



Save the Children

2008 Annual Report



Our Mission

Save the Children fights for children's rights.
We deliver immediate and lasting improvements
to children's lives worldwide.

Our Vision

Save the Children works for a world:

- which respects and values each child
- which listens to children and learns
- where all children have hope and opportunity.



“The only international language in the world is a child's cry.”

Eglantyne Jebb, Save the Children founder

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Save the Children has been fighting for children's rights since 1919. We create real and lasting change for children in need in Australia and around the world.

Save the Children was founded in 1919 in England by a remarkable woman called Eglantyne Jebb. In an era when women didn't even have the right to vote, she held court with heads of church and state, penned declarations that were adopted by the United Nations in 1959 and regularly risked her own personal safety to advance the cause of child's rights everywhere.

From our humble beginnings, we have now grown to become the world's largest independent child rights development organisation. Operating in over 100 countries, we remain true to Eglantyne's vision – an impartial voice, free of any political or religious affiliation. We have no agenda other than to improve the lives of children everywhere. We have never seen our work as an act of charity. The welfare of children isn't a privilege, it's a right.

But we don't just work with individual cases. Save the Children tackles the root problems of poverty and disease. In treating the whole environment – seeing children as part of their family, community, society and the world at large – all aspects of their lives are improved.

Save the Children Australia was also founded in 1919. Following our founder's example, we never shy away from the difficult, dangerous or controversial issues. Whether it's providing a safe haven for girls born into brothels in Bangladesh, implementing HIV prevention programs or addressing instances of child exploitation.

Save the Children Australia manages and implements programs in Australia, Bangladesh, Cambodia, Lao PDR, Papua New Guinea, Solomon Islands, and Vanuatu. We also support development programs through our Alliance partners in other parts of Asia, Africa and Latin America.

Find out more about Save the Children Australia by reading our interactive online book – Lessonsinleadership.com.au

For more information visit our website at www.savethechildren.org.au or call us on 1800 76 00 11.

Chairman's and Chief Executive's Report



Save the Children had a memorable year in which our people continued to make a real difference to the protection, education and indeed survival of vulnerable children and their families around the world.

The year 2008 was a milestone one as we celebrated two decades of working in Lao PDR. Save the Children Australia was one of the first international NGOs invited to work in Lao PDR and the first Australian organisation to have a presence.

During this time we implemented over 25 projects and helped the province of Sayaboury achieve two Millennium Development Goals by reducing maternal and child mortality rates. Our success in Lao PDR is largely due to the strong partnerships we developed with local communities and the Government. By working together we were able to achieve more for children. We thank our staff, partners and donors and the communities we work with, for helping us ensure that the vulnerable, particularly women and children, can enjoy improved living conditions and access to basic services.

In Vietnam we focused on building sustainable outcomes and helping communities to help themselves – one of our core development philosophies. In December 2007, we handed over an education program we had managed for 12 years to the Vietnamese Government.

Our mission was to establish a child-centred education system by training teachers. 'Active Learning' trained 70,000 teachers who inspire children to come to school, stay at school and learn. The program also encourages parents to become more involved in the schools, which in turn improves student retention. The 'Active Learning' model is now used by the Vietnamese Ministry of Education for its in-service teacher training workshops.

In Australia we successfully launched the *Imagine* sponsorship program for donors to support Australian children. Despite Australia being one of the wealthiest countries in the world about 12 per cent of Australians live below the poverty line – many of them children. The *Imagine* program focuses on health, parenting support, education and training for children and communities living in poverty.

Globally, we made great strides as an Alliance of 28 member nations working in over 100 countries as a worldwide movement for children. We demonstrated this in the many emergencies we supported where children's lives were adversely impacted by conflict, migration, earthquakes

and extreme weather conditions.

Our response was faster, more efficient and more effective in countries such as Myanmar, Mozambique, Kenya, China, and Bangladesh. We provided emergency shelter, food and medicine and we continue to provide support to hundreds of people still recovering from these emergencies.

As we overcome challenges we also look forward to the opportunities we have to make a lasting change in the lives of children in Australia and around the world.

To all of our supporters – individuals, companies, and government agencies – thank you for your ongoing commitment.

A handwritten signature in black ink, appearing to read 'Brian Hartzler'.

Brian Hartzler
Chairman

A handwritten signature in black ink, appearing to read 'Margaret Douglas'.

Margaret Douglas
Chief Executive



Key Highlights



A new sponsorship program called *Imagine* which fundraises specifically for projects in Australia was established to enable Australians to support Australian programs.

We successfully launched an innovative multi-channel brand awareness campaign to raise the profile of the organisation in Australia. The campaign was built around the inspirational story of Save the Children's founder, Eglantyne Jebb, using an innovative leadership concept which was designed by M&C Saatchi.

In Goroka and Kainantu, Papua New Guinea, more than 1,000 children and their parents who are victims of domestic violence, sexual assault, abuse and neglect were provided with counselling and referral services in partnership with Eastern Highlands Family Voice, a local NGO.



In Lao PDR we celebrated our 20th anniversary and our Primary Healthcare Project in the country's Sayaboury Province received the 2007 United Nations Development Award for contribution to maternal and child health.

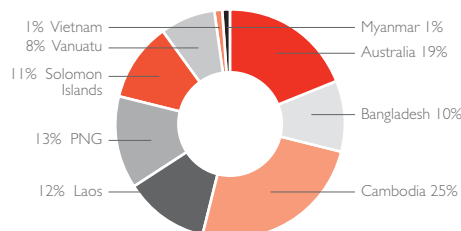
The numbers of children immunised increased from 74 per cent to 88 per cent in the newly completed referral hospital in Ponhea Krek district, Cambodia. The women delivering in health facilities also increased by almost 50 per cent.



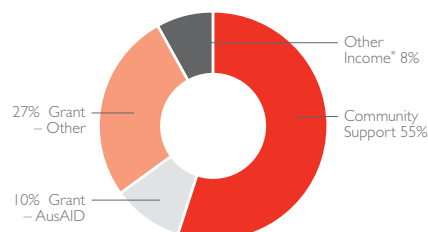
Our Vietnam In-Service Training in Active Learning Project has trained over 70,000 teachers in modern, active learning methods since 1995. The project was formally handed over to the Ministry of Education and Training in January 2008.

The Australian public generously supported emergency appeals in Myanmar, Bangladesh, Kenya, China, Ethiopia and Mozambique.

Where the money goes



Where the money comes from



* Other income includes revenues from commercial activities, interest income and membership fees



Save the Children's work with young people in the Solomon Islands was expanded from 60 to 114 communities including an expansion into a new province, Choiseul, reaching 100,000 people including about 30,000 young people.

Administration cost ratio for 2007/08 was 7%

Our Australian Story



Photo: Gala Boranga

Despite the unprecedented living standards of the developed world, millions of children overseas – and many thousands in Australia – are denied their basic rights to health, safety and a quality primary education.

In 2007/08, Save the Children Australia implemented programs that supported young people and children and their families to improve health and safety. These programs also increased access to education and employment in urban centres and remote communities.

The programs were implemented with the support of the community, government and local partner organisations.

The difference for children

- In the East Kimberley region of Western Australia, we had 2,780 combined attendances and participation by families, children and youth in our diverse programs and events. These programs, which include the Australian government funded Communities for Children programs, aim to improve the health and well-being of the community, link parents to local support services and provide children under five years of age with early childhood learning and development activities.
- The Wyndham Youth Development Program in the East Kimberley region supported 29 young people to start or complete a range of training, including education, environmental health, hospitality and workplace traineeships. Three participants entered fulltime work in the education and hospitality sectors.
- Operation Newstart in Shepparton continued to work with students at risk of dropping out of school. Of the 39 students involved in the program, 34 students graduated, with 91 per cent now either in school, vocational training or work. The program was implemented in partnership with Victoria Police and the Department of Education and Early Childhood Development.
- Our award winning Future Parents Program provided about 600 young people with practical skills to support effective parenting, and educate them in the prevention of abuse and domestic violence.
- Over 3,000 students, teachers and community members participated in our Speaking Out advocacy program. The participants learnt about Child Rights and the plight of children in developing countries.
- In 2007, 93 per cent of Indigenous students achieved the targets set by the Australian government for numeracy and literacy in the Mooroopna and Nowa Nowa kindergartens managed by Save the Children.
- Our health and nutrition programs in Victoria and South Australia provided 280,000 breakfasts to approximately 50 schools. Research shows that the provision of a school breakfast results in improved academic performance and greater school attendance.*

* Archives of Paediatric and Adolescent Medicine, 2006.

Where we work

Advocacy, child rights education, child protection, early childhood education, youth development

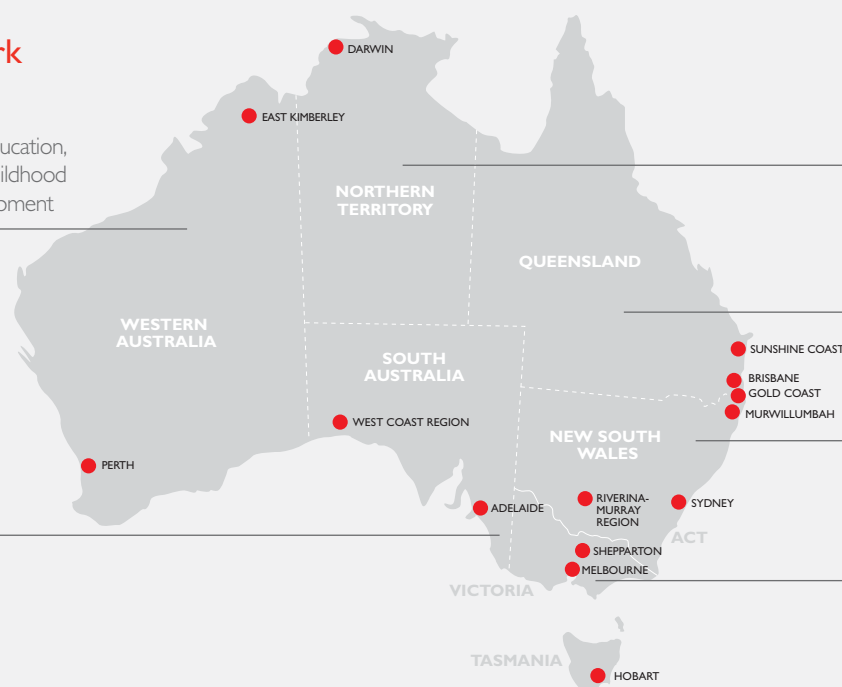
Early childhood development

Advocacy, child protection, early childhood development, youth development

Child protection, early childhood development

Child protection, health and nutrition, youth development, early childhood development

Advocacy, child rights education, child protection, health and nutrition, youth development



- Our Mobile Play Scheme Program provided a range of early childhood education and play activities to over 400 children under five years of age each week, with over 16,000 attendances in 2007/08. The program also directly reached over 300 parents and carers per week, connecting them with relevant government services and resources in New South Wales, Victoria, Queensland and the Northern Territory.
- In Queensland, the Domestic and Family Violence Services Project worked with 132 women and supported 259 children. Recreational facilities for children and adults were constructed in each of the centres with the support of Clayton-Utz and the Brisbane City Council City Business Division.
- The Family Support Work team in Queensland provided intervention to 78 families and 188 children. Intervention included housing, emergency funding, food, health, reconnection with family and children, education, recreation, counselling and advocacy.
- Save the Children's Alternative Care Program in Queensland provided accommodation, support and therapy to 44 vulnerable young people who were in the statutory care of the Department of Child Safety.
- With the support of Beach Petroleum we embarked on a new youth mentoring project in Ceduna, South Australia working with children and their families to build strong communities.

“ Help should not be a gift from above. But rather help, aimed at self-help between equals, where everyone contributes to their ability from a feeling of human fellowship across racial, ethnic and national borders. ”

Eglantyne Jebb, Save the Children founder

Case Study



Photo: Vicky Biorac

Supporting new mums

Corrina has lived in Kununurra for 12 months with her partner and three young children. Originally from Katherine in the Northern Territory, the 21 year old has found it difficult with no family and friends to turn to for support.

Earlier this year, Corrina started attending Marla Mums at Kununurra Neighbourhood House. Weekly workshops provide mums with young children as well as expectant mothers with information on healthy pregnancies, nutrition and healthy lifestyles.

Marla Mums is part of the Mums and Bubs Program which implements early childhood development activities and provides mothers with a support network and access to local health workers.

"It's me and my kids at home — I've got nobody. I like talking here with the other ladies because I don't have any friends or family. The more I come here, the more ladies I get to know. Some of them have even invited me to their house."

As well as offering social support, the program educates women about issues such as pregnancy and birth; mother and baby health; Sudden Infant Death Syndrome (SIDS); nutrition, and post-natal depression.

While Marla Mums has had a positive impact on Corrina's life, it has also benefited her children.

"The little ones all play together here and my girls now know that they can come here to play with the other kids. They really look forward to coming here now."

Mums and Bubs is part of Save the Children's biggest program in the East Kimberley, the Communities for Children Program, which is funded by the Australian Government. In partnership with The Lingiari Foundation, Save the Children works with local organisations to support initiatives aimed at building stronger families and communities.



“In the future I want to get in the field of community work, helping the community, because I see that there are a lot of problems around Kununurra.”

(Danni Taylor, Trainee Youth Worker, Save the Children Australia)

Danni Taylor is 16. Since starting her traineeship last September, the inspirational teenager has been a finalist in the Western Australian Youth Awards and was involved in setting up a youth reference group for Indigenous girls in Kununurra as part of Save the Children's Youth Development Program supported by Shell Australia.

Now her traineeship has finished, Danni works two days a week as a trainee youth worker with Save the Children – a position she combines with her TAFE and Year 12 studies. She says the experience has changed her life and plans to use her knowledge and skills to improve things for others.

Protecting Children



Photo: James Ruhfus

An estimated 300 million children worldwide are subjected to violence, exploitation and abuse each year.

Save the Children Australia works to protect children in these circumstances.

The difference for children

- The Safe Home near the Daulatdia Brothel in Bangladesh provided shelter and protection to 48 daughters of sex workers. The children are provided with access to education and other capacity building activities, so that they can make choices about their future livelihoods.
- Over 70,000 Child Council members in Bangladesh trained on Child Rights shared their views with each other and with care givers and the community on issues affecting their lives such as child marriage, dowry, child exploitation and abuse.
- Our Child Safe Program in Cambodia now includes a total of 20 villages in Kampong Cham and Prey Veng provinces. Child Protection Networks (CPN) at the village and commune levels increased from 10 to 30 networks and three to seven networks, respectively. The CPN is a local mechanism to monitor, report and respond to cases abusing children.
- Forty six local NGOs and three government ministries in Cambodia were trained in 'Child Safe Organisation' to strengthen their child protection policies and develop their internal child protection mechanisms. Over 200 participants attended the training.
- Forty four juveniles in Kampong Cham Prison in Cambodia were provided with healthcare and vocational training for sewing, hairdressing and motorbike maintenance.
- In the remote province of Ratanakiri, Cambodia, more than 5000 people received training on children's rights and child trafficking. This was supported by training for the police force on investigating cases of rape, domestic violence, and human trafficking.
- The HIV and Orphan and Vulnerable Children Program in Cambodia increased the number of pagoda partners from 42 to 58 in the new target provinces of Kampong Cham and Sihanoukville. The program now works in six provinces and has supported 16,628 orphaned and vulnerable children of which 8,524 were added this year.
- In Papua New Guinea, an anti-violence campaign – *Stop violence against children* – was launched in collaboration with UNICEF and the government. The launch, involving school children and teachers, captured the country's attention with live television broadcasts and national coverage in print and radio.
- In Goroka and Kainantu, Papua New Guinea, more than 1000 children and their parents who are victims of domestic violence, sexual assault, abuse and neglect were provided with counselling and referral services in partnership with local NGO, Eastern Highlands Family Voice. Also, in partnership with Family Voice, we provided more than 10,000 girls and boys with information and education about Child Rights.



Photo: Sumon Yusuf

- Our award winning child protection program in Australia provided about 600 young people with practical skills to support effective parenting, and educate them in the prevention of abuse and domestic violence.
- Over 3,000 students, teachers and community members participated in our *Speaking Out* advocacy program. The participants learnt about Child Rights and the plight of children in developing countries.
- The Youth at Risk project in Laos trained over 250 young people and through youth volunteers created awareness on issues such as human trafficking, drug abuse and HIV.
- Nine child protection units were established in Bokeo and Sayaboury provinces in Laos to identify and report cases of human trafficking of children and young people to the district authorities.
- In the Solomon Islands we promoted community awareness by establishing 40 Crime Prevention Committees to prevent children and youth crimes. Over 1,000 children and 600 adults were trained on Child Rights and 400 committee members and 40 police officers were trained on the risk factors that can lead to children and young people breaking the law.

“All wars are waged against children.”

Eglantyne Jebb, Save the Children founder

Case Study



Photo: Shoeb Faruquee

Caring for Child Workers

Rozina stopped working as a street vendor when she was 10 years old because of concerns for her safety. Now, aged 12, she makes oyster shell jewellery at home with her mother:

When she was younger, Rozina sold jewellery on the beach at Cox's Bazar, a small coastal city in southern Bangladesh. A popular place for child workers to ply their trade, the beach is also unsafe for girls working alone.

Rozina – one of the country's 4.9 million child labourers aged 5-15 years – has never been to school. Extreme poverty means children must work to help support their family or for their own survival. They are employed as domestic workers, street vendors and factory workers – often in hazardous conditions.

Although Rozina's parents want to enrol her in school, they do not have the money to do so. The government provides free education for children at primary school level, but Rozina's family cannot afford the books, uniform, school bag and shoes she requires.

While working on the beach three years ago, Rozina heard about the Save the Children Drop-in Centre where child labourers go to rest, socialise and participate in literacy and numeracy classes. Although she cannot go to school, Rozina now knows how to read and write and even contributes articles and drawings to the Centre's magazine.

Established in 2005, the Drop in Centre is part of Save the Children's Child Access to Rights through Development (CARD) Project. Cox's Bazar has two Drop-in Centres, each attended by 100 children.

Last year, Save the Children and our partner NGOs helped to secure birth certificates for more than 100 working children from the Drop-in Centres – a document many Bangladeshi children do not have. Birth certificates will help to protect them from child trafficking, hazardous jobs, abuse and exploitation. Certificates also provide children with access to legal aid, while Drop-in Centre workers ensure sick children receive healthcare.

"I believe we should claim certain rights for the children and labour for their universal recognition."

Eglantyne Jebb, Save the Children founder



“Save the Children responded immediately to the devastating destruction of Cyclone Nargis and have proven themselves to be a strong partner.”

(Mr John Gillam, Managing Director of Bunning's Warehouse, explains why Save the Children was their partner of choice)

The dedicated Corporate Partnership Team at Save the Children Australia works closely with corporate organisations to build strong relationships and deliver mutually beneficial results. In 2007/08 our corporate supporters provided project support, funded emergency efforts in countries such as Myanmar (Burma), sponsored events such as the Handel classical concert and engaged their staff through workplace giving programs.

This year we welcomed two new corporate supporters – Bunning's Warehouse and The Body Shop – who selected Save the Children Australia as their partner in the provision of emergency relief to the victims of Cyclone Nargis in Burma. Generous support for our emergency appeal was also received from long-time supporter Transfield Services.

Additional funding was gratefully received from corporate partners such as Shell Australia, Salesforce, Alumina Limited, PricewaterhouseCoopers, Beach Petroleum, RetireInvest and Transfield Services as well as The Charitable Foundation.

We thank our partners for their generous support and look forward to working together to build a better future for children and communities in need in Australia and around the world.

Educating Children



Around 77 million children do not go to school while millions drop out of primary school before they even get a basic education.

The Convention of the Rights of the Child which underpins all of our work emphasises a good education as one of children's most basic rights.

We make sure children growing up in the toughest circumstances get a decent education – in particular, children facing poverty, conflict and discrimination, supporting formal and non-formal education programs in Australia, Asia and the Pacific.

The difference for children

- In January 2008, we formally handed over to the Ministry of Education and Training in Vietnam our In-Service Training in Active Learning Project which in the past 12 years trained 70,000 teachers in modern learning methods. The Binh Thuan based project has benefited many children and its methodologies and texts have since become a central part of Vietnam's national school curriculum.
- Children's access to education in Goalundo in Bangladesh improved with nine early childhood development centres catering for 180 children living inside the brothel. All the children studying at the nearby Kormojibi Kallyan Songsta School passed their primary school exams this year.
- Over half of the school's 502 students are from the Daulatdia Brothel and did not have access to education until the school was set up.
- For the girls living at the safe home in Goalundo, Bangladesh, education is paying off. Two girls are well into a paramedic course while three girls have topped their classes in this year's high school final exams. The safe home provides the girls, who grew up in a nearby brothel, with the opportunity to make choices about their future livelihoods.
- A total of 200 working children, including 97 boys and 103 girls, continued their basic education through two Drop-in Centres at Cox's Bazar, Bangladesh. The children received literacy and numeracy training and cultural activities including drama, story telling and drawing. The children are among the country's 4.9 million child labourers aged 5-15 years.
- In partnership with the Evangelical Brotherhood Church, Save the Children supported the training of 133 school teachers spread over 100 schools in seven districts of the Eastern Highland Province of Papua New Guinea, reaching over 2,000 young people.
- In Lao PDR, we provided support to 1,767 children in 13 villages by establishing village education funds to help communities plan their own education programs according to local needs.



Photo: Sumon Yusuf

- Our Youth Peer Education Project helped a popular Lao volunteer youth group conduct eight awareness raising and training events with children and young people in five provinces on topics such as children's rights, life skills, hygiene, child protection, violence against children, gender and human trafficking.
- In Cambodia, four school buildings, were constructed in collaboration with communities, reaching 2,149 students and 50 teachers. Twenty six teachers were also trained to teach 450 remedial students and 28 disabled children were given medical attention so they could attend school, often for the first time.
- Save the Children's work with young people in the Solomon Islands was expanded from 60 to 114 communities including an expansion into a new province, Choiseul reaching 100,000 people including about 30,000 young people.
- Over 2,000 young people were trained on issues such as sexually transmitted disease, substance abuse, child abuse, crime, self esteem and income generation. They shared this knowledge with 20,000 of their peers and members of local communities in the Solomon Islands.

“ In a social sense, there should be only one class — the great class of humanity. ”

Eglantyne Jebb, Save the Children founder

Case Study



Photo: Debi Taylor

Early learning in Laos

In Lao PDR's poorest districts, three in five children are not in school at six years of age, while one in eight drops out each year. But in the remote northern village of Pak Thang, almost all children under six years have started their education thanks to a preschool set up by Save the Children.

Fifty children from the village are receiving a free education at the school, which is being used as a model for future preschools. The villagers are from the

Khmu ethnic minority group and for many of the children the preschool is their first exposure to the national Lao language.

Things are very different in the village now. Before the preschool, parents had to spend almost all their time taking care of their children while they were working. They had to hold very small children and try to work in the field at the same time.

Mrs Thai, whose daughter attends Pak Thang preschool thinks families, especially the children, get a lot from the project.

"When we come back from the field we always see the children singing songs at the preschool. It takes our tiredness away and refreshes us to see our children so happy."



“I volunteer with Save the Children as I believe very strongly in the need to protect and promote the rights of children throughout the world regardless of gender, race and religion and doing so makes me feel like I am making a difference and part of the solution.”

(Bhavani Chandran, a bookshop volunteer in Perth)

Behind Save the Children Australia's work are thousands of very special people – our volunteers. Over 1,200 volunteers gave their time and shared their skills to raise vital funds and helped to promote our work.

Our volunteers' generous contribution of their time was worth over \$5.5 million in 2007/08.

Photo: Paul Bui, Monk Media

Improving Children's Health



Photo: Tom Greenwood

Each year, over ten million children worldwide die before their fifth birthday. Over 60% of these deaths are preventable.

Our programs helped to change lives each and every day, focussing on nutrition, sanitation, reproductive health and preventative measures like vaccination and health education.

We also empowered local communities so they could make informed choices to improve their family's health.

The difference for children

- Our Primary Healthcare Project in Sayaboury was awarded the 2007 United Nations Award for contribution to maternal and child health. This is the second time the project has won a UN award with the first awarded in 1989. The project has helped Sayaboury Province to achieve two of the Millennium Development Goals by reducing infant and maternal mortality rates.
- The successful Sayaboury Primary Healthcare Project was expanded into neighbouring Luang Prabang Province. A Mother and Child Health Centre in Nan District was constructed. The Centre reported a 40 per cent increase of women delivering in hospital, a 44 per cent increase in outpatients and a 72 per cent increase in inpatients.
- We constructed three village health clinics, trained 62 new traditional birth attendants, 140 health staff and conducted regular mobile clinics to 43 remote villages in Lao PDR.
- Also in Lao PDR, we completed the construction of water supply systems in five villages and one hospital, and latrines in six villages and six schools, reaching a population of 4757 people.
- In Vietnam, our Water and Sanitation Improvement Project, which ran for three years in partnership with World Vision, was completed on 30 June 2008. The project developed a health education program in schools and reached over 10,000 children.
- We trained 111 local village health workers so they could provide basic health services to 65,421 people living in the remote regions of Vanuatu. Save the Children Village Aid Posts provide basic health service to a population range of between 100 to 2000 people. For the majority of the remote population, these Village Aid Posts may be the only health facility accessible to them.
- In Papua New Guinea, Save the Children improved the knowledge and skills on safe sex practices of women in sex work, their clients and men who have sex with men, distributing over two million condoms.
- Also in Papua New Guinea, we provided drop-in centres, voluntary counselling and testing and treatment to people with sexually transmitted infections and provided a referral service for medical treatment, welfare and legal processes.
- Save the Children opened a youth friendly centre in Madang, Papua New Guinea which holds regular sessions on health, substance abuse, conflict resolution and family violence.
- A referral hospital in Ponhea Krek district, Cambodia, was completed and is now operational adding a much needed resource in the delivery of health services to the district's children and their families. The numbers of children immunised increased from 74 per cent to 88 per cent, the women delivering in health facilities increased by almost 50 per cent and contraceptive use doubled.
- We trained 696 village health volunteers and 441 traditional birth attendants in three districts of Kampong Cham Province, Cambodia, to improve access to health services of 335137 children and communities.
- We trained 18 health workers in Honiara, Solomon Islands in providing quality health services for sex workers, men having sex with men and youth at risk. We also trained staff in 10 hotel and taxi companies to raise awareness of issues arising from sexually transmitted diseases, AIDS and HIV.

Case Study



Irene Malachi – Vanuatu's HIV and AIDS campaigner

Irene Malachi, Vanuatu's first person officially confirmed to be living with a positive HIV status, has been campaigning around the country to educate people about HIV and AIDS.

Save the Children Australia facilitates Irene's work through the IZA Foundation – an HIV and AIDS advocacy group set up by Irene. The group aims to reduce the stigma and discrimination associated with HIV infection in the country.

Irene's HIV and AIDS campaigning has reached more than 1,800 people in the capital city, Port Vila as well as remote communities in the provinces.

Irene's presence attracts crowds as she relates the experiences she and her family encountered when her case was first made public. People travel in numbers from all over Vanuatu to listen to her personal experiences.

In the lead up to a presentation earlier this year it was obvious that people were hesitant to come close to Irene. However, once she finished speaking, everybody gathered around to shake her hand. She was then invited by the chief of the community to spend a weekend in the community.

Now, more and more community leaders in both the rural and urban areas of Vanuatu invite Irene and Save the Children to conduct awareness activities in their communities.

According to Ellise Silas, Save the Children's Youth Out-Reach project coordinator,

"Irene's talks are very much appreciated by the communities. They ask a lot of questions that can only be answered by someone living with HIV and AIDS".

Although the official number of people living with HIV and AIDS in Vanuatu is still relatively low compared to other Pacific countries, stigma and discrimination is common.

"To succeed in life, we must give life."

Eglantyne Jebb, Save the Children founder

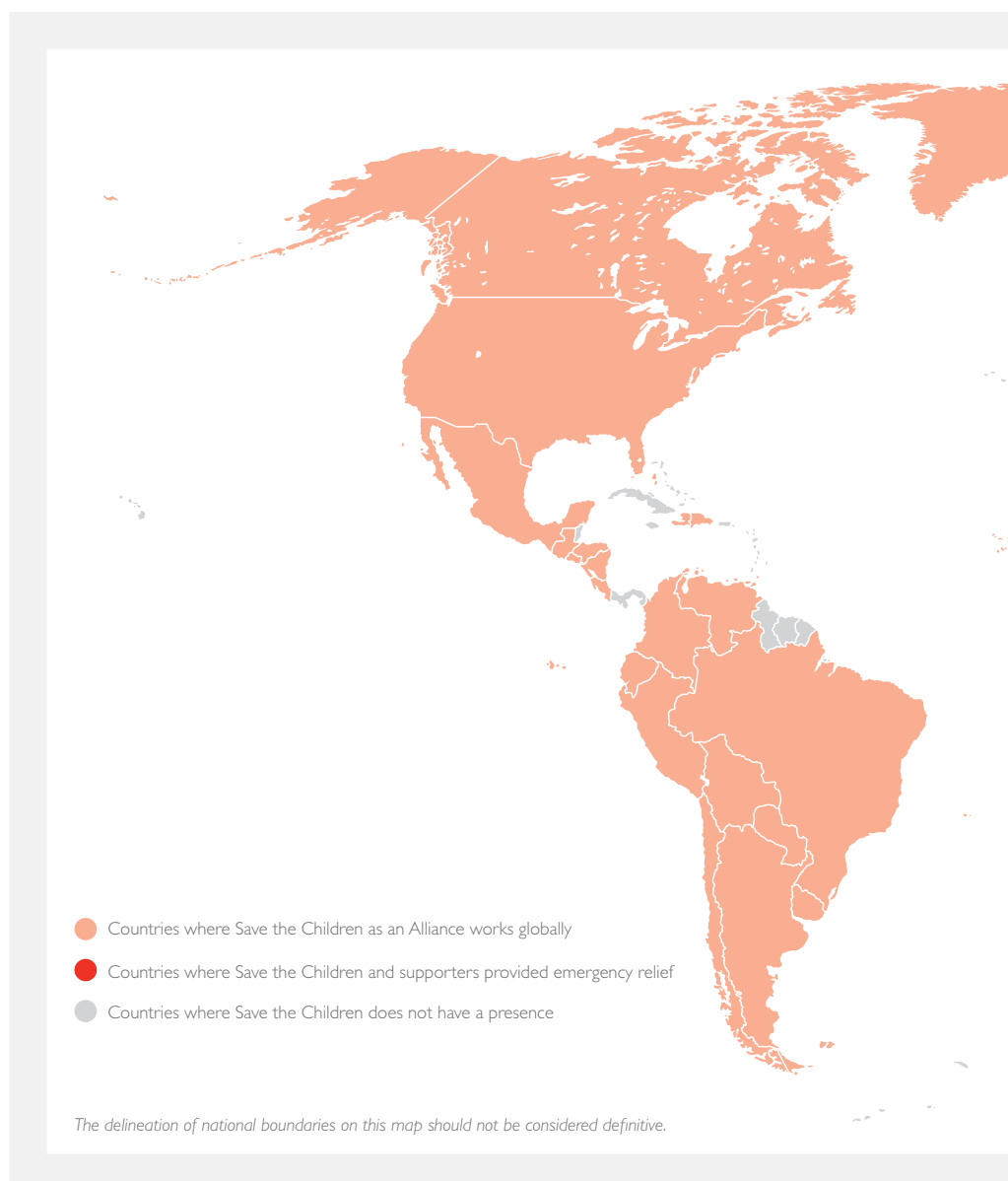
Your generous support reached many parts of the world

The International Save the Children Alliance includes 28 national Save the Children organisations working in more than 100 countries to ensure the well-being of children. Save the Children organisations work together and with other partnership organisations to deliver positive change for children.

Save the Children Australia manages and implements programs in Australia, Bangladesh, Cambodia, Lao PDR, Papua New Guinea, Solomon Islands, and Vanuatu. We also support development programs through our Alliance partners in other parts of Asia, Africa and Latin America.

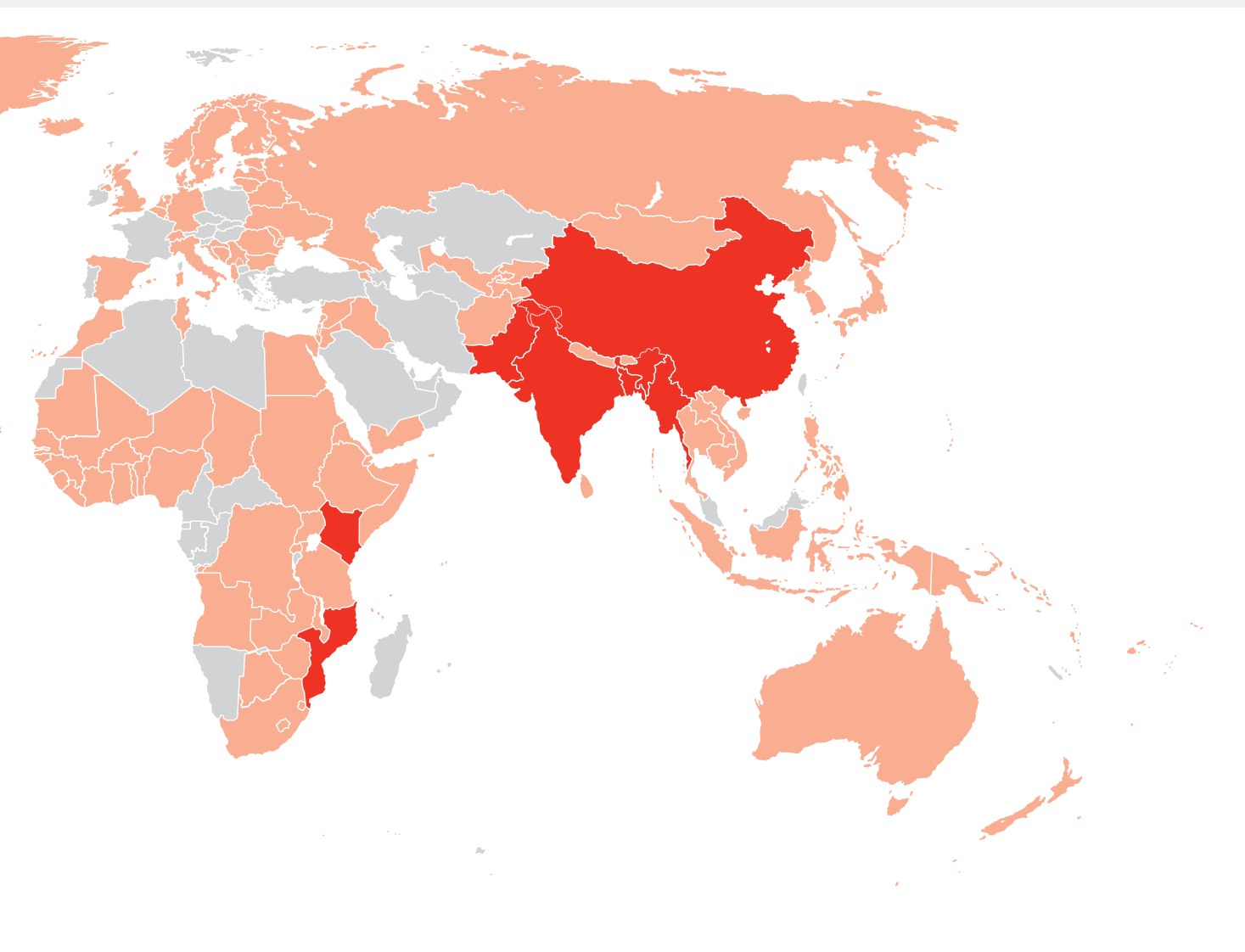
In 2007/08, Save the Children Australia worked with its Alliance partners to provide fast relief to hundreds of thousands of children and their families affected by natural disasters and other forms of emergencies in South Asia, Mozambique, Bangladesh, Kenya, China and Myanmar.

We thank all the individual donors and corporate supporters who donated so generously to these emergencies. The funds raised provided immediate assistance in the form of food, medicine and shelter as well as long-term planning for reconstruction where required. We also established child safe play zones to introduce a sense of normalcy for child affected by the traumatic emergency conditions.



“Save the Children pays no regard to politics, race or religion.
A child is a child, whether red, white, brown or black.”

Eglantyne Jebb, Save the Children's founder.





“It was an easy decision to support Save the Children. Protecting our children and ensuring they have access to all the basic essentials of a quality life is so important. Save the Children plays a critical role in developing programs that have a tangible and direct benefit on the lives of children and their communities in Australia and around the world.”

(Megan Taylor, one of Save the Children Australia's committed donors)

One of Save the Children Australia's most effective sources of funding is from individuals, through our committed giving programs: *Child Guardian*, *Child Link*, *Global Neighbours* and *Imagine* (the Australia Program).

Supporting these programs involves making a regular donation. Committed giving programs provide Save the Children with the opportunity to plan long term programs and find the best ways to address the underlying causes of inequality.

Many Australians make monthly donations through our committed giving programs: *Child Guardian*, *Child Link* and *Global Neighbours* in Africa, Asia and Latin America.

In 2007 Save the Children Australia launched *Imagine* – a program which provided our donors with the opportunity to support our work in Australia in the areas of health, parenting support, education and training for children and communities living in poverty.



Corporate Governance

Save the Children Australia's corporate governance and performance are the responsibility 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 Committee, is accountable to the Board. The roles of Chairman and CEO are distinctly separate.

There is a maximum of 11 directors. Members resident in each of the six States elect one director. The remaining five directors are appointed by the board. A director who has served six consecutive years from date of appointment will not be eligible for re-appointment or re-election without the approval of the members in a general meeting.

State Councils operate in all states to execute functions delegated to them by the board. These functions include fundraising, member support and monitoring of budgets and state based programs.

The board meets at least six times a year. There are four scheduled face-to-face meetings and two tele-conference meetings. Additional meetings are called as required.

Board Committees:

- (a) An Audit Committee assists the board to discharge its responsibilities to exercise due care, diligence and skill in relation to Save the Children Australia's reporting of financial information, application of

accounting policies, financial management generally, internal control and risk management. Risk management includes the protection of Save the Children Australia's people and assets, and compliance with applicable laws and regulations. The committee approves the scope of the audit and the setting of the audit fee and advises the board in relation to the board's recommendations and members regarding the appointment of the external auditor. Save the Children Australia is conscious of best practice in relation to auditor independence.

Audit Committee members are Cliff Caldwell (Chair), Mark Laurie, Phillip Ransom, Virginia Rogers and Anthony Nicholls.

- (b) A Program Committee advises the Board on program priorities, strategies and policies related to projects undertaken by Save the Children Australia, both domestically and overseas. The committee also assists program staff with technical expertise on program implementation and operation.

Program Committee members are Jill Cameron (Chair), Cliff Caldwell, Collette Tayler and Simon O'Loughlin.

- (c) The responsibilities of the Remuneration Committee, which reviewed salaries and benefits paid to executive personnel, have been combined with those of the Nominations Committee, which identifies gaps in the inventory of skills of board members and seeks new members as appropriate.

The members of this combined committee are Brian Hartzer, Jill Cameron, Bruce Mansfield and Adrian Morgan.

The International Save the Children Alliance, 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.

Acknowledgements



Overseas Programs

Academy for Educational Development
ANZ
Asian Development Bank (ADB)
AusAID
Australian International Health Institute
Cambodia Ministry of Health
Canada International Development Agency
Concern
Elton John AIDS Foundation (EJAF)
Embassy of the United States,
Vientiane, Laos
European Commission - European
Initiative for Democracy and
Human Rights (EIDHR)
European Commission Humanitarian
Aid Department (ECHO)
European Commission – Micro
Project Program (EUMPP)
European Union – Rural Water Supply
and Sanitation Project
Global Fund to Fight AIDS, TB and
Malaria (GFATM)
Hassall and Associates Pty Ltd
Judith Zeiger Foundation
Korea International Cooperation
Agency (KOICA)
Maurice Rufford Laing Foundation
Ministry of Health, Vanuatu
NZAID
PLAN Bangladesh
RetireInvest
SalesForce
Save the Children Korea
Save the Children New Zealand
Save the Children UK
Save the Children US
The Canada Fund for Local Initiatives
The Charitable Foundation

UK Department for International
Development (DfID)
UNFPA
UNICEF
United Nations Family Population
Fund (UNFPA)
Volunteering for International
Development (VIDA)
World Food Program
World Vision Australia

Australia Programs

Anglicare – Spiritus (TRACC Shared
Family Care)
Australian Government Department
of Education, Science & Training
Australian Government Department
of Families, Community Services and
Indigenous Affairs (FaHCSIA)
Department of Education and Early
Childhood Development (Victoria)
Department of Education, Employment
& Workplace Relations (Victoria)
Department of Human Services
Indigenous Coordination Centre,
Ceduna Office
Government of South Australia
Department of Education and
Children's Services
Government of South Australia
Department for Families and Communities
Karu Aboriginal Child Care Agency
Larrakia Nation
New South Wales Department
of Community Services
Queensland Government Department
of Child Safety (Area Offices of Redlands
and Wynnum)
Queensland Government Department
of Communities
Queensland Government Department
of Corrective Services

Queensland Government Department
of Education, Training and the Arts
Queensland Government Gambling
Community Benefit Fund
Queensland Government Department
of Housing
Silky Oaks Children's Haven
State Government of Victoria
Department of Human Services
Thamarrurr Regional Council

Community and Business Support

ABC Radio
A-Team Printing
Acorn Prudential
Active Salon Supplies
Adelaide Crows Foundation Limited
Advertiser Newspapers
Alfred Felton Bequest
Allens Arthur Robinson
Alumina Ltd
American Express
American Express
AMP Foundation
Anglicare (Spiritus)
Andyinc Foundation
ANZ Bank
ANZ Trustees
ANZ Staff Foundation
ArtPlay
Ashmont Community Centre
Association of Independently Owned
Financial Planners (AIOFP)
Arakan Martial Arts
Australian Institute of Business
Administration
Australian Defence Force Academy
AXA Asia Pacific
Barrick Gold Corporation

Community and Business Support (cont.)

Beach Petroleum
 Bendigo Bank
 Besen Family Trust
 BBS Public Relations
 BHP Billiton
 Bird in Hand Winery
 Brisbane City Council City Business Division
 Brisbane City Council Lord Mayors Trust
 Brisbane Girls Grammar School
 Business Class Corporate
 Bunnings
 Cadbury
 CAF America
 CAF Australia
 Carlingford Fleet Pty Ltd
 Caulfield Grammar School
 CEO Challenge
 Clara Broadhurst Memorial - Charitable Fund
 Charity Fund Australia
 Charities Aid Foundation Australia
 Channel Seven Adelaide
 Cheap as Chips
 Chess Moving
 Chisel Studio
 CITEC Systems
 City Tattersalls Club, NSW Branch
 City of Melbourne
 City of Sydney Council
 City of Sydney RSL Club
 Clayton Utz Foundation
 Clever Planet
 CMI
 Community Newspaper Group
 CMV Foundation
 Coopers
 Comes Toyota

Colin Thompson
 Cornwall Stodart
 Collier Charitable Fund
 Crystal Angels – Tina Thomsen
 Décor Corporation
 Domestic Violence Crisis Service
 Dr Rob Moodie
 Dynamic Direct
 Elisabeth Murdoch Trust
 Equity Trustees
 Empowered Communications
 Eurolinx Pty Ltd
 Everyday Hero
 ExxonMobil
 Federation Square Management
 Fitness First
 FOCUS Pty Ltd
 Footprints Fundraising Inc
 Foodbank SA and Queensland
 Gabriel & Angie Gaté Pty Ltd
 Grace Removals Group
 Gribbles Group
 Gumbrae Avenue Group
 Grundfos
 Helen MacPherson Smith Trust
 Holiday Invest
 Holmes à Court Foundation
 Honda Foundation
 Hospitality Group Training (HGT)
 Hyatt Regency Adelaide
 Hydragate Pty Ltd
 IBM
 IKEA
 Inspired Adventures
 Ken McLeod & Company
 Kilmany Uniting Care
 Lonely Planet Foundation
 Lord Mayor's Charitable Fund
 Luther College
 Ian McNair Charitable Foundation

Intellection Corporation - Queensland
 IOOF Foundation
 Kelly Strategic Influence
 Kendacraft Jewellery
 Kitchener Press
 KRL Media
 Leslie Marshall
 Lionesses – Redcliffe Branch
 Macquarie Bank Foundation
 Man Investments
 Malaysian Students Association University of NSW
 Margit Cruice
 Mars-Stride Trust
 Melbourne Girls Grammar
 Melbourne Grammar School
 Mercedes College
 Mercury Newspaper
 M&CSaatchi
 Metalicus
 Monk Media
 Mix 102.3
 Moreton Bay Girls College
 Morialta Trust Incorporated
 Mr John Shaw
 Mr W. H. Green
 MyBudget
 Myora Pty Ltd
 National Australia Bank
 Nichols Poultry
 Network Ten
 Optiver
 Orchestra Victoria
 PacificHydro
 Perpetual Trustees Company Ltd
 Pesel & Carr
 PricewaterhouseCoopers Foundation
 P & H MinePro Services
 Parri Estate Wines
 Playlovers Inc.

Acknowledgements

Plumes
 PPS Hair Wear Prop LTD
 Queensland's Children's Book Council
 Queensland University of Technology
 Reckitt Benckiser
 Redcliffe City Council
 Relationships Australia
 Renmark Branch
 Retire Invest
 Rio Tinto
 Rubys
 Salesforce
 Santana Stransky
 Savings & Loans Credit Union
 School Aid
 Silvercraft Studios
 Shadforth Financial Services
 Shearer + Elliss
 Shell Australia
 Soroptimist International
 Soul Studios
 Southern Cross Television
 South Australian Works
 Staedtler
 Strategic Financial Services
 Stirling-Aldgate Branch
 Stonnington City Council
 St Michael's Grammar School
 Sydney Opera House Trust
 The Age
 The Arts Centre
 The Body Shop
 The Bell Charitable Fund
 The Boston Consulting Group
 The Charitable Foundation
 The Cobra Group
 The Danks Trust
 The Elwood Lounge
 The Helena Jones Centre

The Hilton White Bequest
 The Langham
 The Trust Company of Australia
 The West Australian Newspaper
 The University of Western Australia
 TAFE SA, NSW, Queensland
 Telstra Country Wide
 Toll Holdings
 Toop & Toop
 Transfield Services
 Trinity Grammar School
 Tweed Family Centre
 UBS Wealth Management
 United Way
 University of Queensland
 University of South Australia
 University of Western Australia
 Vili's Cakes
 Water Industry Alliance
 Warner Brothers
 WDT Engineers
 Wellington International Management
 Westfield Limited
 Westpac Banking Corporation
 Wet and Wild Theme Park
 William Angliss (Victoria) Charitable Fund
 Women of the University Fund Inc
 Work Skil Inc
 World Expeditions
 World Nomads
 Wrest Point Hotel
 Xstrata Community Partnership
 Programs Queensland
 YWCA Lismore
 Zart Art
 Zonta Club of Brisbane

Bequests

Estate of Aileen Williams
 Estate of Allan Leslie Inglis
 Estate of Blanche Mary Newman
 Estate of E Cleeland
 Estate of J A G Briggs
 Estate of Jessie Young
 Estate of K M Kennedy
 Estate of Late Betty Fisher
 Estate of Mary Joseph Oliver
 Estate of Late Mary Bayly
 Estate of Late Gwendolyn Moore Wilson
 Estate of Late Shirley Gertrude Lane
 Estate of Leslie Hocking Cocks
 Estate of Phyllis Junor
 Estate of Renata McMillan
 Estate of Robyn Palin
 Estate of William Arthur Cant
 The Hackett Foundation Trust





Concise Financial Report

Save the Children Australia and Controlled Entities

Concise Financial Report for the year ended 30 June 2008

The concise financial report incorporating the financial statements and other specific disclosures required by Accounting Standard AASB 1039 Concise Financial Report is an extract of, and has been derived from Save the Children Australia and its controlled entities' consolidated financial report for the financial year.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position, and financing and investing activities of the Group as the full consolidated financial report.

A copy of the full consolidated financial report and independent audit report is available on our website – www.savethechildren.org.au. Alternatively, you can request for a hard copy which will be sent without charge upon request. All such requests should be made to the Registered Office at Level 6, 250 Victoria Parade, East Melbourne, VIC 3002 or phone 03 9938 2000.

Company Secretary
David McLaughlan

Registered Office:
Level 6, 250 Victoria Parade
East Melbourne, VIC 3002
Phone: 03 9938 2000
Fax: 03 9938 2099
ABN 99 008 610 035

Director's Report to Members

The directors present their report together with the Financial Report of Save the Children Australia ("the company") and controlled entities for the year ended 30 June 2008, and the auditor's report thereon.

1. Directors

The directors of the company during the financial year and the period to the date of this report are:

Directors for the full financial year were:

Cliff Caldwell
Jill Cameron
Lynne Jensen
Bruce Mansfield
Phillip Ransom
Brian Hartzer
Anthony Nicholls

Directors for part of the financial year were:

Collette Taylor
(resigned 22 November 2007)
Geoffrey Mildred
(term expired 22 November 2007)
Gillian Groom
(term expired 22 November 2007)
Jenny-Ellen Kennedy
(elected 22 November 2007)
Adrian Morgan
(elected 22 November 2007)
Peter Falvey
(appointed 28 February 2008)
Simon O'Loughlin
(elected 22 November 2007)

2. Directors' meetings

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

	Directors' Meetings	
	Number of meetings attended	Number of meetings eligible to attend*
Cliff Caldwell	6	6
Jill Cameron	6	6
Collette Tayler	2	2
Gillian Groom	2	2
Brian Hartzer	6	6
Geoffrey Mildred	2	2
Anthony Nicholls	5	6
Peter Falvey	2	2
Phillip Ransom	4	6
Adrian Morgan	4	4
Lynne Jensen	6	6
Bruce Mansfield	6	6
Simon O'Loughlin	2	4
Jenny-Ellen Kennedy	4	4

* Reflects the number of meetings held during the time the director held office in the year.

3. Information on Directors

(a) Brian Hartzler – Chair

Brian Hartzler, BA, is ANZ's Chief Executive Officer – Australia, serving the bank's retail, commercial, and wealth management customers in Australia. Prior to this Brian spent nine years in a series of executive roles, including Group Managing Director, Personal Division, and Managing Director Consumer Finance. Brian joined ANZ after 10 years with First Manhattan Consulting Group, a leading global strategic consulting firm to the financial services industry.

Brian joined Save the Children Australia as Deputy Chairman in February 2006 and was appointed Chairman in November 2006. Brian is a Director of Metrobank Cards Corporation (Philippines) and the Visa International Asia Pacific Advisory Board.

Brian is also a Chartered Financial Analyst.

(b) Jill Cameron – Deputy Chair

Jill Cameron, BA, B.Ed., has extensive experience in the areas of children's services, education, health and community services. Jill held senior management positions in government and non-government organisations before establishing her own consultancy business in 1994. Jill has undertaken research and evaluation, community consultation, planning and capacity building projects throughout Australia for clients in the private sector,

Australian and State Government Departments, Local Government and Non-Government Organisations.

Jill joined the Western Australian State Management Committee Save the Children Australia in 1999 and became a member of its Program Advisory Committee in 2001. Jill was elected to the Save the Children Australia Board of Directors in 2003 and currently chairs the Program Committee.

(c) Phillip Ransom – Treasurer

Phillip Ransom B.Ec, FCA, is a chartered accountant and Audit Partner with RSM Bird Cameron, a national accounting firm. Prior to joining RSM Bird Cameron, Phillip spent 16 years with Coopers & Lybrand, including 18 months in London, and then as a Partner with HLB Mann Judd.

He has 28 years experience in the accounting profession, during which time he has been providing advice to boards and various organisations on a broad range of financial and other matters. Phillip is a member of the RSM Bird Cameron National Executive, currently represents the Melbourne office of RSM Bird Cameron on its National Audit Committee and is the Partner responsible for independence and ethics for the firm nationally.

Phillip joined the Save the Children Australia Board of Directors in November 2004.

(d) Cliff Caldwell

Cliff holds a degree of B.Ec. (Hons). Until his retirement in 2001, he worked in the finance and related areas of manufacturing and investment companies in Australia and Britain. His experience also includes holding board positions for a public hospital, an emergency services organisation, and a local government. In 2001 Cliff became a member of Save the Children Australia's Audit Committee, and a member of an advisory panel of the International Save the Children Alliance. In 2002 he joined the Save the Children Australia board and has served on its Audit Committee (which he presently chairs), its Remuneration Committee and its Program Committee, and various ad hoc committees. Having reached the limit of six years as a director of Save the Children Australia, Cliff retires at the forthcoming AGM.

(e) Anthony Nicholls

Anthony Nicholls, Dip.FM (Hons), B.Comm., is the Managing Director of the Carlingford Group of companies which has interests in Leasing, Car Rental and Property Development.

Anthony also lectures in the areas of taxation and corporate compliance, and has a diploma in Rural Business Management. Anthony joined the Save the Children Australia Board of Directors in November 2005.

Director's Report to Members (cont.)

3. Information on Directors (cont.)

(f) Bruce Mansfield

Bruce Mansfield, B. Comm., has been with Visa International for 16 years. In 2004 he took up his current role of Executive Vice President of Visa Australia, New Zealand and the Pacific Islands, which has overall responsibility for Visa's operations in these countries.

Prior to this Bruce headed up Visa Asia Pacific's Emerging Products and Technology Group in Singapore. Before moving to Singapore, Bruce was responsible for Visa's Australian business, the Sydney 2000 Olympic Games sponsorship and a number of technology roles for Visa. Prior to joining Visa, Bruce undertook a number of roles in the data processing industry, primarily selling solutions and services to retail and commercial banks in Australia and New Zealand.

Bruce joined the Save the Children Australia Board of Directors in February 2007.

(g) Lynne Jensen

Lynne Jensen, BA, LL.B (Hons), is a partner of the national law firm Allens Arthur Robinson. Lynne is based in Melbourne and practises in corporate, securities and financial services law, with particular emphasis on mergers and acquisitions, funds management and private equity.

Lynne worked in the London office of leading international law firm Linklaters from 1995 to 1999, including a six-month secondment to the corporate advisory division of merchant bank Dresdner Kleinwort Benson. From January 2002 to March 2004, Lynne was based in Allens Arthur Robinson's Perth office.

Lynne is a member of the Allens Arthur Robinson Charity Committee and a founding member of the organising committee of the Committee for Melbourne Future Focus Group Alumni.

Lynne joined the Save the Children Australia Board of Directors in November 2006.

(h) Jenny-Ellen Kennedy

Jenny-Ellen Kennedy, BA, LL.B, has been a practising solicitor since 1998 and is currently a corporate and commercial lawyer with James Groom & Co in Hobart. Jenny-Ellen previously worked at law firm Browne & Co in Melbourne, specialising in sports and media law.

In addition, Jenny-Ellen supports One In Five, a mental health awareness organisation involved with fund raising for the Mental Health Research Institute. Jenny-Ellen is also a member of the Tasmanian State Council and is a member of the events committee for the Save the Children Chocolate Ball.

A mother of four, Jenny-Ellen joined the Save the Children Australia Board of Directors in November 2007.

(i) Adrian Morgan

Adrian Morgan, BA, is currently a senior executive with a not-for-profit organisation providing aged care and disability services to almost 2,000 people in Queensland.

He previously worked as a management consultant for PriceWaterhouseCoopers as well as for a boutique organisational consultancy, People & Strategy. Whilst working as a consultant, he participated in several projects relating to children's welfare including investigations into the provision of community services to vulnerable children living in families affected by violence. He has also worked in management and policy roles within the training and human resource management fields.

(j) Simon O'Loughlin

Simon O'Loughlin, BA, Law Society (SA), is a legal practitioner with over 25 years experience as a corporate and commercial solicitor. He has had extensive involvement in the corporate world, especially in relation to the formation, structuring and listing of small to medium sized companies.

Simon is a director of Hindmarsh Resources Ltd, Petrathern Ltd and WCP Diversified Investments Ltd. In recent times he has been a director of Gowit Ltd

(now Agincourt Resources Ltd). Simon is a past President of the Save the Children in South Australia and a past Chairman of Taxation Institute of Australia (SA Division).

Simon's current directorships include: Chairman of WCP Resources Ltd, Living Cell GTechnologies Ltd, Bondi Mining Ltd. and Director of Chesser Resources Ltd., Patrathern Ltd, Aura Energy Ltd.

(k) Peter Falvey

Peter Falvey, B.Agr.Sc. (Hons), has extensive experience in the aid and development industry, gained through more than 25 years working in both the private and not for profit sectors. Peter, who lived in Thailand for three years, has worked in Asia and the Pacific and has considerable experience in southern and eastern Africa.

Peter has a business background and extensive board experience. Peter was a director of ACIL Australia Pty Ltd, then Australia's largest privately owned company specialising in aid and development. Peter held significant corporate roles in the company including board membership and was also a director of Field Operations with responsibility for the implementation of over 26 projects totaling over \$480 million.

Peter's direct experience in program policy and project direction includes AusAID, World Bank and Asian Development Bank funded programs and projects.

Peter also has extensive management and policy development and implementation experience in the legal, agricultural, health and finance sectors.

4. Directors and officers

(a) Company Secretary

The Company Secretary is David McLaughlan BA, Grad Dip.Acc, M.B.A (Fin.), Grad Dip Corp Governance, FCPA, ACIS. David has extensive private and public company experience at a senior level in the areas of finance, administration and company secretarial practice.

(b) Insurance premiums

The company has in place insurance arrangements with respect to directors' and officers' liability, and legal expenses for both current and former directors and officers.

The insurance premiums cover these persons for costs and expenses incurred in defending proceedings (whether civil or criminal, and whatever their outcome) relating to their Save the Children Australia engagement, and other liabilities that may arise from their position, except in relation to wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policy outlined above prohibits disclosure of the premiums paid in respect of individual officers of the company.

(c) Indemnities

Under the terms of individual contracts with each director, the company agrees to indemnify current and past directors of the company against all liabilities to another person (other than to the company or a related body corporate) that may arise from their position as directors of the company, except where the liability did not arise out of conduct in good faith or is a pecuniary penalty or compensation order under the Corporations Act 2001 (Cth).

5. Principal activities

The principal activities of the Economic Entity (Entity) are concerned with the welfare and rights of children as stated in the UN Declaration of the Rights of Child.

There were no significant changes in the nature of the activities of the economic entity during the year.

6. Review and results of operations

(a) Activities of the Entity

The Entity continues to pursue its goals in the interests of children in Australia, Bangladesh, Cambodia, Lao PDR, Papua New Guinea, Solomon Islands, Vanuatu and Vietnam.

Director's Report to Members (cont.)

6. Review and results of operations (cont.)

(b) Continuity of activities

Generosity of all donors and volunteers is essential to the continuation of these activities. The board notes particularly the contributions of its State divisions and the major grants from AusAID, Asia Development Bank and Australian Government Department of Family and Community Services.

(c) Tsunami

On 26 December 2004, a severe geophysical disturbance in the seabed off Indonesia generated a tsunami that caused the deaths of many thousands of people in Indonesia, Sri Lanka, India and Thailand, and major devastation to the lives and property of survivors. Australians, collectively through the Australian Government, and individually, donated funds, resources and personal time generously to the work of relief and recovery that will take some years to complete. Save the Children Australia received a total of \$5.34 million, of which \$0.25 million has been expended on collection and administration. An amount of \$3.59 million has been spent to date on work undertaken in the affected areas by Save the Children Alliance members. The balance of \$1.6 million (including interest) is expected to be spent in Banda Aceh (Indonesia) during the next year.

(d) Revenue and results

Revenue for the year to 30 June 2008 of \$48.6 million was \$6 million greater than revenue for 2007. There were a number of factors contributing to the increase. Firstly, there was a \$1.3 million increase in donations largely attributable to an increase in the number of committed-giving donors. Secondly, there was a \$4.6 million increase in grants from government instrumentalities and institutions.

Expenditure on overseas projects was \$0.4 million higher than the prior year, while expenditure on Australian projects increased by \$2.4 million for both existing and new projects.

Net operating surplus for the year was \$4.2 million compared to \$2.0 million in 2007.

7. Significant changes in the state of affairs of the economic entity

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

8. Events subsequent to balance date

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

9. Proceedings on behalf of the company

As required by the Corporations Act 2001 the directors confirm that no person has applied for leave of Court to bring proceedings on behalf of the company or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

10. Environmental issues

The Entity's operations are not subject to any significant environmental regulations.

11. Auditor's independence declaration under section 307C of the Corporations Act 2001

The Auditor's Independence Declaration is set out on page 31 and forms part of the Directors' Report for the financial year ended 30 June 2008.

Signed in accordance with a resolution of the directors.



Brian Hartzer
Chairman

Melbourne
29 September 2008

Auditor's Independence Declaration



BDO Kendalls

BDO Kendalls Audit & Assurance
(NSW-VIC) Pty Ltd
The Rialto, 525 Collins St
Melbourne VIC 3000
GPO Box 4736 Melbourne VIC 3001
Phone 61 3 8320 2222
Fax 61 3 8320 2200
aa.melbourne@bdo.com.au
www.bdo.com.au

ABN 17 114 673 540

Declaration of Independence by Nicholas E Burne to the Directors of Save the Children Australia

As lead auditor of Save the Children for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in black ink, appearing to read 'N Burne', written in a cursive style.

Nicholas E. Burne

Director

A handwritten signature in black ink, appearing to read 'BDO Kendalls', written in a cursive style.

BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd

Chartered Accountants

Melbourne

29 September 2008

Consolidated Income Statements

for the year ended 30 June 2008

	Economic Entity	
	2008 \$	2007 \$
Revenue from continuing operations		
Donations and gifts	26,116,224	24,788,137
Legacies and bequests	421,915	547,384
Grants		
- AusAID	4,934,659	3,307,947
- other Australian	7,869,052	5,836,907
- other overseas	4,845,909	3,992,324
Revenues from commercial activities	3,164,004	3,226,720
Interest income	1,102,891	873,356
Miscellaneous income	191,201	13,916
Total revenue	48,645,855	42,586,691
Expenses		
Funds to overseas projects	20,377,338	19,938,819
Domestic projects	8,882,131	6,383,164
Other project costs	1,214,328	886,985
Fundraising costs – public	8,646,420	8,449,474
Commercial activities	1,916,673	1,985,881
Administration	3,387,397	2,917,066
Total expenses	44,424,287	40,561,389
Net surplus	4,221,568	2,025,302

Consolidated Balance Sheets

as at 30 June 2008

	Economic Entity	
	2008 \$	2007 \$
Current assets		
Cash and cash equivalents	24,907,037	18,635,028
Trade and other receivables	1,575,736	2,024,692
Inventories	134,120	179,435
Total current assets	26,616,893	20,839,155
Non-current assets		
Other financial assets	114,006	141,511
Property, plant and equipment	2,484,033	2,148,190
Total non-current assets	2,598,039	2,289,701
Total assets	29,214,932	23,128,856
Current liabilities		
Trade and other payables	14,808,311	12,908,788
Short term borrowings	8,594	6,720
Provisions	325,144	265,565
Total current liabilities	15,142,049	13,181,073
Non-current liabilities		
Long term borrowings	28,284	36,878
Provisions	241,336	241,698
Total non-current liabilities	269,620	278,576
Total liabilities	15,411,669	13,459,649
Net assets	13,803,263	9,669,207
Equity		
Reserves	-	1,346
Foreign Currency Translation Reserve	(86,166)	-
Accumulated funds	13,889,429	9,667,861
Total equity	13,803,263	9,669,207

Consolidated Statement of Changes in Equity

for the year ended 30 June 2008

	Economic Entity	
	2008 \$	2007 \$
Balance of accumulated funds at 1 July	9,669,207	7,642,559
Changes in fair value of available-for-sale financial assets	(1,346)	1,346
Movement in foreign currency translation reserve	(86,166)	1,346
Net income recognised directly in equity	(87,512)	1,346
Surplus for the year	4,221,568	2,025,302
Total recognised income and expense for the year	4,134,056	2,026,648
Balance at 30 June	13,803,263	9,669,207

Consolidated Cash Flow Statements

for the year ended 30 June 2008

	Economic Entity	
	2008 \$	2007 \$
Cash flows from operating activities		
Cash received in the course of operations	47,991,920	42,405,529
Cash paid in the course of operations	(42,084,672)	(39,245,313)
Interest received	1,102,891	873,356
Net cash provided by operating activities	7,010,139	4,033,572
Cash flows from investing activities		
Proceeds from sale of non-current assets	32,222	115,605
Payments for plant and equipment	(763,632)	(841,583)
Net cash used in investing activities	(731,410)	(725,978)
Cash flows from financing activities		
Finance lease repayments	(6,720)	(5,318)
Net cash used in financing activities	(6,720)	(5,318)
Net increase in cash held	6,272,009	3,302,276
Cash at the beginning of the financial year	18,635,028	15,332,752
Cash at the end of the financial year	24,907,037	18,635,028

Notes to the Financial Statements

for the year ended 30 June 2008

1. Basis of Preparation of the Concise Financial Report

The concise financial report has been prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 1039 Concise Financial Reports (AASB 1039). The financial statements and specific disclosures required by AASB 1039 have been derived from Save the Children Australia and Controlled Entities full financial report for the financial year. Other information and disclosures included in the concise financial report are consistent with the full financial report of Save the Children Australia and Controlled Entities.

The concise financial report does not, and cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Save the Children Australia and Controlled Entities as the full financial report.

The presentation currency is Australian dollars.

Early adoption of standards

Save the Children Australia has elected to apply the following pronouncement to the annual reporting period beginning 1 July 2007:

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8

Commencing in 2007 report, the Entity has elected to adopt the accounting standard AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 for the annual financial period commencing 1 July 2006. The new standard and its consequential amendments are mandatory for annual reporting periods commencing on or after 1 January 2009. The impact of early

adoption of AASB 8 has been to remove all disclosures previously presented under AASB 114: Segment Reporting as the standard only applies to listed and similar types of entities. AASB 2007-3 makes minor consequential amendments to other accounting standards arising from the adoption of AASB 8 that have no effect on the Entity.

A full description of the accounting policies adopted by Save the Children Australia and Controlled Entities may be found in the full financial report.

2. Tsunami Funds

On 26 December 2004, a severe geophysical disturbance in the seabed off Indonesia generated a tsunami that caused the deaths of many thousands of people in Indonesia, Sri Lanka, India and Thailand, and major devastation to the lives and property of survivors. Australians, collectively through the Australian Government, and individually, donated funds, resources and personal time generously to the work of relief and recovery that will take some years to complete. Save the Children Australia received a total of \$5.34 million, of which \$0.25 million has been expended on collection and administration. An amount of \$3.59 million has been spent to date on work undertaken in the affected areas by Save the Children Alliance members. The balance of \$1.6 million (including interest) is expected to be spent in Banda Aceh (Indonesia) during the next year.

3. Contingent Liabilities

The company has provided an indemnity to Andrew Love, Liquidator of Save the Children (NSW). The company has agreed to indemnify the Liquidator, his servants

and agents, up to a limit of \$450,000 for a period of seven years from April 2002, against actions, suits, demands, claims, costs and expenses brought against them by any former employee or creditor of the company. To date, the company has not received any such claims, and does not expect to receive any.

4. Ratios

A useful measure of the Entity's administrative efficiency is its administration cost ratio, which we aim to keep below 10%. The ratio expresses administration costs (including depreciation) as a percentage of total revenue. For 2007/2008, the ratio was 7% (2006/2007, 6.9%). This increase reflects investment made in developing the organisation's capabilities for future growth.

Another ratio often given attention is the fundraising cost ratio, which expresses fundraising costs as a percentage of the funds raised. The ratio in relation to all funds raised in 2007/2008 was 33.1% (2006/2007, 33.3%). However, the meaningfulness of this ratio is affected by the range of fundraising activities. In Save the Children Australia's case this range, and the associated cost rates, varies markedly between recruitment of donors into the Committed Giving program, retail shops and special events. Fundraising activities are worth pursuing provided they generate a worthwhile surplus that can be devoted to achieving Save the Australia's goal of improving the lives of children. It is therefore necessary to be cautious when comparing the ratio with the corresponding ratio of other charities that may have quite different ways of funding their activities and reporting their results.

Director's Declaration

The directors of Save the Children Australia declare that:

- (a) the concise financial report of Save the Children Australia and Controlled Entities for the financial year ended 30 June 2008, as set out on pages 32 to 36;
 - (i) complies with Accounting Standards AASB 1039: Concise Financial Reports; and
 - (ii) is an extract from the full financial report for the year ended 30 June 2008 and has been derived from and is consistent with the full financial report of Save the Children Australia and Controlled Entities.
- (b) in the directors' opinion 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 the Board of Directors:



Brian Hartzer

Chairman

Melbourne

29 September 2008

Appendix to the Concise Financial Report

for the year ended 30 June 2008

Table of Cash Movements for Designated Purposes

\$A000's	Cash available at beginning of year	Cash raised during the financial year	Cash disbursed during the financial year	Cash available at end of year
Overseas program appeals	3,463	26,116	20,377	9,202
Emergency Appeal – Tsunami	3,236	104	1,740	1,600
Emergency Appeal – Pakistan & India Earthquake	80	0	80	0
Grants for overseas programs – ASIA	2,149	6,969	6,999	2,119
Grants for overseas programs – PACIFIC	728	5,799	4,782	1,745
Grants for Australian programs	1,439	8,412	8,371	1,480
Total for other purposes	7,540	8,298	7,077	8,761
Total	18,635	55,698	49,426	24,907

Independent Auditor's Report



BDO Kendalls

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To the members of Save the Children Australia

The accompanying concise financial report of Save the Children Australia comprises the balance sheet as at 30 June 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Save the Children Australia for the year ended 30 June 2008. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' Responsibility for the Concise Financial Report

The Directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Save the Children Australia for the year ended 30 June 2008. Our audit report on the financial report for the year was signed on 18 September 2008 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year; and examination on a test basis, of evidence supporting the amounts and other

Independent Auditor's Report (cont.)



BDO Kendalls

disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion, the concise financial report of Save the Children Australia for the year ended 30 June 2008 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

A handwritten signature in black ink that reads 'BDO Kendalls'.

BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd

A handwritten signature in black ink that reads 'Nicholas E. Burne'.

Nicholas E. Burne

Director

Melbourne

29 September 2008

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Save the Children



Save the Children

Save the Children Australia

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