Sue Rogers BSc. MAICD, IDP-C	**Chair of the Board Human Resources Committee & Ex-officio Member of the Board Nominations Committee** Mary Sue is a non-executive director with several organisations including Women on Boards, East-West Seed and Aiir Consulting. In addition to boards, Mary Sue is active in the start-up community having successfully launched ForPurposeCo – a "for profit for purpose" social enterprise. Mary Sue mentors and coaches young entrepreneurs and seasoned executives. Her executive career was in professional services including Global General Manager at IBM, Partner at PwC and CEO at Talent2. Mary Sue has been a director of Save the Children Australia since January 2018.

3. Directors' qualifications, experience, and special responsibilities – cont'd

Karen Harmon AM FCNA, GAICD, RN, RM, Grad Dip Intl Health, Grad Cert Mgt, B. Admin, Dip Nsg Studies, DipNsg Admin.	**Chair of the Board Programs & Risk Committee and Member of the Board Human Resources Committee** Karen is currently President of Banks Creek Retreat (NFP Mental Health Service for First Responders) and an Independent Consultant to DFAT. She has been involved in the health sector for more than 40 years and has wide-ranging leadership experience in government, non- government, and business sectors. Karen has worked extensively in humanitarian aid and international development assistance with a special focus on the health of women and children. Much of Karen's work has focused on Primary Health Care (PHC) policy and practice. Most recently she has concentrated on Aboriginal and Torres Strait Islander children and young people's health and social and emotional wellbeing. Another important element of Karen's work is advocacy in the areas of social justice, juvenile justice and human rights, especially the rights of the child. In 2006, Karen was recognised as a Member of the Order of Australia (AM) for her work in International Health. Karen has been a director of Save the Children Australia since September 2017.
Michelle Scott OAM BA (Social Sciences)	**Member of the Board Programs & Risk Committee** Michelle Scott was appointed the inaugural Director of the McCusker Centre for Citizenship at UWA in October 2015. The Centre is focused on building greater capacity in the community to understand, contribute and positively impact on social issues. Michelle has over 30 years' experience leading and influencing government and community organisations to address and reduce contemporary, complex social challenges. She has also been an independent statutory officer, including as WA's first Commissioner for Children and Young People (6 years), and Public Advocate for WA (5 years). Michelle is also currently the Co-Chair of the WA Government's Supporting Communities Forum and a director of Child Wise Limited, a controlled entity of Save the Children Australia. In 2022, Michelle was awarded a Medal of the Order of Australia (OAM) for service to the community through social welfare organisations. Michelle has been a director of Save the Children Australia since November 2019.
Justin Hanney BA (Human Resources) GradDip (Business Management) Masters of Public Policy and Governance	**Member of the Board Programs & Risk Committee and the Board Audit Committee** Justin is a Senior Partner in the National Advisory division of Davidson where he works with the public sector and Davidson's extensive client base to assist organisations to develop and perform. Justin was CEO at the City of Melbourne (CoM) from 2019 to October 2022. In that time, he introduced a program to enhance organisational culture and responsiveness and oversaw a structural realignment to enhance CoM's strategic, economic, and capital works delivery capacity to enable Melbourne to best support residents, workers and businesses, especially in response to COVID-19. Prior to joining CoM, Justin worked for the Victorian Government as the Head of the Employment, Investment and Trade Group within the Department of Economic Development, Jobs, Transport and Resources. His portfolio encompassed economy-wide work to attract and facilitate international and domestic investment, grow employment and expand Victoria's offshore trade. Justin has been a director of Save the Children Australia since September 2020.

3. Directors' qualifications, experience, and special responsibilities – cont'd

Michelle Nightingale BCom (Monash), CA	**Chair of the Board Audit Committee** Michelle is currently a Managing Director & Partner in Boston Consulting Group's Melbourne office and is the Asia Pacific COO for BCG. She chairs the AP Director Development Committee, is one of five global ombudspersons, a member of the Global Operations Leadership Team and leads the Global Functions delivery hub in New Delhi. Michelle has held a number of roles during her career at BCG including Global Finance Operations Partner, Global Services Office Leader and Global HR Partner. With BCG she has worked in Melbourne and Hong Kong offices and the Global Functions hub in Boston. Michelle has a background in finance, and extensive experience in Finance, HR and Operations and prior to joining BCG worked for Arthur Andersen. Michelle is a Council Member of Federation University Australia. Michelle has been a director of Save the Children since September 2020.
Ian Tarutia OBE BBus(Econ) MBA FAICD	**Member of the Board Audit Committee** Ian Tarutia is the Chief Executive Officer of National Superannuation Fund (NASFUND), the largest private sector superannuation fund in Papua New Guinea. Ian is a Fellow of the Australian Institute of Company Directors, a Fellow of the PNG Institute of Directors and, has sat on numerous boards across the financial, aviation, software development, agriculture, property, manufacturing, environment, and sporting sectors in Papua New Guinea. He is the first Papua New Guinean to complete the executive Harvard Business School Advanced Management Program (AMP) in 2013. Ian holds a Master's in Business Administration and a bachelor's degree in Business Economics from the University of Papua New Guinea. He also holds a Diploma in Economic Policy Analysis from the Papua New Guinea Institute of National Research, a Diploma in Financial Markets from the Securities Institute of Australia and a graduate Diploma in Company Directorship from the Australian Institute of Company Directors (AICD). In 2002, he was awarded an MBE for services to the Superannuation Industry in PNG. In 2016, he was further recognised with an OBE for services to NASFUND and the 2015 Pacific Games, hosted in Papua New Guinea. Ian has been a director of Save the Children since October 2021.
Leonie Valentine **Exec Cert, BusAdmin, AGSE (Swinburne University)** **MA,Communication Management, UTS BSc,(Melbourne University) GAICD, FT NED Diploma**	**Member of the Board Programs & Risk Committee** Leonie Valentine is a strategic advisor to CommandHub and was previously Executive General Manager Customer Experience and Digital Technology at Australia Post from Jan 2022 to Feb 2023.Leonie had roles at Google including Managing Director, Melbourne & Government, MD Sales & Operations of Google Hong Kong (2016-2020), having originally joined Google in 2014 as APAC Director of Customer Experience. She has 30 years' experience in general management, sales, marketing and operations, including 20 years in digital technology and telecommunications. Previous board roles include director of Pro-Pac Packaging Limited (ASX: PPG, 2018-22) Save The Children HK (2018-20), American Chamber of Commerce HK Governor (2018-20), Interactive Advertising Bureau HK (2017-19), and HandsOn Hong Kong (2014-16). Leonie also supported The Women's Foundation Hong Kong as an advisor, serving on both the 30% Club Committee (Women on Boards Advisory) and the Girls Go Tech Committee from 2013-19. Leonie has been a director of Save the Children since October 2021.

3. Directors' qualifications, experience, and special responsibilities – cont'd

Ngiare Brown	**Member of the Board Human Resources Committee** Professor Ngiare Brown is a proud Yuin nation woman from the south coast of NSW. She is a founding member and was foundation chief executive officer with the Aboriginal Indigenous Doctors Association (AIDA). She was also founding member of the Pacific Region Indigenous Doctors' Congress. She has made extensive contributions in research process, bioethics, policy, translation and practice within Aboriginal and Torres Strait Islander health and worked over the past two decades to develop an extensive international network in Indigenous health and research. Ngiare has a medical degree from the University of Newcastle and a master's in public health and Tropical Medicine from James Cook University. She is a Fellow of the Royal Australian College of General Practitioners and is currently undertaking doctoral research in Aboriginal child protection. Ngiare has been a director of Save the Children since January 2022.

4. Principal activities

The principal activity of the Consolidated Entity is to support the rights of children as stated in the UN Convention on the Rights of the Child. The Consolidated Entity actively seeks public donations, corporate and government grant funding, and operates commercial activities, in order to conduct effective programming to benefit the rights and interests of children in Australia, the Pacific Region (Papua New Guinea, Solomon Islands, Vanuatu and Fiji), Bangladesh, Cambodia, Myanmar, Laos, Pakistan, Rohingya, Iraq, Afghanistan, Philippines, Thailand, Indonesia and other countries as needs arise.

5. Significant changes in the state of affairs

Inclusive Education Pty Ltd (Inclusive Education) ceased to be a controlled entity of Save the Children Australia on 1 July 2022 when Save the Children's shareholding changed from 55% to 46%. At this point, Save the Children Australia ceased to control Inclusive Education and the ownership changed to that of significant influence.

There have been no other significant changes in the state of affairs of the Consolidated Entity during the year.

6. Matter subsequent to the end of the financial year

On 21 March 2023, Child Wise Limited (a controlled entity of Save the Children Australia) entered into an agreement to transfer trademarks, key information assets and ongoing service obligations to accreditation clients to a third party. The financial effects of this transaction have not been recognised in the 2022 Financial Statements however the operating results and the assets and liabilities of Child Wise Limited are not considered material to the Consolidated Entity.

No other matters or circumstances have arisen since 31 December 2022 that has significantly affected, or may significantly affect:

I. The Consolidated Entity's operations in future financial years, or
II. The results of those operations in future financial years, or
III. The Consolidated Entity's state of affairs in future financial years.

DIRECTORS' REPORT

7. Insurance of officers and auditors

During the financial year, Save the Children Australia paid a premium of $43,530 to insure directors and secretaries of the company and its Australian based controlled entities, and the general managers of the divisions of the entity.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against costs and those relating to other liabilities.

Save the Children Australia has agreed to indemnify their auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from Save the Children Australia's breach of their agreement. The indemnity stipulates that Save the Children Australia will meet the full amount of any such liabilities including a reasonable amount of legal costs. No amounts were paid under this indemnity.

8. Short term objective

The Consolidated Entity's short-term objective is to increase income, program quality and policy influence to increase our impact for vulnerable children.

9. Long term objectives

The Consolidated Entity's long-term objectives are to:

- Inspire breakthroughs in the way the world treats children and to achieve immediate and lasting change in their lives.
- Ensure that every child attains the right to survive, learn and be protected
- Create a sustainable entity that strives for continual improvement to offer the best possible outcomes for children requiring our assistance.

10. Strategy for achieving the objectives

The Consolidated Entity has commenced with its three-year Strategy which completes in 2024. The Strategy defines the Consolidated Entity's five goals to be achieved by 2024, focus areas and key outcomes. These have formed the basis for Key Performance Indicators (KPIs) established by management that link to the overall strategy. KPIs have been monitored throughout the year and performance compared to KPIs is reported to the Executive and Board periodically.

The 2022-2024 Strategy builds on our strengths and successes from the previous three-year strategy, while also stretching us to grow and increase our impact for children, on a larger scale and at a faster rate than today. Our mission for children is more critical than ever. The 2024 strategy outlines the below five ambitious goals:

- A safe return to school and learning for all children
- More children living free from violence
- A reduction in the number of children in detention
- More resilient families with resources to support children
- A healthy start in life for all children.

10. Strategy for achieving the objectives – cont'd

The Save the Children global initiatives enable the Consolidated Entity to leverage enhanced systems, coordination, knowledge and capabilities to maximise the benefits to children and achieve its Ambition for Children 2030:

- no child dies from preventable causes before their fifth birthday;
- all children receive a basic quality education; and
- violence against children is no longer tolerated.

Focusing on the most deprived and marginalized children in Australia and the Asia-Pacific, the Consolidated Entity's goals for the strategy fell into three broad categories:

- creating positive impact for and with children – focusing on the quality and effectiveness of programs, influencing the public and policy makers, and leading the humanitarian sector in the Asia-Pacific;
- fueling change with partners and supporters – including building a sustainable and trusted organisation, deepening its engagement with partners and supporters, and creating real and lasting change; and
- being a great place to work – by making it easy to get things done, being agile and adaptable, and attracting and retaining the right people.

As a member of the international Save the Children Association, the Consolidated Entity is contributing to a global strategy designed to:

- achieve results at scale – by building humanitarian capability and strengthening thematic focus;
- maximise use of knowledge – by developing global knowledge, culture, capacity and systems;
- create a movement of millions – by building advocacy and campaigning capability, rolling out a global brand and achieving stronger, more diversified funding; and
- become truly global – by building a high performing organisation, investing in people and establishing a global governance structure and culture.

11. How principal activities assisted in achieving the objectives

The Consolidated Entity carried out the following principal activities to achieve its objectives:

- Increase program expenditure and delivery to increase reach both domestically and overseas
- Increase stakeholder and community awareness and engagement
- Increase in the focus on strengthening internal systems and infrastructure.

Save the Children continues to balance the investment of its discretionary funds between activities to improve the lives of vulnerable children, investing in the future growth and sustainability of the organisation, versus recording surpluses and growing its net asset position. With a reasonable proportion of donations and gifts received as regular monthly donations from more than 50,000 donors, Save the Children can rely on a regular income stream, which strengthens the financial sustainability of the organisation.

The key highlights of the result were:

- Total revenue of $191,037k increased by $11,318k or 6.3% on 2021. The 6.3% increase is mainly coming from growth in domestic and international programming as well as revenues from commercial operations.
- The surplus result of $5,229k represents a decrease of $298k on the 2021 surplus.
- Net assets increased to $25,985k from $19,575k in the prior year.
- Save the Children continues to hold significant cash on hand of $36,183k. Cash flow from operations in 2022 was negative at $10,404k largely due to the continued increase in payments to suppliers, employees and others. In addition, the cash inflows have been impacted through the increase in Contract Assets (growing by $7,680k to $15,090k at year-end) and a decrease in Contract Liabilities (to $48,812k from $58,122k in 2021).

11. How principal activities assisted in achieving the objectives – cont'd

- Fundraising income including donations, gifts, bequests and legacies of $31,729k increased by $1,993k or 6.7% from 2021. This increase includes Christmas appeals and growth in our Regular Giving donor base. This was supported by a decrease in fundraising costs of $206k or 1.6% resulting in an increase in the fundraising net result of $2,199k, taking the fundraising net result to $19,364k in 2022.
- Grant income increased by $8,333k or 6.6% with growth across each of 54 Reasons, Pacific Programs and International Programs and grant expenditure increased by $10,455k or 8.7% in 2022.
- Revenues from Commercial activities increased by $898k or 3.9%, driven by revenue growth in Library for All and Retail offset by decreases in other social ventures. The continued investment in our commercial activities will help to drive future growth and financial stability.
- Administration costs of $13,950k increased by $1,296k or 10% on the 2021 equivalent.

12. Members' guarantee

Save the Children Australia is a company limited by guarantee. In the event of, and for the purpose of, the winding up of the Company, the amount capable of being called up from each member and any person who has ceased to be a member in the year prior to the winding up, is limited to $10 per member. As at 31 December 2022 the collective liability of members was $100 (2021: $100).

13. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60 - 40 of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012 is set out on page 9 and forms part of the Directors Report.

Signed in accordance with a resolution of the Directors.

Larry Kamener
Chairman

Melbourne
29 March 2023

Auditor's Independence Declaration

As lead auditor for the audit of Save the Children Australia for the year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Save the Children Australia and the entities it controlled during the period.

Jason Perry
Partner
PricewaterhouseCoopers

Melbourne
29 March 2023

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SAVE THE CHILDREN AUSTRALIA
ACN 008 610 035
31 DECEMBER 2022

CORPORATE GOVERNANCE STATEMENT

1. Introduction

Save the Children Australia is a company limited by guarantee. It operates in all states and the Northern Territory of Australia as well as some overseas countries to promote the welfare and rights of children.

Save the Children Australia's corporate governance and performance are the responsibilities of its directors. The Board delegates the responsibility for the day-to-day administration of the company to the Chief Executive Officer ("CEO") who, together with the Executive Team, is accountable to the Board. The roles of Chairman and CEO are separate.

The company's constitution provides for a minimum of 6 directors and a maximum term of 9 years with a limited ability to extend the term of the chair.

2. Remuneration of Directors of the company

All directors of Save the Children Australia are independent and non-executive. Directors demonstrate their commitment to Save the Children Australia's mission through the contribution of their skills and experience to the collective work of the Board, the contribution of their personal time and efforts, advocacy within their social and business networks of Save the Children Australia's mission and the programs implemented to achieve the mission, and through whatever financial contributions they make personally. They receive no return in cash or kind other than reimbursement of necessarily incurred expenditure

3. Board Meetings

The Board meets at least six times a year.

Refer to page 1 for the number of directors' meetings held and the number of meetings attended by each of thedirectors during the financial year.

4. Board Committees

(a) The Board Audit Committee assists the Board in carrying out its responsibilities in relation to the financial integrity of the organisation and the Board's accountability to stakeholders, by providing governance and oversight.

At the date of this report the Board Audit Committee members are Michelle Nightingale (Chair), Ian Tarutia, Larry Kamener (ex officio), Justin Hanney and Eric Passaris (external member).

(b) The Board Programs & Risk Committee assists the Board in carrying out its responsibilities in relation torisk management, the program work required to pursue the organisation's mission, and the policy and advocacy work undertaken by the organisation.

At the date of this report the Board Programs & Risk Committee members are Karen Harmon (Chair), Harvey Collins, Michelle Scott, Justin Hanney, Leonie Valentine and Larry Kamener (ex officio).

CORPORATE GOVERNANCE STATEMENT

4. Board Committees – cont'd

(c) The Board Human Resources Committee assists the Board in carrying out its responsibilities in relation to the nomination of the CEO and Executive Team, appointment, performance and succession in regard to the CEO and Executive Team, and SCA Human Resources Strategy and Policies.

At the date of this report the Board Human Resources Committee members are Mary Sue Rogers (Chair), Karen Harmon, Ngiare Brown, Larry Kamener (ex officio and Amy Poynton (external member).

(d) The Board Nominations Committee assists the Board in carrying out its responsibilities in relation to the nomination, appointment, performance and succession in regard to Directors, including the chairman of the Board, and appointment of directors of subsidiary entities.

At the date of this report the Board Nominations Committee members are Larry Kamener (Chair), Harvey Collins and Mary Sue Rogers.

Note: The CEO and other employees attend the meetings of the Board committees to report to the committees and assist in their operation.

5. Executive Team

The Executive Team supports the CEO and meets fortnightly to review the operation and management of Save the Children Australia.

6. Executive Remuneration

Executive remuneration is reviewed annually and is based on current market conditions and trends.

7. Internal Controls and Management of Risk

Save the Children Australia has established controls designed to safeguard its assets and interests, and to ensure the integrity of its reporting.

8. Ethics and Conduct

Save the Children Australia is committed to ensuring that all its activities are conducted legally, ethically and in accordance with high standards of integrity. Board members, employees and volunteers are required to signify acceptance of, and comply with, the company's Child Safeguarding Policy and Code of Conduct. To facilitate this, employees attend child protection training which is conducted throughout the year. Save the Children Australia has also developed policies which deal with occupational health and safety, privacy, equal opportunity and employee grievances to assist employees and volunteers in meeting the high standards of ethics and conduct required.

9. Supporter and Donor Relationships

Save the Children Australia is committed to providing donors and supporters with relevant and timely information regarding its operations and management through a website, meetings, social media and direct communications.

10. Governance Practices

Save the Children Association, of which Save the Children Australia is a member, requires that the governance processes of its members ensure that the organisation effectively and efficiently strives to achieve its stated goals, while protecting the public interest and trust. Save the Children Australia has developed appropriate practices to meet the Association's, expectations and to meet the general expectations of regulators, donors, supporters, and the general public.

SAVE THE CHILDREN AUSTRALIA
ACN 008 610 035

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Consolidated 2022 $'000	2021 $'000
REVENUE			
Donations and gifts - monetary		**28,295**	25,430
Donations and gifts - non-monetary		**-**	605
Bequests and legacies		**3,434**	3,701
Grants			
- Department Foreign Affairs and Trade		**26,724**	17,022
- Other Australian		**63,802**	67,617
- Other overseas		**43,626**	41,180
Revenues from commercial activities	**2**	**24,119**	23,221
TOTAL REVENUE		**190,000**	178,776
OTHER INCOME			
Investment income	**3(a)**	**163**	85
Other income	**3(b)**	**874**	858
TOTAL INCOME	**3(c)**	**191,037**	179,719
EXPENDITURE			
International Aid and Development Programs Expenditure			
International programs			
- Funds to international programs		**75,759**	67,488
- Program support costs		**3,735**	4,202
Domestic Aid and Development Programs Expenditure			
Domestic programs			
- Funds to domestic programs		**47,204**	44,911
- Program support costs		**3,640**	3,282
Community Education		**4,965**	5,056
Fundraising costs (International and Domestic)			
- Public - monetary		**10,642**	10,492
- Government, multilateral and private		**1,723**	2,079
Commercial activities (Domestic)		**25,521**	24,028
Accountability and Administration (International and Domestic)		**13,952**	12,654
TOTAL EXPENDITURE		**187,141**	174,192
Gain on loss of control of controlled entity	**17(a)**	**1,548**	-
Share of net surplus/(deficit) of associates accounted for using the equity method	**21 (e)**	**(215)**	-
Net surplus from continuing operations		**5,229**	5,527
Total surplus of income is attributable to:			
Owners of Save the Children Australia		**5,167**	5,544
Non-controlling interests - Impact Investment Fund	**26(a)**	**(98)**	(55)
Non-controlling interests - other entities	**17(b)**	**160**	38
Total		**5,229**	5,527

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Surplus of income over expenditure from continuing operations		**5,229**	5,527
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR		**5,229**	5,527
Total comprehensive income is attributable to:			
Owners of Save the Children Australia		**5,167**	5,544
Non-controlling interests - Impact Investment Fund	**26(a)**	**(98)**	(55)
Non-controlling interests - other entities	**17(b)**	**160**	38
Total		**5,229**	5,527

During the financial year, the entity had no transactions in relation to political or religious proselytization programs.

The accompanying notes form an integral part of these financial statements

SAVE THE CHILDREN AUSTRALIA
ACN 008 610 035

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Assets			
Current assets			
Cash and cash equivalents	5	36,183	56,867
Trade and other receivables	6	12,777	8,343
Other current assets - partner advances		17,524	18,070
Contract assets	7	15,090	7,410
Inventories	8	832	893
Total current assets		82,406	91,583
Non-current assets			
Property, plant and equipment	9	2,585	3,055
Intangible assets	10	5,024	3,851
Right-of-use assets	15	12,160	13,707
Financial assets at amortised cost	11(a)	496	318
Financial assets at fair value through profit or loss	11(b)	3,815	1,951
Interests in associates	11(c)	1,860	-
Total non-current assets		25,940	22,882
Total assets		108,346	114,465
Liabilities			
Current liabilities			
Trade and other payables	12	12,542	14,335
Provisions	13	5,908	5,813
Contract liabilities	14	48,812	58,122
Lease liabilities	15	5,918	6,368
Total current liabilities		73,180	84,638
Non-current liabilities			
Trade and other payables	12	412	614
Provisions	13	1,778	1,608
Lease liabilities	15	6,991	8,030
Total non-current liabilities		9,181	10,252
Total liabilities		82,361	94,890
Net assets		25,985	19,575
Equity			
Accumulated surplus attributable to Save the Children Australia*	16	23,730	18,318
Non-controlling interests	17(b), 26(a)	2,255	1,257
Total equity		25,985	19,575

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Accumulated Surplus	Non-controlling interests	Total Equity
		$'000	$'000	$'000
Balance at 31 December 2020		12,774	47	12,821
Total comprehensive income for the year				
Surplus over expenditure for the year		5,544	(17)	5,527
Other movements through equity for the year				
Transactions with external unitholders in the Impact Investment Fund - application of units	**26(a)**	-	1,227	1,227
Balance at 31 December 2021		**18,318**	**1,257**	**19,575**
Comprehensive income for the year				
Surplus over expenditure for the year	**16, 17(b), 26(a)**	5,167	62	5,229
Reduction in NCI due to loss of control of controlled entity	**17(b)**	245	(245)	-
Other movements through equity for the year				
Transactions with external unitholders in the Impact Investment Fund - application of units	**26(a)**	-	1,180	1,180
Balance at 31 December 2022		**23,730**	**2,255**	**25,985**

The accompanying notes form an integral part of these financial statements.

SAVE THE CHILDREN AUSTRALIA
ACN 008 610 035

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Cash flows from operating activities			
Cash received in the course of operations (inclusive of GST)		**170,684**	194,897
Cash paid in the course of operations (inclusive of GST)		**(181,132)**	(172,408)
Interest received		**163**	85
Interest paid on leases		**(119)**	(102)
Net cash (used in) / provided by operating activities	**20**	**(10,404)**	22,472
Cash flows from investing activities			
Net cash outflow from loss of control of controlled entity	**17(a)**	**(1,016)**	-
Payments for property, plant and equipment	**9**	**(445)**	(236)
Payments for intangible assets	**10**	**(1,878)**	(2,780)
Payments for financial assets at fair value	**11(b)**	**(1,864)**	(1,951)
Net proceeds from applications for units - Impact Investment Fund	**26(a)**	**1,180**	1,264
Net receipts from / (payments for) financial assets at amortised cost	**11(a)**	**96**	(318)
Net cash used in investing activities		**(3,927)**	(3,703)
Cash flows from financing activities			
Principal elements of lease payments		**(7,067)**	(7,731)
Net cash used in financing activities		**(7,067)**	(8,049)
Net (decrease)/increase in cash held		**(21,398)**	10,720
Exchange difference on cash and cash equivalents		**714**	(589)
Cash at the beginning of the financial year		**56,867**	46,736
Cash at the end of the financial year	**5**	**36,183**	56,867

The accompanying notes form an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Save the Children Australia is a public company limited by guarantee, incorporated and domiciled in Australia.

The financial statements for Save the Children Australia and its controlled entities ("the Consolidated Entity") are general purpose financial statements that are prepared in accordance with Australian Accounting Standards – Simplified Disclosure Requirements, as issued by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

The Consolidated Entity is a not-for-profit entity.

The financial statements are presented in the Australian dollars which is Save the Children Australia's functional and presentation currency.

Where necessary, the comparative information has been restated to enhance comparability with current year financial information.

The consolidated financial statements for the year ended 31 December 2022 were approved and authorised for issue by the Board on 29 March 2023. The Board has the power to amend and reissue the financial statements.

Early adoption of standards

SCA will assess the early adoption of Standards case by case, considering the materiality of the change and relevance to the users of the financial statements. Early adoption, or non-early adoption of Standards will be approved by the Board Audit Committee.

New and amended standards adopted by the Consolidated Entity

The group has applied the following standards and amendments for first time for their annual reporting period commencing 1 January 2022:

- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not- for-Profit Tier 2 entities*

There are no other new or amended standards adopted by the Consolidated Entity for the annual reporting period commencing 1 January 2022.

Historical cost convention

The financial statements are prepared on a historical cost basis except for, the financial assets and liabilities measured at fair value.

Cash used in operations and decrease in cash on hand

At 31 December 2022, Save the Children Australia's current assets exceeded current liabilities by $9,226k. Net cash used in operating activities was a deficit of $10,404k with total cash on hand at $36,183k, a decrease of $20,684k compared to 2021. The consolidated entity recorded a net surplus of $5,229k.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash used in operations and decrease in cash on hand – cont'd

The net cash used in operations and decrease in cash on hand is attributable to the following:

- A program where $20.9m of cash was received in 2021 in advance of delivery in 2022
- Timing of donor acquittals, invoicing and collections
- 2021 included receipts of $11.9m from the JobKeeper program

After reviewing cash flow projections and other available current information, the directors consider the cash used in operations and decrease in cash is primarily attributable to timing of invoicing and collections in relation to SCA's program activities. The directors believe there are reasonable grounds that the consolidated entity will be able to pay its debts as and when they fall due, and that the preparation of the financial statements on a going concern basis is appropriate.

Critical accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of certain accounting estimates which, by definition, will seldom equal the actual results. It also requires management to exercise its judgment in the process of applying the Consolidated Entity's accounting policies.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The areas involving significant estimates or judgements are outlined below.

Fair value measurement hierarchy

The Consolidated Entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined using valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

The following is a summary of the material accounting policies adopted by the Consolidated Entity in the preparation of the financial statements:

- Leases – Note 1(f)
- Intangible assets – Note 1(g)
- Revenue recognition – Note 1(n)
- Contract assets and liabilities – Note 1(r)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been consistently applied, unless otherwise stated in the financial statements.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of Save the Children Australia and the results of all controlled entities for the period. Save the Children Australia and its controlled entities are referred to in the financial statements as the "Consolidated Entity".

Controlled entities are entities over which the Consolidated Entity is exposed, or has rights, to variable returns from its involvement with the controlled entity. The Consolidated Entity must also have the ability to affect those returns through its power over the controlled entity.

Inter-company transactions, balances and unrealised gains on transactions between entities within the Consolidated Entity are eliminated. Unrealised losses on such transactions are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities are changed where necessary to ensure consistency with those policies applied by the parent entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position and the Consolidated Statement of Changes in Equity respectively.

Controlled entities are fully consolidated from the date on which control is transferred to the parent entity. They are deconsolidated from the date that control ceases.

Associates

Associates are all entities over which the consolidated entity has significant influence but not control or joint control. This is generally the case where the Consolidated Entity holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see below), after initially being recognised at cost.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the consolidated entity's share of the post-acquisition profits or losses of the investee in profit or loss, and the consolidated entity's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the consolidated entity's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.
Unrealised gains on transactions between the consolidated entity and its associates and joint ventures are eliminated to the extent of the consolidated entity's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation – cont'd

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note

Changes in ownership interests

The consolidated entity treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Consolidated Entity. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Save the Children Australia.

When the consolidated entity ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Consolidated Entity had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Income Tax

The company is a registered charity under s.50-5 of the Income Tax Assessment Act 1997. No provision for income tax is necessary.

Save the Children Australia (Singapore Branch) is subject to the tax legislation requirements of the Income Tax Act in Singapore.

CEI Global UK Ltd is subject to the tax legislation requirements of HM Revenue & Customs in the United Kingdom.

Centre for Evidence and Implementation Singapore Ltd is subject to the tax legislation requirements of the Income Tax Act in Singapore.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. As at 31 December 2022, $84,899 of carryforward tax losses are not recognised.

(c) Trade and Other Receivables

Trade receivables are amounts due from third parties for goods sold or services performed in the ordinary course of business. All receivables are recognised initially at the amount of consideration that is unconditional. Trade receivables generally have repayment terms between 30 and 90 days. Trade receivables are held with the objective of collecting the contractual cashflows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) Trade and Other Receivables – cont'd

The ability to collect trade receivables is assessed on an ongoing basis. The Consolidated Entity applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contracts assets. An allowance is made for trade receivables where there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms. Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to make contractual payments for a period of greater than 180 days past due.

From time to time, the Consolidated Entity elects to renegotiate the terms of trade receivables due from third parties with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and are not, in the view of the directors, sufficient to require the derecognition of the original transaction.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(d) Inventories

Inventories comprise goods for resale and goods for distribution at no or nominal consideration as part of the Consolidated Entity's charitable activities. Inventories may be purchased or received by way of donation.

Inventories also comprise of raw materials, work in progress and finished goods and are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure.

Goods for resale

Inventories of goods for resale, mainly through our Retail shops, are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses. No value is ascribed to goods for resale that have been donated where fair value cannot be reliably determined.

Goods held for distribution

Donated goods and goods purchased for nominal consideration held for distribution are initially recognised at their cost at date of acquisition. Inventories of goods purchased and held for distribution are initially recognised at cost. The cost of bringing each product to its present location and condition is determined on a first-in, first-out basis.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(e) Property, Plant and Equipment – cont'd

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation

Depreciation is calculated using the straight-line method to allocate cost over their useful lives. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2% - 3%
Leasehold improvements	9% - 37%
Plant and equipment	12% - 34%
Leased plant and equipment	25%
Vehicles	25%

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Consolidated Income Statement.

Impairment

At the end of each reporting period, the Consolidated Entity assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined, and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(f) Leases

The Consolidated Entity leases various offices, retail stores, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 8 years but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- the exercise price of a purchase option if the Consolidated Entity is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Consolidated Entity exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Consolidated Entity, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of- use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Consolidated Entity uses related party financing available through Save the Children International.

The Consolidated Entity is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received.
- any initial direct costs, and
- restoration costs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(f) Leases – cont'd

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Consolidated Entity is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.
Payments associated with short-term leases of equipment and vehicles and all leases of low- value assets are recognised on a straight-line basis as an expense in profit or loss.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options are included in several property and equipment leases across the Consolidated Entity. These are used to maximise operational flexibility in terms of managing the assets used in the Consolidated Entity's operations. Extension and termination options held are exercisable only by the Consolidated Entity and not by the respective lessor.

(g) Intangible Assets

Acquired intangible assets

Development/Software costs

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Consolidated Entity are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Costs incurred in configuring or customising Software-as-a-Service (SaaS) arrangements can only be recognised as intangible assets if the implementation activities create an intangible asset that the Consolidated Entity controls and the intangible asset meets the recognition criteria. Those costs that do not result in intangible assets are expensed as incurred, unless they are paid to the suppliers of the SaaS arrangements to significantly customise the cloud-based software for the Consolidated Entity, in which case the costs are recorded as a prepayment for services and amortised over the expected renewable term of the arrangement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(g) Intangible Assets – cont'd

Publishing rights

Separately acquired publishing rights are shown at historical cost. Publishing rights acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Measurement

All intangible assets (excluding goodwill) are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives commencing from the time it is held ready for use. These assets are considered finite.

Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described at 2(i). The following useful lives are applied:

- Software: 3-7 years
- Publishing rights: 7 years

Amortisation has been included within depreciation and amortisation.

Subsequent expenditures on the maintenance of computer software are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognised in profit or loss within other income or other expenses.

Goodwill

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Goodwill on acquisitions is included in intangible assets.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Impairment

Other intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the recoverable amount is lower than the asset's fair value less costs of disposal and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) Financial Assets

Recognition

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the Consolidated Entity commits to purchase or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

For the Impact Investment Fund, financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories:

- those to be measured at amortised cost; and
- those to be measured at fair value (either through other comprehensive income, or through profit and loss).

The classification depends on the Consolidated Entity's business model for managing financial assets and the contractual terms of the financial assets' cash flows unless an accounting mismatch is being avoided.

All financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, the carrying value is written off.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

(i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
(ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Impairment losses are taken to profit or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) Financial Assets – cont'd

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Loans and receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other payables are initially measured at their fair value and subsequently measured at amortised cost using the effective interest method.

Financial assets measured at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Financial instruments at Fair value

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair values for financial instruments traded in active markets are based on quoted market prices at the end of the reporting period. The quoted market price for financial assets is the current bid price.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) Financial Assets – cont'd

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Fair value measurement hierarchy

The Consolidated Entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined using valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Impairment of financial assets

Regarding impairment of financial assets, the Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the fund's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Impairment of assets

At the end of each reporting period, the Consolidated Entity assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined, and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.
Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset.

(j) Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. When donor funds are received in foreign currency and the program is denominated in the same foreign currency, the funds are not converted until spent or deployed. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(k) Employee Benefits

Superannuation

Contributions to the employee superannuation plan are recognised as employee benefit expense when they are due.

Short-term obligations

Liabilities for wages, salaries, including non-monetary benefits and annual leave to be settled within 12 months of the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(k) Employee Benefits – cont'd

Other long-term employee benefit obligations

The Consolidated Entity has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These liabilities are measured as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the consolidated statement of financial position if the Consolidated Entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when actual settlement is expected to occur.

(l) Provisions

Provisions are recognised when the Consolidated Entity has a legal or constructive obligation, as a result of past events, for which it is probable the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(m) Cash and Cash Equivalents

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of twelve months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and where the penalty for early withdrawal is not significant and bank overdrafts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(n) Revenue Recognition

Revenue arises mainly from government and other grants, donations & gifts, legacies & bequests, consulting services and retail sales.

Unless funding is received directly from donors without a formal contract or agreement (e.g., regular giving donations, bequests), the Consolidated Entity uses the following 5-step process to determine when revenue is recognised, in line with AASB 15 Revenue from contracts with customers and AASB 1058 Income of Not-for-Profit entities:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

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

Grant Income – government and other grants

Grant income for contracts with sufficiently specific performance obligations is recognised over time. The Consolidated Entity utilises expenditure incurred as an estimate of a performance obligation has been satisfied over time. All contracts with customers have been considered enforceable for the purpose of AASB 15 as the funder may have a remedy through common law, various state statutes and various state based fundraising laws.

The Consolidated Entity recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Consolidated Entity satisfies a performance obligation before it receives the consideration, the Consolidated Entity recognises contract assets in its consolidated statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Generally, government and other funding received, or receivable clearly outlines the sufficiently specific and enforceable performance obligations to be delivered. Funding received in advance is recognised as contract liabilities, and revenue is recognised as services are performed or conditions fulfilled, being the expenditure incurred relating to the specified program. Unless prohibited by contract terms, if funds remain unspent after programs are completed or program completion date is reached, these unspent funds are immediately recognised as income.

Where grants do not clearly provide sufficiently specific, enforceable performance obligations, such grants will be recognised in income when SCA obtains control or the right to receive a contribution, it is probable that the economic benefits comprising the contribution will flow to the entity, and the amount of the grant can be measured reliably.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(n) Revenue Recognition – cont'd

General donations and fundraising events

Funding received that is general in nature and does not have enforceable sufficiently specific performance obligations attached, is recognised when received in line with AASB 1058.

Committed donations

The revenue received under Save the Children Australia's Committed Giving program is recognised when it is received, acknowledging that donors can cancel their ongoing commitment at any time.

Legacies & Bequests

Legacies are recognised when the company receives confirmation from the solicitor that entitlement to the funds is uncontested, or when the legacy is received, whichever occurs earlier.

Revenue from legacies comprising bequests of shares is recognised at fair value, being the market value of the shares at the date the company becomes legally entitled to the shares. Subsequent gains/losses realised upon sale of listed securities are recorded in profit or loss.

Commercial Income

Sales of Goods

Revenue from sales of goods comprises revenue earned (net of returns) from the sale of goods purchased for resale and gifts donated for resale. Sales revenue is recognised upon the delivery of goods to customers.

Consulting Income

Revenue from consulting services through contracts with clear deliverables is recognised when milestones are achieved, or where allowed by contract terms, revenue is recognised over-time to match costs incurred.

Investment Income

Interest, included in investment income, is recognised on a proportional basis using the effective interest rate method, considering the interest rates applicable to the financial assets. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate.

Interest revenue earned on government and other grant funding received in advance of program expenditure is applied for use within a program where the contract for services with the funding provider specifies as such. Such interest revenue is recognised as contract liabilities, and revenue is recognised as services are performed or conditions fulfilled, being the expenditure incurred relating to the specified project.

Amounts due under funding contracts relate primarily to program funding which has been invoiced by Save the Children Australia but remains outstanding at the end of the reporting period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(o) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category, they have been allocated to activities on a basis consistent with use of the resources. Premises overheads have been allocated on a headcount basis and other overheads have been allocated based on head count.
Fundraising costs are those incurred in seeking voluntary contributions by donation.

International and domestic aid and development programs expenditure are those costs directly incurred in supporting the objectives of the company and include project management carried out by central administration.

Accountability and administration costs are those incurred in connection with administration of the Consolidated Entity and compliance with constitutional and statutory requirements.

Community education includes all costs related to informing and educating the Australian community of, and inviting their active involvement in, global justice, development and humanitarian issues.

This includes the cost of producing and distributing materials, the cost of conducting educational and public policy campaigns, and the cost of personnel involved in these activities.

(p) Goods and Services Tax (GST)

Revenues and expenses are recognised net of GST except where GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.
Cash flows are included in the Statement of Cash Flows on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(q) Interest-Bearing Liabilities

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the loans and borrowings using the effective interest method.

All borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(r) Contract Assets and Liabilities

Contract assets relate primarily to program funding which is un-invoiced as at the end of the reporting period but is due to Save the Children Australia under various funding contracts.

Contract liabilities are the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant.

(s) Gifts in Kind

Gifts in kind can be in the form of goods or services (e.g. pro bono consulting services).

Donated goods and services are accepted on the basis that they will provide a future benefit. Revenue is brought to account when goods are received, or services are rendered and are recorded at fair value. Fair value is determined by considering the cost to acquire the equivalent goods or services.

Expenditure is brought to account when incurred, for example when the consulting service has been received, or the blankets have been shipped to the recipients.

(t) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred, and the equity interest issued by the Consolidated Entity. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Consolidated Entity recognises any non-controlling interest in the acquiree, either at fair value or at non-controlling interest proportionate share of the acquirer's net identifiable assets.
The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a discount on acquisition. Goodwill is allocated to a group of cash generating assets and is tested for impairment on an annual basis as part of the impairment testing process.

Contingent considerations are classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit and loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(u) Endowment Fund

Save the Children Australia has established an endowment fund known as the 'Centenary Innovation Fund' ("the CIF") in collaboration with its trusted advisers and partners.

The CIF comprises monies donated or bequeathed to SCA for long-term investment which generate revenue to support aspects of its strategic mission, as well as innovation activities specifically aimed at significantly improving the lives of disadvantaged and vulnerable children and young people. SCA may, at its own discretion, transfer additional monies to the Fund from time to time. The balance of the fund is separately invested in a specific investment portfolio. The revenue for the Fund for the year includes donations, bequests and income from investments, net of associated expenses. Gains or losses on revaluation of the investment portfolio are recorded in Other Comprehensive Income.

(v) Impact Investment Fund

Principal activities

The principal activities of the fund consist of investing in enterprises working in health, education, child protection as well as other enablers in accordance with the provisions of the fund's constitution.

Units in Fund

The Fund's units are puttable financial instruments that have been classified as equity, as they have all of the following features:

- Entitle the holder to a pro-rata share of the Fund's net assets in the event of the fund's liquidation.
- Are in the class of instruments that is subordinate to all other classes of instruments and class features are identical.
- Do not include any contractual obligation to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- The total expected cash flows attributable to the units over the life are based substantially on the profit or loss

The units are redeemable at the unitholders' option; however, applications and redemptions may be suspended by the responsible entity if it is in the best interests of the unitholders.

The units can be put back to the fund at any time for cash, based on the redemption price, which is equal to a proportionate share of the fund's net asset value attributable to the unitholders.

Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the fund. Redemptions from the fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(v) Impact Investment Fund – cont'd

Distributions

The Fund distributions are recognised when declared during the financial year and no longer at the discretion of the fund.

Provision is made for the amount of any distribution declared, being appropriately authorised and no longer at the discretion of the fund, on or before the end of the financial year but not distributed at the reporting date.

	Consolidated 2022 $'000	Consolidated 2021 $'000
2. REVENUES FROM COMMERCIAL ACTIVITIES		
Sale of goods	**11,135**	**9,996**
Consulting services	**12,984**	**13,225**
Total	**24,119**	**23,221**
3(a). INVESTMENT INCOME		
Interest	**163**	**85**
Total	**163**	**85**
3(b). OTHER INCOME		
Humanitarian Leadership course fees	**58**	213
Government Support*	**8**	137
Other income	**808**	508
Total	**874**	858

* In 2022, $8k (2021: $45k) related to income received as part of the JobKeeper scheme. $92k was received in cash in 2021 as part of NSW Government Retail support grant.

3(c). TOTAL REVENUE

Revenue is recognised either at a point in time or over time, when (or as) the Entity satisfies performance obligations by transferring the promised goods or services to its customers. A disaggregation of the Total Revenue balance is provided below to show the split of revenue recorded over time and at a point in time:

	2022	2021
Total Revenue		
- Amounts recognised over time	**111,720**	128,452
- Amounts recognised at a point in time	**79,317**	51,267
	191,037	179,719

4. OTHER INCOME AND EXPENSES

This note provides a breakdown of the items included in other income, other (gains)/losses and expenses included in the net surplus for the year:

	Consolidated 2022 $'000	Consolidated 2021 $'000
Depreciation of property, plant and equipment	**902**	949
Depreciation of right-of-use assets	**7,125**	7,564
Amortisation of intangibles	**595**	1,250
Loss on disposal of assets	**124**	6
Rental expenses relating to leases	**2,205**	1,237
Bad and doubtful debts expense/(credit)	**(89)**	56
Interest paid for lease liabilities	**119**	102
Net foreign exchange gain	**(1,883)**	(2,251)
Software-as-a-Service expenditure	-	667
5. CASH AND CASH EQUIVALENTS		
Cash on hand	**17**	20
Cash at bank	**32,913**	40,125
Term deposits	**3,253**	16,722
Total	**36,183**	56,867

The above cash and cash equivalents reconciles to the cash at the end of the financial year as shown in the consolidated statement of cash flows.

		Consolidated	
		2022	2021
		$'000	$'000
6.	**TRADE AND OTHER RECEIVABLES**		
	Current		
	Trade receivables	**7,922**	3,718
	Loss allowance for trade receivables	**(4)**	(38)
		7,918	3,680
	Sundry receivables and prepayments	**3,929**	3,662
	GST receivable	**930**	1,001
	Total	**12,777**	8,343
7.	**CONTRACT ASSETS**		
	Contract assets - accrued income	**15,090**	7,410
	Total	**15,090**	7,410
8.	**INVENTORIES**		
	Fundraising merchandise and inventory – at cost	**114**	-
	Pre-positioned emergency stock - at cost	**646**	646
	Inventory - IT equipment at cost	**72**	247
	Total	**832**	**893**
9.	**PROPERTY, PLANT AND EQUIPMENT**		
	Building & buildings improvements - at cost	**927**	927
	Less: Accumulated depreciation	**(317)**	(298)
		610	629
	Leasehold improvements - at cost	**5,210**	5,194
	Less: Accumulated depreciation	**(4,168)**	(3,736)
		1,042	1,458
	Plant and equipment - at cost	**2,792**	2,749
	Less: Accumulated depreciation	**(2,134)**	(1,857)
		658	892
	Motor vehicles - at cost	**780**	502
	Less: Accumulated depreciation	**(505)**	(426)
		275	76
	Total	**2,585**	3,055

9. PROPERTY, PLANT AND EQUIPMENT – cont'd

Movement in carrying amounts

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

	Buildings & Building Improvements $'000	Leasehold Improvements $'000	Plant & Equipment $'000	Motor Vehicles $'000	Total $'000
Consolidated Entity					
Carrying amount at 31 December 2020	648	1,912	1,034	116	3,710
Additions at cost	-	80	66	90	236
Disposals	-	-	(6)	-	(6)
Transfers	-	-	64	-	64
Depreciation expense	(19)	(534)	(266)	(130)	(949)
Carrying amount at 31 December 2021	629	1,458	892	76	3,055
Additions at cost	**-**	**17**	**150**	**278**	**445**
Disposals	**-**	**-**	**(13)**	**-**	**(13)**
Depreciation expense	**(19)**	**(433)**	**(371)**	**(79)**	**(902)**
Carrying amount at 31 December 2022	**610**	**1,042**	**658**	**275**	**2,585**

10. INTANGIBLE ASSETS

	Publishing rights $'000	Goodwill $'000	Software $'000	Total $'000
Consolidated Entity				
Carrying amount at 31 December 2020	1,193	287	905	2,385
Additions at cost	66	-	3,381	3,447
Transfers	-	-	(64)	(64)
Amortisation expense	(391)	-	(859)	(1,250)
Software-as-a-Service expenditure	-	-	(667)	(667)
Carrying amount at 31 December 2021	868	287	2,696	3,852
Additions at cost	**1,041**	**-**	**837**	**1,878**
Disposals	**-**	**-**	**(111)**	**(111)**
Amortisation expense	**(274)**	**-**	**(321)**	**(595)**
Carrying amount at 31 December 2022	**1,635**	**287**	**3,101**	**5,024**

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
11(a). FINANCIAL ASSETS AT AMORTISED COST			
Debt investments		**250**	318
Other assets		**246**	-
Total		**496**	**318**
11(b). FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Ordinary shares in unlisted entities - Impact Investment Fund	**26(b)**	**3,565**	1,701
Ordinary shares in unlisted entities		**250**	250
Total		**3,815**	1,951

11(c). INTERESTS IN ASSOCIATES

Inclusiv Education Pty Ltd (Inclusiv Ed) ceased to be a controlled entity of Save the Children Australia on 1 July 2022 when Save the Children's shareholding changed from 55% to 46%. At this point, Save the Children Australia ceased to control Inclusiv Education and the ownership changed to that of significant influence. The Consolidated Entity has determined that it has significant influence over Inclusiv Education Pty Ltd from the date of reduction in ownership interest and is therefore equity accounting its investment.

As at 31 December 2022, the fair value of the Consolidated Entity's investment in the associate based on fair value based on the implied price from the share sale method was $1,860k which equates to the carrying amount of the investment. The amount presented in the Income Statement and Statement of Other Comprehensive Income in relation to the investment in the associate is outlined in note 21(e).

Refer also to note 17(a) for further details of the investment and changes in the 2022 year.

	2022 $'000	2021 $'000
Ordinary share in unlisted entity - Associates	**1,860**	-
Total	**1,860**	**-**

Refer to note 17 for further information on fair value measurement.

	2022 $'000	2021 $'000
12. TRADE AND OTHER PAYABLES		
Current		
Trade and other payables	**12,542**	14,335
Total	**12,542**	14,335
Non-current		
Other payables	**412**	614
Total	**412**	614
13. PROVISIONS		
Current		
Employee benefits	**5,805**	5,730
Provision – severance pay	**103**	83
Total	**5,908**	5,813
Non-current		
Employee benefits	**1,294**	1,124
Provision for make good	**484**	484
Total	**1,778**	1,608

Movement in each class of provision during the financial year are set out below:

	Provision for severance pay $'000	Employee benefits $'000	Provision for make good $'000	Total $'000
Carrying amount at start of year	83	6,854	484	**7,421**
Charged/ (credited) to profit or loss:				
- additional provisions recognised	74	2,582	-	**2,656**
Amounts used during the year	(54)	(2,337)	-	**(2,391)**
Carrying amount at end of year	**103**	**7,099**	**484**	**7,686**

		Consolidated	
		2022	2021
		$'000	$'000
14.	**CONTRACT LIABILITIES**		
	Contract liabilities - deferred income	**48,812**	58,122
	Total	**48,812**	58,122
15.	**LEASES**		
	Right-of-use assets		
	Buildings	**29,377**	23,650
	Additions & modifications	**4,574**	5,727
	Less: Accumulated depreciation	**(23,102)**	(17,373)
		10,849	12,004
	Motor Vehicles	**5,650**	4,219
	Additions & modifications	**1,005**	1,432
	Less: Accumulated depreciation	**(5,344)**	(3,948)
		1,311	1,703
	Total	**12,160**	13,707

Additions to the right-of-use assets during the financial year were $1,665k (2021: $2,586k).

Lease liabilities		
Current	**5,918**	6,368
Non-current	**6,991**	8,030
Total	**12,909**	14,398

(a) Amounts recognised in the Consolidated Income Statement

Depreciation charge of right-of-use assets		
Buildings	**5,728**	6,109
Motor Vehicles	**1,396**	1,455
	7,124	7,564
Interest expense (included in operating cost)	**119**	102
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	**1**	440

The total cash outflow for leases accounted for under AASB16 in 2022 was $7,186k (2021: $7,266k).

(b) Lease payments not recognised as a liability

The Consolidated Entity has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

(c) Future lease payments

Future lease payments in relation to lease liabilities as at year-end are as follows:

	Consolidated	
	2022	2021
	$'000	$'000
Within one year	**5,998**	6,368
Later than one year but not later than five years	**5,647**	8,096
Later than 5 years	**1,264**	50
	12,909	**14,514**

(d) Below market leases

The Consolidated Entity has entered into a number of leases with significantly below-market terms and conditions principally to enable the entity to further its objectives.

The consolidated entity's dependence on these leases has been disclosed below in aggregate for leases involving right-of-use assets of a similar nature and represent property leases over retail premises, schools, kindergartens and community centres for delivery of retail and program services:

- The lease payments for the year amounted to $787 (2021: $31)
- The lease terms range from 1 to 10 years,
- The underlying assets are property leases over retail premises, schools, kindergartens and community centres for delivery of retail and program services.
- There are no restrictions on the use of the underlying assets specific to the Consolidated Entity.

16. ACCUMULATED SURPLUS

	Consolidated $'000	$'000
Balance at the beginning of the year	**18,318**	12,774
Surplus for the year	**5,167**	5,544
Transfer of non-controlling interest after loss of control of controlled entity	**245**	-
Balance at the end of the year attributable to the owners of Save the Children Australia	**23,730**	18,318

Accumulated surplus above includes $857k relating to the Endowment Fund established in 2018. This fund was established to help the Consolidated Entity to continue to reach the most vulnerable children of all. The Endowment Fund is held solely for the purpose of supporting the long-term objectives of the Consolidated Entity, which includes, without limitation, generating income for special or general purposes and supporting programs in Australia and internationally.

17. CHANGES TO NON-CONTROLLING INTERESTS

(a) Inclusiv Education Pty Ltd (Inclusiv Ed) ceased to be a controlled entity of Save the Children Australia on 1 July 2022 when Save the Children's shareholding changed from 55% to 46%. At this point, Save the Children Australia ceased to control Inclusiv Education and the ownership changed to that of significant influence.
At the time of the change of control, the fair value of the investment in Inclusiv Education was AUD $2.074m and the gain from the loss of control of the controlled entity has been recognised in the current period as a gain of AUD $1,548K.

The following assets and liabilities were derecognised as part of the loss of control:

	$'000
Assets	
Current assets	1,352
Non - current assets	1
Total assets	**1,353**
Liabilities	
Current Liabilities	(99)
Non-Current Liabilities	-
Total Liabilities	**(99)**

In addition, the previously held non-controlling interest has been derecognised as outlined in note 17(b).

(b) Inclusiv Education was established and registered as a company under the Corporations Act 2001 on 8 November 2018. SCA was issued 55% of the share capital on 1 September 2020 and controlled the entity until 1 July 2022 (refer Note 11(c) and 17 (a) for futher details).
In 2021, non-Controlling Interests (NCI) relates to Inclusive Education Pty Ltd (Inclusive Ed) and Inclusive Ventures Pty Ltd (Inclusive Ventures). Both entities are controlled entities of SCA. Inclusive Ventures was establised and registered as a company under the Corporations Act 2001 on 13 November 2018 and SCA was issued 50% of the share capital on incorporation.

	Consolidated 2022 $'000	2021 $'000
Opening balance 1 January 2022	**85**	47
Surplus over expenditure for the year	**160**	38
Derecognition on loss of control of controlled entity	**(245)**	-
Closing balance at 31 December 2022	**-**	85

		Parent Entity	
		2022	2021
18.	**PARENT ENTITY INFORMATION**	$'000	$'000
	Current assets	**64,665**	72,615
	Non-current assets *	**18,509**	19,447
	Total assets	**83,174**	92,062
	Current liabilities	**57,730**	69,038
	Non-current liabilities **	**8,614**	12,604
	Total liabilities	**66,345**	81,642
	Retained earnings	**16,830**	10,421
	Total equity	**16,830**	10,421
	Surplus/(Deficit) for the year	**6,409**	3,233
	Total comprehensive income for the year	**6,409**	3,233

* Non-current assets in 2022 include related party receivables of $1,533k.
** In the prior year, non-current liabilities include related party payables of $2,406k.

		Consolidated	
		2022	2021
19.	**AUDITOR'S REMUNERATION**	$	$
	Audit services		
	Audit and review of SCA, SCA Trust and SCiPNG financial statements - PricewaterhouseCoopers	**130,058**	116,821
	Audit and review of CEI Australia, ChildWise, Library for All and Impact Investment Fund- RSM	**19,473**	59,077
	Audit of SCA Singapore Operations - Jonathan & Lee	**2,296**	7,604
	Audit of CEI Singapore Operations - Fiducia LLC	**1,610**	8,283
	Audit of CEI UK - Fuller & Roper Chartered Accountants	**2,526**	9,668
		155,963	201,453
	Other services		
	Acquittal audits* - PricewaterhouseCoopers (Australia)	**77,250**	66,750
	Acquittal audits* - KPMG (PNG)	**53,015**	26,876
	Accounting and tax services CEI UK - Vistra Tust Company Limited	**1,269**	5,330
	Accounting and tax services SCA and CEI Singapore Operations - Jonathan & Lee	**2,117**	1,724
		133,651	100,680
	Total	**289,614**	302,133

* Audit of specific program income and expenditure as required by donors.

20. CASH FLOW INFORMATION

	Consolidated 2022 $'000	Consolidated 2021 $'000
Reconciliation of net surplus of income over expenditure for the year to net cash (outflow)/inflow by operating activities:		
Net surplus for the year	**5,229**	5,527
Adjustments for:		
Non-monetary donations	**-**	(605)
Loss allowance for trade receivables	**(89)**	56
Loss / (Gain) on sale of property, plant and equipment and assets held for sale	**124**	6
Share of Associate surplus/(deficit)	**215**	-
Depreciation and amortisation	**1,497**	2,199
Right-of-use asset depreciation	**7,125**	7,564
Gain on loss of control of controlled entity	**(1,548)**	-
Net unrealised foreign exchange (gain)/loss	**24**	496
Changes in operating assets and liabilities, net of effects from loss of control of subsidiary:		
Decrease/(Increase) in inventories	**(29)**	(42)
(Increase)/Decrease in trade & other receivables	**(4,679)**	842
(Increase) / Decrease in other current assets - partner advances	**546**	(9,931)
(Increase) / Decrease in contract assets	**(7,680)**	(1,005)
(Decrease)/Increase in trade & other payables	**(2,094)**	5,023
(Decrease)/Increase in contract liabilities	**(9,310)**	11,540
Increase in provisions	**265**	802
Net cash (outflow)/inflow from operating activities	**(10,404)**	22,472

21. RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

Key management personnel compensation is related to those employees who sit on the Executive Committee having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity.

	Consolidated 2022 $	Consolidated 2021 $
Short term employee benefits	**2,068,823**	1,844,584
Long term employee benefits	**26,513**	26,469
	2,095,336	1,871,053

(b) Transactions with key management personnel

Units held by key management personnel:
The following key management personnel acquired units in the Impact Investment Fund during the year.

	Units Issued during the year 2021	Units Issued during the year 2022	Closing Units *	%
Save the Children Australia (Parent entity)	832,324	799,596	1,631,920	40%
Larry Kamener (Director)	27,744	26,653	54,397	1%
Mary Sue Rogers (Director)	13,873	13,327	27,200	1%
	873,941	**839,576**	**1,713,517**	**42%**

* Each unit is issued for the value of $1 and at the 2022 year-end, the value of units issued to key management personnel is $81,597.

No other transactions occurred with key management personnel during the reporting period.

(c) Transactions with related parties

Directors of the company and controlled entities provide their services on a voluntary basis (see note 2 of the Corporate Governance Statements). There have been no other related party transactions with directors other than reimbursement of necessarily incurred expenditure.

There are no amounts payable to, or receivable from directors or director-related entities during and at the end of the reporting period.

Trustee Company
Save the Children Impact Fund Limited is the Trustee Company to Save the Children Australia
Interests in controlled entities are set out below.

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in Note 1(a):

Controlled entity of Save the Children Australia:	Established	Trustee
Save the Children Australia Trust (ABN 79 685 451 696)	Australia	Save the Children Australia
Save the Children Solomon Islands Trust Board CT 14 of 2015 under Solomon Islands Charitable Trusts Act	Solomon Islands	Save the Children Australia
Save the Children in Papua New Guinea Trust	PNG	SCIPNG Inc.

21. RELATED PARTY TRANSACTIONS - Cont'd

(d) Controlled entities - cont'd

Controlled entity of Save the Children Australia:	**Established**	**Ownership**	
		2022	**2021**
Save the Children in Vanuatu Association Committee Inc No. 012567 under Vanuatu Charitable Associations (Incorporation) Act	Vanuatu	100%	100%
Save the Children in Papua New Guinea (SCIPNG) Inc. Association No. 5-4999 under the PNG Associations Incorporation Act	PNG	100%	100%
Good Beginnings Australia Limited (ABN 68 090 673 528) *	Australia	100%	100%
Hands on Learning Australia (ABN 11 130 433 288) *	Australia	100%	100%
Child Wise Limited (ABN 57 098 261 575)	Australia	100%	100%
Centre for Evidence and Implementation Limited (ABN 56 625 430 177)	Australia	100%	100%
CEI Nordic (Reg. No. 625430177)	Norway	100% (via CEI)	-
CEI Global UK Limited (Company No. 11471351)	UK	100% (via CEI)	100% (via CEI)
Centre for Evidence and Implementation Singapore Ltd (UEN 201934244Z)	Singapore	100% (via CEI)	100% (via CEI)
Save the Children Australia - Singapore Branch (Reg No T17FC0068C)	Singapore	100%	100%
Save the Children Impact Fund Limited (ACN 634 440 145)**	Australia	100%	100%
Inclusiv Ventures Pty Ltd (ACN 629 974 161)	Australia	50%	50%
Inclusiv Ventures PNG Limited (Entity No 1-123837) ***	Papua New Guinea	50% (via Inclusiv Ventures Pty Ltd)	50% (via Inclusiv Ventures Pty Ltd)
Inclusiv Education Pty Ltd (ACN 629 895 914) ****	Australia	46%	55%
Library For All Limited (ABN 57 602 320 865)	Australia	100%	100%
Centenary Endowment Fund	Australia	100%	100%

* These entites are dormant as at year-end
** acts as Trustee for Impact Investment Fund
*** was deregistered on 2 March 2023
**** refer to Note 21(e), ceased to be a controlled entity as of 1 July 2022.

(e) Interest in Associates

Inclusiv Education Pty Ltd

As noted in note 17(a), Inclusiv Education Pty Ltd (Inclusiv Ed) ceased to be controlled entity of Save the Children Australia on 1 July 2022. At 31 December 2022, the consolidated entity held 46% of the shares in Inclusiv Ed. The amount presented in the Consolidated Income Statement in relation to the investment in the associate relates to:

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Consolidated entity's share of deficit of the associate	(215)	-

22. CONTINGENCIES AND COMMITMENTS

The Company has issued letters of support in respect of certain subsidiaries in the normal course of business. Under these letters, the Company undertakes to ensure that those subsidiaries continue to meet their financial obligations, subject to certain conditions including that the Company remains the sole member of the subsidiary

Other than noted above, the Consolidated Entity has no material contingent liabilities or material legal claims at the end of the reporting period.

The Consolidated Entity has bank guarantees of $1.82m at 31 December 2022 (2021: $2.222m).

23. MEMBERS' GUARANTEE

Save the Children Australia is a company limited by guarantee. In the event of, and for the purpose of, the winding up of the company, the amount capable of being called up from each member and any person or association who has ceased to be a member in the year prior to the winding up, is limited to $1,000 for members that are corporations and $10 for all other members, subject to the provisions of the company's constitution. At 2022 the collective liability of members was $100 (2021: $100).

24. SUBSEQUENT EVENTS

On 21 March 2023, Child Wise Limited (a controlled entity of Save the Children Australia) entered into an agreement to transfer trademarks, key information assets and ongoing service obligations to accreditation clients to a third party. The financial effects of this transaction have not been recognised in the 2022 Financial Statements however the operating results and the assets and liabilities of Child Wise Limited are not considered material to the Consolidated Entity.

No other matters or circumstances have arisen since 31 December 2022 that has significantly affected, or may significantly affect:
i.The Consolidated Entity's operations in future financial years, or
ii.The results of those operations in future financial years, or
iii.The Consolidated Entity's state of affairs in future financial years.

25. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's activities expose it to a variety of financial risks: interest rate risk, credit risk, liquidity risk and foreign currency (fx) risk. The Consolidated Entity's overall risk management strategy & framework recognises the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance and future financial security of the Consolidated Entity.

The Consolidated Entity's principal financial instruments comprise of cash and short-term deposits, receivables and payables. The Consolidated Entity holds the following financial instruments:

		Consolidated	
		2022	2021
	Notes	$'000	$'000
Financial assets			
Cash and cash equivalents	**5**	**32,930**	40,145
Fixed term deposits	**5**	**3,253**	16,722
Trade receivables	**6**	**7,918**	3,680
Other receivables	**6**	**4,859**	4,663
Other current assets - partner advances		**17,524**	18,070
Contract assets	**7**	**15,090**	7,410
Financial assets at amortised cost	**11(a)**	**496**	318
Financial assets at fair value through profit or loss	**11(b)**	**3,815**	1,951
Total financial assets		**85,885**	92,959
Financial liabilities			
Trade and other payables	**12**	**12,954**	14,450
Total financial liabilities		**12,954**	14,450

a. Interest rate risk

The Consolidated Entity has a significant amount of funds on term deposit with financial institutions that are liquid in nature. Refer to Note 3a for the investment income from these held-to-maturity assets.

These highly liquid investments have maturities of twelve months or less and can be readily converted to cash. They therefore provide no material exposure to changes in market interest rates.

25. FINANCIAL RISK MANAGEMENT - cont'd

b. Credit risk

The Consolidated Entity has no significant concentrations of credit risk apart from with the Australian Government relating to funding for programs.

c. Liquidity risk

Liquidity risk arises from the financial liabilities of the Consolidated Entity and its ability to meet its obligations to repay these liabilities as and when they fall due. The Consolidated Entity manages this liquidity risk by monitoring total cash inflows and outflows expected on a monthly basis and maintaining sufficient cash and liquid investments to meet its Australian and worldwide operating requirements.

(i) Financing Arrangements

Save the Children's global treasury unit provides a short-term financing facility for all Save the Children entities, including Save the Children Australia. This facility pools liquidity across the global Save the Children organisation to enable entities to access short term financing. The level of financing available at any time depends on the level of liquidity across the global organisation and accordingly, is subject to change.

d. Foreign currency (fx) risk

The Consolidated Entity predominately receives funding in Australian Dollars (AUD) and the majority of program commitments are in AUD.

The Consolidated Entity operates internationally and is exposed to foreign exchange risk, primarily the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Consolidated Entity. The Consolidated Entity is exposed to Transactional foreign exchange risk from the gains or losses that arise from the purchase or sale of services in currencies others than AUD. Exchange risk can never be completely eliminated but the Consolidated Entity can reduce such risk by being aware of the economic and political environment, managing cash receipts and balances, and working to balance non-AUD currency assets and liabilities.

The Consolidated Entity maintains bank accounts in local currencies for its Pacific (Solomon Islands, PNG and Vanuatu) and Singapore operations, which at the reporting date were for AUD equivalent, $5,150,064 (2021: $5,066,130). The Consolidated Entity also maintains foreign currency accounts for grants received and transfer required in foreign currency. These accounts at the reporting date were for AUD equivalent $20,457,704 (2021: $24,285,546).

The following are the foreign currency balances at the end of 2022:

Bank Account	**Currency**	**Foreign Currency Balance**	**AUD Equivalents**
In Australia	USD	13,943,971	20,457,704
In United Kingdom	GBP	250,188	444,304
In PNG	PGK	2,820,070	1,202,794
In Solomon Islands	SBD	3,223,216	574,528
In Vanuatu	VUV	63,825,022	834,979
In Singapore	SGD	1,912,584	2,093,459
Total			**25,607,767**

26. IMPACT INVESTMENT FUND

The Impact Investment Fund is a unit trust with a trustee company. Save the Children is the sole member in the trustee company and has a 40.4% share of units in the unit trust. Save the Children has consolidated the trustee and unit trust based on its power and exposure to returns from the trustee and unit trust.

Note 21(a) discloses the related parties who hold units in the unit trust. The Impact Investment Fund is included in the consolidated financial statements in accordance with the accounting policy outlined in note 1(a).

(a) NET ASSETS ATTRIBUTABLE TO EXTERNAL UNITHOLDERS

Movements in the number of units and net assets attributable to external unitholders during the current financial year are set out below:

	2022 Number of units	2022 $'000	2021 Number of units	2021 $'000
Net assets attributable to external unitholders at the beginning of the financial year	-	(55)	-	-
Deficit for the year - Impact Investment Fund unitholders	-	(164)	-	(92)
Add back deficit for the year attributable to Save the Children Australia (parent entity)	-	66	-	37
Net deficit for the year end attributable to external unithoders*	-	(98)	-	(55)
Closing Deficit attributable to external unitholders*	-	(153)	-	(55)
Net assets attributable to external stakeholders at the beginning of the financial year:	1,227	1,227	-	-
Applications - Impact Investment Fund unitholders	1,979	1,979	2,060	2,060
Less units held by Save the Children Australia (parent entity)	(799)	(799)	(833)	(833)
Redemptions	-	-	-	-
Distributions paid	-	-	-	-
Units held by external unitholders at the end of the financial year*	2,407	2,407	1,227	1,227
Net assets attributable to external stakeholders at the end of the financial year	**2,407**	**2,254**	1,227	1,172

* The deficit and the units attributable to external unitholders are recorded as non-controlling interest in the Consolidated Income Statement of Changes in Equity.

In accordance with the provisions of the fund constitution, each unit represents a right to an individual share in the fund and does not extend to a right to the underlying assets of the fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the fund.
The total net assets of the Impact Investment Fund at 31 December 2022 amounted to $4,039k (2021: $2,060k). The application of units to external stakeholders during the year was $1,180k (2021: $1,227k).

The units are redeemed on demand at the unitholders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably

Capital Risk Management
The Impact Investment Fund considers its net assets attributable to unitholders as capital. Net assets attributable to unitholders are representative of the expected cash outflows on redemption.

26. IMPACT INVESTMENT FUND - cont'd

(b) FAIR VALUE MEASUREMENT

Fair value hierarchy
The following tables detail the fund's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2022				
Assets				
Ordinary shares - unlisted Australian entities	-	-	2,325	2,325
Ordinary shares - unlisted foreign entities	-	-	1,240	1,240
Total assets	-	-	3,565	3,565
Liabilities	-	-	(74)	(74)
Total liabilities	-	-	(74)	(74)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2021				
Assets				
Ordinary shares - unlisted Australian entities	-	-	950	950
Ordinary shares - unlisted foreign entities	-	-	751	751
Total assets	-	-	1,701	1,701
Liabilities	-	-	(119)	(119)
Total liabilities	-	-	(119)	(119)

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorized within level 2 and level 3
Unquoted investments have first been valued with reference to recent equity transactions and cost of acquisition where recently acquired. In the absence of reliable and recent equity transactions, investments have been valued using a "market approach". Under this valuation technique, the Fund has used market multiples derived from a set of comparable transactions, considering qualitative and quantitative factors specific to the measurement.

27. NSW CHARITABLE FUNDRAISING ACT 1991

The following information is provided to comply with relevant provisions of NSW legislation (Charitable Fundraising Act 1991).

The Income Statement gives a true and fair view with respect to fundraising appeals conducted by the Consolidated Entity. The fundraising provisions of the Act as they apply to the Consolidated Entity's fundraising in NSW have been complied with and the internal controls exercised are appropriate and effective in accounting for all income received by the company from fundraising.

Fundraising activities include:

- Direct mail
- Direct response television
- Telemarketing
- On-line
- Media awareness
- Face to face campaigns
- Major gifts program
- Corporate donations
- Trust and foundations program
- Cash appeals
- Emergency appeals
- Workplace Giving program
- Special events
- Community service announcements

	Total Income	Total Fundraising Direct Expenses	Net Income	Total Income	Total Fundraising Direct Expenses	Net Income
	2022 $'000	2022 $'000	2022 $'000	2021 $'000	2021 $'000	2021 $'000
Fundraising Information						
Donations and Gifts	**24,619**	**10,454**	**14,165**	24,204	10,228	13,976
Special Events	**298**	**178**	**120**	298	237	61
Emergency Appeals	**3,378**	**10**	**3,368**	1,533	27	1,506
	28,295	**10,642**	**17,653**	26,035	10,492	15,543
Bequests and Legacies	**3,434**	**-**	**3,434**	3,701	-	3,701
Grants						
- Department Foreign Affairs and Trade	**26,724**	**-**	**26,724**	17,022	-	17,022
- Australian	**63,802**	**1,723**	**62,079**	67,617	2,079	65,538
- Other Overseas	**43,626**	**-**	**43,626**	41,180	-	41,180
Revenues from commercial activities						
- Sale of Goods & Other	**24,119**	**-**	**24,119**	23,221	-	23,221
Interest Income	**163**	**-**	**163**	85	-	85
Other Income						
- Other income	**866**	**-**	**866**	721	-	721
- JobKeeper income	**8**	**-**	**8**	137	-	137
Total Net Income Contribution	**191,037**	**12,365**	**178,672**	179,719	12,571	167,148
Program, Administration and Other						
Community Education	**-**	**4,965**	**(4,965)**	-	5,056	(5,056)
International Programs including delivery	**-**	**79,494**	**(79,494)**	-	71,690	(71,690)
Domestic Programs including delivery	**-**	**50,844**	**(50,844)**	-	48,193	(48,193)
Commercial Activities	**-**	**25,521**	**(25,521)**	-	24,028	(24,028)
Administration	**-**	**13,952**	**(13,952)**	-	12,654	(12,654)
Total Program, Administration and Other Costs	**-**	**174,776**	**(174,776)**	-	161,621	(161,621)
Share of net deficit of associates accounted for using the equity method	**-**	**215**	**(215)**	-	-	-
Gain on loss of control of controlled entity	**1,548**	**-**	**1,548**	-	-	-
Operating Surplus/(Deficit)	**192,585**	**187,356**	**5,229**	179,719	174,192	5,527

27. NSW CHARITABLE FUNDRAISING ACT 1991 - cont'd

Comparison of monetary figures and percentages	2022 $'000	2022 %	2021 $'000	2021 %
Ratio of Fundraising Costs to Gross Income from Fundraising				
Total Cost of Fundraising and Donations	**12,365**	**44%**	12,571	48%
Gross Income from Fundraising and Donations	**28,295**		26,035	
Ratio of Fundraising Costs to Total Income				
Total Cost of Fundraising and Donations	**12,365**	**6%**	12,571	7%
Total Income	**191,037**		179,719	
Ratio of Surplus Fundraising Costs to Gross Income from Fundraising				
Net Surplus from Fundraising and Donations	**15,930**	**56%**	13,464	52%
Gross Income from Fundraising and Donations	**28,295**		26,035	
Total Cost of Fundraising and Donations	**12,365**	**7%**	12,571	7%
Total Expenditure	**187,356**		174,192	
Ratio of Cost of Fundraising using Traders to Total Income received from Fundraising using Traders*				
Total Cost of Fundraising using Traders	**1,137**	**7%**	1,638	10%
Total Income from Fundraising from Traders	**16,603**		16,105	
Ratio of Cost of Service and Programs provided to Total Income				
Total Cost of Services and Programs provided	**135,303**	**71%**	124,939	70%
Total Income	**191,037**		179,719	
Ratio of Cost of Service and Programs provided to Total Expenditure				
Total Cost of Services and Programs provided	**135,303**	**72%**	124,939	72%
Total Expenditure	**187,356**		174,192	

* Traders is a defined term under the NSW Charitable Fundraising Act 1991, and in this context relates to Face to Face Donor Recruitment

28. AUSTRALIAN CHARITITES & NOT-FOR-PROFIT COMMISSION DISCLOSURES

Statement of profit and loss and other comprehensive income

2022	Registered charities $'000	Non-registered entities $'000	Elimination $'000	Consolidated Total $'000
REVENUE				
Government Grants	**132,247**	**1,905**	**-**	**134,152**
Donations and bequests	**31,714**	**15**	**-**	**31,729**
Other revenue	**19,706**	**8,343**	**(3,930)**	**24,119**
Total revenue	**183,667**	**10,263**	**(3,930)**	**190,000**
Other income	**991**	**45**	**-**	**1,036**
Total income	**184,658**	**10,308**	**(3,930)**	**191,036**
EXPENDITURE				
Employee expenses	**75,616**	**16,946**	**-**	**92,562**
Grants and donations (in Australia)	**-**	**-**	**-**	**-**
Grants and donations (outside Australia)	**-**	**-**	**-**	**-**
Other expenses	**103,326**	**(4,818)**	**(3,929)**	**94,579**
Total expenses	**178,942**	**12,128**	**(3,929)**	**187,141**
Gain on loss of control of subsidiary	**1,511**	**37**	**-**	**1,548**
Share of Associate surplus/(deficit)	**(215)**	**-**	**-**	**(215)**
Net surplus from continuing operations	**7,012**	**(1,783)**	**(1)**	**5,228**

Statement of financial position

ASSETS				
Total current assets	**68,554**	**13,851**	**1**	**82,406**
Total non-current assets	**21,307**	**4,819**	**(186)**	**25,940**
Total assets	**89,861**	**18,670**	**(185)**	**108,346**
LIABILITIES				
Total current liabilities	**60,759**	**12,806**	**(385)**	**73,180**
Total non-current liabilities	**8,639**	**542**	**-**	**9,181**
Total liabilities	**69,398**	**13,348**	**(385)**	**82,361**
Net assets/liabilities	**20,463**	**5,322**	**200**	**25,985**

Registered Charities includes Save the Children Australia, Save the Children Trust, Library for All Limited, and Child Wise Limited.

All other entities included in Note 21(d) of 2022 SCA Consolidated Financial Statements will form part of this disclosure under Non-registered entities

Save the Children Australia and Library for All are members of the group that are endorsed as a deductible gift recipients.

DIRECTORS DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2022

In the directors' opinion:

(a) the financial statements and notes set out on pages 15 to 56 are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act* 2012 including:

  (i) complying with Accounting Standards – the ACNC Regulations 2013 and any other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and its performance for the year ended on that date.

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

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

Larry Kamener
Chairman

Melbourne:
29 March 2023

Independent auditor's report

To the members of Save the Children Australia

Our opinion

In our opinion:

The accompanying financial report of Save the Children Australia (the Company) and its controlled entities (together the Group) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended

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

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 December 2022
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated income statement for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Other information

The directors are responsible for the other information. The other information comprises the information included in the annual financial report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report 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 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission (ACNC) 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 ability of the Group 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

Jason Perry
Partner

Melbourne
29 March 2023

In 2022, Save the Children Australia was supported by the Australian Government through the Australian NGO Cooperation Program (ANCP) to implement programs in Vanuatu, PNG, Solomon Islands, Philippines, Cambodia, Vietnam, Thailand and Tonga; and through the Australian Humanitarian Partnership (AHP) to implement programs in Jordan, PNG, Vanuatu, Solomon Islands, PNG, Indonesia, Laos, Lebanon, Philippines and Tonga.

Save the Children

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