



Save the Children
Australia

ANNUAL
REPORT
2007

Cover - Indonesia:
Banda-Aceh tsunami:
a child reunited
with her family
(photo: J. Carrier)

Inside cover -
Bangladesh: A child at
an early childhood
development centre.
(photo: Gazi Nafis Ahmed)



Save the Children Australia

Save the Children Australia is a member of the International Save the Children Alliance, a federation of 27 member countries. Working in over 110 countries, Save the Children globally is the world's largest independent child rights development organisation.

Save the Children was first established in England by Eglantyne Jebb in 1919 to assist children who were victims of World War I. Eglantyne Jebb's outstanding legacy is the Declaration of Rights of the Child she wrote in 1923, which formed the basis of the UN Convention on the Rights of the Child. Today, Save the Children makes a reality of children's rights to survival, development, protection and participation.

Save the Children was established in Australia in 1919 and works with disadvantaged children to reach their potential through:

- education
- health, and
- child protection programs.

We have built extensive experience in the education, health and child protection sectors, covering HIV and AIDS, microfinance, community development, water and sanitation, education, income generation, youth outreach, child protection and child rights.

We manage and implement programs in Australia and the developing countries of Bangladesh, Cambodia, Laos, Papua New Guinea, Solomon Islands, Vanuatu and Vietnam. We also support development programs through our Alliance partners in selected countries in Asia, Africa and Latin America.

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

Our purpose

Save the Children fights for children's rights. We deliver immediate and lasting changes in children's lives.

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.

Contents

Chairman's report	3
CEO's report	4
Creating strong communities for children in Australia	5
A right to education	7
A right to health	10
A right to protection	13
Tsunami in Solomon Islands	16
Save the Children worldwide	17
Acknowledgements	19
Financials	21

Thank you

Thank you to our donors, members, supporters, volunteers and staff who supported Save the Children Australia.

Chairman's Report

It is a great pleasure to write to you at the end of my first year as Chairman of Save the Children Australia.

This is an important time for our organisation and a time of great need for children in our region. Together we have the opportunity - and the responsibility - to help our young people and their communities build better lives.

Having consolidated in the last six years and grown its programs and revenue, Save the Children Australia is at a "tipping point" in its development. We have a long and proud history in Australia that spans over 80 years, and globally we have built a reputation as the world's leading, independent child rights organisation. Today, Save the Children Australia has over 400 staff across eight countries.

We have gained the trust and support of our donors and the communities in which we work, and we are delivering practical programs that range from providing basic health care in Laos to supporting the children of brothel workers in Bangladesh; from implementing youth development programs for disengaged young people in Australia to providing "safe zones" for children affected by the tsunami in the Solomon Islands.

There is always more to be done, so focus is critical. Today's challenge is to grow our programming capacity, particularly in Australia, and to build our brand awareness so we can extend our reach. And when it comes to helping disadvantaged children, although the need is limitless, it is the view of our

Board that we must address the crisis faced by Indigenous Australian children and their families.

As part of this growth focus on Australia we have launched an important fundraising campaign - *Imagine Australia* - to seek support from Australians for Australians. Funds raised will support our existing programs in the East Kimberley region in Western Australia and other areas where we need to improve the lives of Australian children and their families.

Save the Children Australia is also growing its relationship with Corporate Australia and forging truly reciprocal partnerships. The community expects more from companies today and we are working with Corporate Australia to design, build, monitor, and evaluate tailored programs that help to deliver on corporate social responsibility agendas. This is a significant opportunity for us.

I will be working closely with my fellow Board members to help the organisation manage its challenges and bring its opportunities to life. So it is with pleasure that I welcome three new Board members: Bruce Mansfield, Executive Vice President of Visa Australia and New Zealand; Lynne Jensen, who is a partner of the national law firm Allens Arthur Robinson; and Collette Tayler, a professor in the School of Early Childhood and researcher in the Centre for Learning Innovation, Queensland University of Technology in Brisbane.

In closing, I would like to pay tribute to my predecessor, Virginia Rogers. As Chairman in 2006 Virginia played a key role in building the organisation. I would also like to acknowledge our CEO Margaret Douglas, whose commitment and energy has been pivotal. Margaret was named the 2006



Chairman Brian Hartzler and CEO Margaret Douglas

Not-For-Profit CEO of the Year by Equity Trustees in recognition of the transformation that she had brought to the organisation.

Thanks to the contribution of our supporters, staff and Board, Save the Children Australia is already a success story and I look forward to working with you to build on its accomplishments. Nelson Mandela once said, "There can be no keener revelation of a society's soul than the way in which it treats its children." I am confident that together we can reveal a brighter soul in our community.

Brian Hartzler

CEO's Report

achieve the Millennium Development Goal of universal primary education by 2015.

In mid 2007, the Alliance produced two outstanding reports - *Last in Line, Last in School* and *The Story of the Future* - in which we called on the world's richest countries to donate more to education, particularly in conflict affected countries.

Australia ranks 10th among the 22 donor countries for committing their fair share of aid for education to countries affected by conflict. We have asked the Australian government to do more so that every child gets the chance to go to school by 2015.

Health is another confronting issue. On average, 1 in 13 mothers will die from pregnancy-related causes. Nearly 1 in 5 children do not reach their fifth birthday, and more than 1 in 3 children suffer from malnutrition. In May 2007, Save the Children US released the *State of the World's Mothers Report*, which compared the well-being of mothers and children in 140 countries. The gap in availability of maternal and child health services is striking when comparing Sweden, at the top of the list, and Niger, at the bottom. Investing in the health of mothers everywhere is not just the right thing to do - it is the smart thing to do. When we help mothers to improve the quality of life for themselves and their children, we improve prospects for generations to come.

Save the Children Australia has been implementing a primary health care project in the Sayaboury Province in Laos PDR for over 15 years. The project now reaches all villages in the area and the effect on women and children in particular, has been dramatic. Major health indicators such as maternal and child mortality rates have fallen dramatically and we have achieved the Millennium Development Goals in these areas.

We also know that many children do not enjoy the protection and safety that is their right. In March 2007, we marked the 200th anniversary of the abolition of the slave trade. One million children are risking their lives to work away their childhood in horrific conditions. Millions of children across the world, some as young as six, are forced to work up to 15 hours days as domestic workers. Many are beaten, starved and sexually abused. Child soldiers are still actively being recruited in at least 13 countries.

We improve the lives of children by creating safe places for them and providing access to education in Bangladesh. We have also raised awareness concerning the dangers of child trafficking in South East Asian countries such as Cambodia. Sadly, we have children growing up just as abused in developed countries such as Australia. We are fortunate in that we are one of the few global development organisations that have programs in Australia. This has enabled us to implement programs in remote areas such as the East Kimberley in Western Australia with the aim of building strong communities where children are safe and protected. We also work with young people, children and their parents to improve health and to increase access to education and employment.

We know that more needs to be done to allow children to be safe, healthy and educated for a better future. We also know that we could not have done as much as we have without the support of our donors, partners, staff, directors, members and volunteers.

Margaret Douglas

This has been a year when the issues we stand for on behalf of children; education, health and child protection, came to the fore.

Education is the key to the future for children and society, to beating poverty, to providing better health, a stable environment and stronger partnerships. In late 2006, The International Save the Children Alliance (the Alliance) launched a worldwide education campaign called "Rewrite the Future" to address the 77 million children across the world who are missing out on an education. Half of these children live in countries affected by conflict. The "Rewrite the Future" campaign is part of a huge effort to

Creating strong communities for children in Australia



Despite Australia's wealth and high standard of living, many children are still denied access to the opportunities that would enable them to achieve their potential. Save the Children Australia has been providing programs and services to vulnerable children and their families for the last 50 years.

In the East Kimberley region of Western Australia, the Communities for Children Program works in partnership with the Lingiari Foundation and local organisations to provide activities for young children and their families. The program aims to improve the health and well-being of the community, link parents to local support services and provide children with practical and educational activities.

Our Youth at Risk Programs in regional Victoria and remote Western Australia are helping young people build pathways back into education, employment and the community. As a result of our work, eight young people have gained full-time employment and 10 young people have participated in work experience.

Across Australia, we provided early childhood activities through a Mobile Playscheme Program for children aged

0 – 5 years. This service also connects parents and carers with relevant government services and resources. This program runs in New South Wales, Victoria, Queensland and the Northern Territory, providing a range of pre-school education and play activities.

After winning a National Child Protection Award last year, our Future Parents Program, a child abuse prevention training program, has now been implemented in most Australian states. A lack of skills, information, low self esteem and social isolation are common characteristics in situations where child abuse occurs. The Future Parents Program addresses these issues by providing young people essential knowledge, skills and support through an intensive two week training course.

Living with domestic violence is also a form of child abuse. In Queensland, Save the Children Australia provides

safe accommodation and support to women and children, with 90 per cent of the children aged between 1 - 12 years staying in the accommodation facility for four weeks. In 2006, support was provided to 95 women and 162 children.

In South Australia's Ceduna, Yalata and Koonibba communities, our nutrition cooking and lifeskills program has been expanded to incorporate an Eat and Greet Cooking Program for school children. The program teaches children about good food groups, nutrition and cooking.

Our Speaking Out advocacy program is now well established in South Australia, Western Australia and was recently launched in Queensland. The program informs and educates Australian children about issues that children in developing countries face, such as poverty, child labour and exploitation.

The difference for children

Our Youth at Risk Program in Wyndham, Western Australia, helped eight young people to gain full-time employment and 10 young people to participate in work experience.

.....

Save the Children Australia has established a national Future Parents Program to raise awareness of child abuse issues and provide practical parenting skills to young people.

.....

Indigenous communities in the East Kimberley region benefited through innovative programs which encourage parents to build strong relationships with their children and develop positive parenting skills.

.....

Our Speaking Out Program shared the experiences and challenges that face children in developing countries with over 5,000 children in Australian schools.

.....

Picture captions and credits

Page 5 - Australia: children from the Yalata Community in Ceduna (Photo: Susie Surtees).

Page 6 (left and extreme right) - Australia: children at an early childhood mobile playscheme in inner Sydney (Photo: Joshua Morris).

Page 6 (centre) - Australia: girl from the Yalata Community in Ceduna (Photo: Susie Surtees).

A right to education

Education is the right of every child but around 77 million children are currently missing out on school. We support formal and non-formal education programs in Australia, Asia and the Pacific.

In Vietnam, resources we developed, such as teacher resource books, have been introduced into the national curriculum and the Ministry of Education is using our 'active learning' training model for its in-service teacher training workshops.

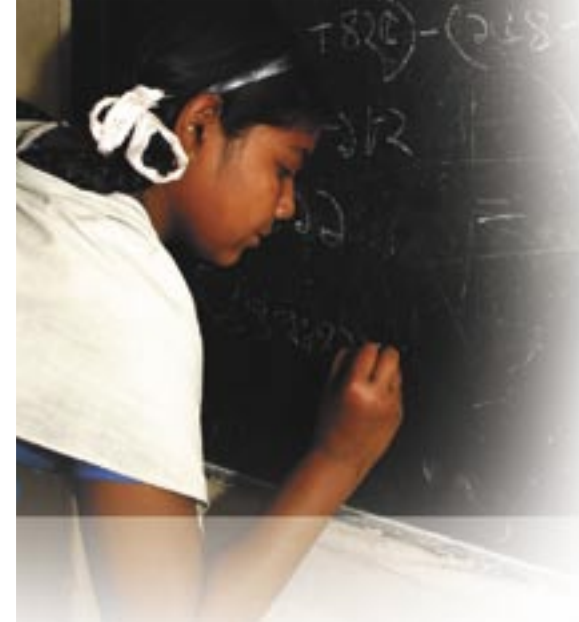
In Bangladesh, we improved access to education through the establishment of six early childhood centres for children growing up in brothels and a school which is now attended by children from the Daulatdia Brothel and the nearby village.

In the Solomon Islands, our focus has been to provide life skills education to young men and women, on important

youth issues such as reproductive health, sexually transmitted infections (STI), HIV and AIDS, substance abuse, self-esteem, children and human rights.

In Vanuatu, we developed a training manual for non-formal education for rural training centres. The manual assists teachers at 20 rural training centres to incorporate child rights in their daily curriculum.

In Australia, we provided early childhood activities through mobile playschemes to children aged 0 – 5 years across the country. This service also connects parents and carers with relevant government services and resources.



Article 28 - Child Education

Children have a right to an education. Discipline in schools should respect children's human dignity. Primary education should be free. Wealthy countries should help poorer countries achieve this.
United Nations Convention on the Rights of the Child

The difference for children

232 teachers from 12 selected project schools were trained to implement new 'active learning' primary curriculum for grade 5 in Vietnam's Bin Thuanh Province.

149 grade 1 – 4 classrooms in Vietnam were provided with classroom libraries, books, reading card sets and resources and supplies to make teaching and learning aids.

We supported 488 children to attend school in Goalundo in Bangladesh.

We established six early childhood development centres for 120 pre-school children in the Daulatdia Brothel in Bangladesh. Average attendance is around 90 per cent, indicating the relevance and success of this activity in meeting the needs of both the children and their mothers.

252 child peer leaders received training on how to facilitate Life Skills workshops in Bangladesh. This training will allow them to reach 7680 of their peers in government high schools in 64 districts of the country.

Over 4,200 children in Cambodia were provided with school materials, uniforms, shoes and bicycles to help them have better access to education.

250 young men and women were provided with life skills education on important youth issues in the Solomon Islands.

Our early childhood development mobile playscheme service across Australia reached over 500 children, providing pre-school educational activities for children who would otherwise not have access to such facilities.

Save the Children Mooroopna Kindergarten in Victoria was recognised as a best practice education provider for its work with Indigenous students.



Picture captions and credits

Page 7 - Bangladesh: A girl from the Kormojibi Kallyan Songstha School (Photo: Gazi Nafis Ahmed).

Page 8 - Bangladesh - a girl writing (Photo: Gazi Nafis Ahmed).

Page 8 - Cambodia: Save the Children Australia CEO Margaret Douglas with a student (Photo: Judith Ascroft).

Save the Children Australia CEO, Margaret Douglas, at a school in Cambodia

Case Study

Ms Bich Thi Trieu – Trainer and teacher

Bich Thi Trieu is the school principal of Lac Tri Primary School and has been a trainer with Save the Children Australia's teacher training projects for almost five years implementing the active learning methodology in Vietnam. Trieu is a Cham woman (one of Vietnam's ethnic minorities) who comes from a family of eight children in a remote village. Her first teaching job was in the mountains at a school for Cham children.

Trieu was very proud of her school when it was chosen as a model project school by the provincial education department. She works with Cham parents to allow their children to go to school instead of keeping them at home to work on the farm. She says "The most successful work of our school is that the children do not drop out of class. They really want to go to school. This is a good change for the Cham people."

Trieu's stories have inspired many educators and teachers to provide more educational opportunities and better learning environments for ethnic minority children. She keeps her knowledge up to date by attending Save the Children Australia's teacher training workshops and happily shares her experiences of working with Cham children. Trieu works with other teachers to implement the 'active learning' methodology in schools using the Cham and Vietnamese languages.

Trieu graduated from a teacher training colleague whilst running her school in 2003. She now wants to acquire a Bachelor degree from the University of Pedagogy in Ho Chi Minh City so that she can improve her work with Cham children.



Cambodia: Teacher, Bich Thi Trieu with students (Photo: Judith Ascroft)

A right to health

Every child has a right to access health care. We work to improve access to quality and affordable healthcare.

In Lao PDR, we continued to support our primary health care project in Sayaboury Province and are now replicating this successful project in neighbouring Luang Prabang Province with the assistance of Save the Children Korea and the Korean Aid Agency. The project will focus on maternal and child healthcare.

In Vietnam's An Giang Province, our Water and Sanitation Project developed a health education program in order to increase school children and their families' knowledge and practice of sanitation and hygiene.

Our Orphans and Vulnerable Children Projects in Cambodia provided training to 120 monks and volunteers on HIV and AIDS and issues that affect orphans and vulnerable children. The project supports children orphaned or affected by HIV and AIDS and is implemented through Buddhist pagodas by monks, volunteers and our staff.

In Cambodia, Save the Children Australia has been contracted by the Ministry of Health to provide quality health services to a population of almost 300,000. Approximately 300 staff have been trained in hospitals, health centres and health posts, and a community surveillance system has been established through trained health volunteers and traditional birth attendants to respond to disease outbreaks. Community knowledge



Lao: mother and child (Photo: Judith Ascroft)

and awareness has improved, leading to increased utilisation of health services. For example, immunisation rates of children are over 85 per cent, significantly reducing infant and child deaths.

In the Solomon Islands, we supported two government clinics to provide services such as treatment, counselling and testing for HIV and provided training to high risk groups to promote behavioural change.

In Papua New Guinea (PNG) we trained 40 female sex workers on HIV prevention. These women will reach out to a further 400 women with

information on referral services and sexually transmitted infections (STI) and HIV prevention.

We also provided tailored sexual health clinical services to girls and women in sex work as well as their clients in Port Moresby in PNG. The clinic provided services to more than 1,000 people.

In Vanuatu, we provided health support to an estimated 1,000 villages in the country's most remote communities. The project also assisted in training rural area nurses to coordinate and support health workers in remote villages.



Article 24 - Child Health

Children have the right to good quality health care, to clean water, nutritious food, and a clean environment, so that they will stay healthy. Rich countries should help poorer countries achieve this.

United Nations Convention on the Rights of the Child

The difference for children

Save the Children Australia has achieved two of the Millennium Development Goals in Sayaboury province in Laos. The maternal mortality rate is down to 77 per 100,000 live births compared to the national average of 430 per 100,000 and the infant mortality rate is 14 per 1,000 live births compared to the national average of 70 per 1,000.

In Cambodia, we provided practical and emotional support to over 8,200 people, including 5,200 orphans and vulnerable children impacted by HIV and AIDS.

We provided over 4,000 children with sanitation and hygiene education in primary schools in An Giang Province in Vietnam.

In PNG, we supported our partner, Mt. Sion Centre, to provide ear and eye screening checks for children and young people with disabilities. During 2006, a total of 2,382 children were screened, with 277 found to have hearing or vision defects.

We trained 40 female sex workers on HIV prevention to act as peer educators amongst their peers in the community. These women will reach out to a further 400 women with valuable information on referral services and STI and HIV prevention.

At an HIV and AIDS workshop in Papua New Guinea

Picture captions and credits

Page 11 (top left) - Laos: child at a health centre. (Photo: Judith Ascroft).

Page 11 (bottom) - Papua New Guinea: at an HIV and AIDS workshop (Photo: Christopher Hershey).

Page 12 - Cambodia: young girl (Photo: Judith Ascroft).

Case Study

Orphans and vulnerable children program

The Orphans and Vulnerable Children (OVC) Projects improve the lives of thousands of orphans and vulnerable children and their families in Cambodia. Working through Buddhist pagodas we provided practical and emotional support to children and their families with the assistance of monks and volunteers.

The OVC program supports over 8,200 people. Srey Pouv*, a grandmother who is looking after her three granddaughters is one of them. The youngest child who is 6 years old was recently confirmed as HIV positive. The eldest girl had to stop attending school to work and help to provide for the family. With the assistance of the OVC program and the monks, the girl is now back at school and her little sister is receiving medical attention.

Bora*, 8, and his sister who is 13 years old have also been living with their grandparents since they were orphaned five years ago. Bora was recently confirmed as HIV positive and is receiving medical attention. The monks have been provided counselling and support to Bora and his family.

Thanks to the help and advocacy of the OVC Projects and the Buddhist monks the lives of orphans such as Bora have improved significantly. A specific emphasis of the OVC Project is to keep the orphaned and vulnerable children within their community as much as possible.

* not real names



A right to protection

Every child has the right to be protected from any activity that could harm their development. We advocate for an environment that protects children.

Save the Children Australia manages and implements child protection programs on child abuse and exploitation, juvenile justice and child trafficking.

In Bangladesh, we have established a safe home for 50 girls growing up in the Daulatdia Brothel where they are provided with accommodation and education. We also promoted child rights and child participation through the establishment of child councils.

Child trafficking and child labour took centre stage in Laos during a Children

and Young People's Forum on Anti-Trafficking. The Forum was attended by children and young people and is part of a regional cross-border anti-trafficking project implemented in conjunction with Save the Children United Kingdom.

In the Solomon Islands we contribute to policy development to benefit children and young people and lead a task force to develop a national crime prevention strategy. We also work with the judicial system to ensure that international standards for child protection are met with regard to children and young people in conflict with the law.

In Vanuatu, we continue to raise awareness and build support for the rights and well-being of children. During the "Vanuatu National Children's Day", we encouraged parents to register their children at birth to facilitate education and health services for the children.

In Goroka, Papua New Guinea, hundreds of school children took to the streets to claim their rights on International Children's Day, as part of our Child Rights Project. We also provided training on child rights and child participation to child welfare officers, government authorities and other non-government organisations.

In Australia, we are expanding our child abuse prevention training course, Future Parents Program, nationally. The program won a National Child Protection Award from the Federal Government in 2006.



Article 36 - Child Protection

Children should be protected from any activities that could harm their development.

United Nations Convention on the Rights of the Child

The difference for children

At any one time across the world, around 1.8 million children are being abused through prostitution, child pornography and sex tourism. Our Safe Home for girls born in the Daulatdia Brothel provided safe accommodation and education to 50 girls, breaking the cycle of exploitation.

We promoted awareness of child trafficking in Cambodia through the production of a video – *Away from home* - to educate young Cambodians about the dangers of unsafe migration and possible exploitation.

We provided vocational training to 49 juveniles and young adults incarcerated in prisons in Kampong Cham Province in Cambodia.

In the Solomon Islands, we created awareness of child rights through groups representing more than 20,000 children. Child rights materials are now included in the national educational curriculum.

Our Youth Outreach Project in the Solomon Islands trained 200 young people on child rights. The participants will share this knowledge through a peer to peer approach and community awareness activities.

In Bangladesh, 3,536 child members of the National Children's Task Force raised awareness about child rights issues including child marriage, education and child labour.

Also in Bangladesh, 8,006 child leaders in Tangail, Chittagong and Cox's Bazaar were trained in Child Council management and 188 trained child journalists actively promoted child rights issues through the publication of a newsletter, *Shishu Kantha*, (Children's Voice) in different regions of the country.



Picture captions and credits

Page 13 - Laos: young girl (Photo: Judith Ascroft).

Page 14 - Laos: mother and child (Photo: Judith Ascroft).

Page 14 - Bangladesh: children (Photo: Gazi Nafis Ahmed).

Case study

Suraiya*

Suraiya*, aged 17, has been living in the Safe Home near Daulatdia Brothel in Goalundo for the past eight years. The Home is run by Save the Children Australia and partner organisation, Kormojibi Kallyan Songstha.

The Safe Home provides an alternative home for adolescent girls where they can receive care and protection and an opportunity to continue their education outside the brothel.

Suraiya is one of the Safe Home's success stories. She is preparing to undertake a paramedic training course in Dhaka. The course will take one year and is an opportunity that wouldn't have been possible if she had remained living in the brothel environment. Suraiya says that she is sad to leave her friends but is looking forward to the adventure ahead of her.

* not her real name



Bangladesh: girls at the Safe Home (Photo: Gazi Nafis Ahmed).

Tsunami in the Solomon Islands



Solomon Islands: girl at a play safe area (Photo: Rohan Kent).

In April 2007, a tsunami struck the north western parts of Solomon Islands, causing significant damage. Fifty two people lost their lives. It is estimated that over 10,000 people were displaced, including 6,000 children.

Save the Children Australia has been active in the Solomon Islands since 1986 working with communities to address the issues that hinder the development of children and young people. Due to our presence in Gizo in the North West region we were able to mobilise over 340 young people as volunteers.

With support from the European Commission Humanitarian Aid Department and UNICEF, we deployed a team to conduct child protection and educational assessments and established safe spaces for children (0-18 years) to play and learn. This is a proven method in returning a sense of normality in such situations. To date, there are 83 play safe areas in operation catering for over 8,000 children.

Working in partnership with other agencies such as Global Medic, we installed 17 portable water filter systems on different islands to provide drinking water to villages and hospitals in Munda and Gizo. We also distributed much needed water to remote areas on Gizo Island. Additionally, we implemented eight projects to increase food production for local families on Gizo Island.

Save the Children Australia's response would not have been as effective without the invaluable support of our Youth Outreach Program volunteers. These young people kept members of the community informed and helped us to ensure that the services we provided reached the community.

The rebuilding process was made easier by the generous and immediate response from the Australian public and corporate supporters, such as ANZ bank, who donated much needed funds to help the people of the Solomon Islands rebuild their lives.

Youth involvement a success

The role the youth played in helping their communities to survive the aftermath of the Solomon Islands tsunami in April 2007 is a clear demonstration of the success of the Youth Outreach Project (YOP).

The youth also played a key role in the reconstruction process, assisting to deliver relief items to villages, and helping to construct temporary shelters and play safe areas. A strong network of over 6,000 young people works with Save the Children Australia throughout the islands to keep communities informed about child based issues.

Save the Children Australia started the YOP project in 1988 to help the youth identify and address the issues that impact on their development – unemployment, high risk sexual behaviour and feelings of alienation, among others. Today, the project is operational in 70 communities covering a population of approximately 20,000 people. Over 1400 youth participants have been provided with life skills training that has helped them to engage positively with their communities. The trained participants are encouraged to share acquired information with their peers using activities such as street drama, sport, video shows, debates and exhibitions.

Save the Children Australia also runs youth outreach projects in Vanuatu and Papua New Guinea. Children and youth constitute more than 50 per cent of the population in the Pacific. This large target audience has provided our youth outreach programs with the opportunity to work with young people to contribute towards building a stable environment in the region.

Save the Children world-wide works in over 110 countries.

Save the Children is the world's largest independent child rights development organisation.

Many Australians made monthly donations through our committed giving programs: Child Guardians, Child Link and Global Neighbours. The regular support provided us with the opportunity to address the underlying causes of inequality.

Funds collected through our Global Neighbours program supported our activities in the three vital areas of education, health and child protection.

Regional programs such as Child Guardians supported our work in Africa, Asia and Latin America.

Our country specific Child Link program saw donations going to Mozambique, Brazil, Vietnam, India, China, Cambodia, Bangladesh, Nepal, Bhutan, Guatemala, Haiti, Ethiopia and Malawi.



 Countries where Save the Children is working

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
NZAID
SalesForce
Save the Children Korea
Save the Children New Zealand
Save the Children UK
Save the Children US
The Canada Fund for Local Initiatives
UK Department for International Development (DfID)
UNFPA
UNICEF
United Nations Family Population Fund (UNFPA)
World Food Program
World Vision Australia

Australia Programs

Australian Government Department of Families, Community Services and Indigenous Affairs (FACSlA)
Anglicare (TRACC Shared Family Care)
Department of Human Services
Department of Education Science & Training
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 Gambling Community Benefit Fund
Queensland Government Department of Housing
Silky Oaks Children's Haven
State Government of Victoria Department of Human Services
Australian Government Department of Education, Science & Training

Community and Business Support

A-Team Printing
ABC Radio
Acorn Prudential
Advertiser Newspapers
Allens Arthur Robinson
Alfred Felton Bequest
Alumina Ltd
American Express
AMP Foundation
Anglicare (Spiritus)
ANZ
ArtPlay
Ashmont Community Centre
Association of Independently Owned Financial Planners (AIOFP)
Barrick Gold Corporation
BBS Public Relations
Beach Petroleum
Besen Family Trust
Bird in Hand Winery
BHP Billiton
Brisbane City Council City Business Division
Brisbane Girls Grammar School
Carlingford Fleet Pty Ltd
Cadbury
Caulfield Grammar School
Charity Fund Australia
Charities Aid Foundation Australia
Channel Seven Adelaide
Cheap as Chips
Chess Moving
CITEC Systems
City Tattersalls Club, NSW branch
City of Melbourne
City of Sydney Council
City of Sydney RSL Club
Clayton Utz Foundation
Clever Planet
Collier Charitable Fund
Colin Thompson

Coopers
Community Newspaper Group
D��cor Corporation
Domestic Violence Crisis Service
Equity Trustees
Elisabeth Murdoch Trust
Empowered Communications
FoodbankSA
Federation Square Management
Mr W. H. Green
Gribbles Group
Gumbrae Avenue Group
Helen MacPherson Smith Trust
Holiday Invest
Holmes �� Court Foundation
Honda Foundation
Hyatt Regency Adelaide
Ian McNair Charitable Foundation
IKEA
IOOF Foundation
Kendacraft Jewellery
Ken McLeod & Company
Kilmany Uniting Care
Kitchener Press
KRL Media
Lonely Planet Foundation
Lord Mayor's Charitable Fund
Macquarie Bank
Margit Cruice
M&CSaatchi
Metalicus
Mix 102.3
Morialta Trust Incorporated
MyBudget
Myora Pty Ltd
Network Ten
PacificHydro
P & H MinePro Services
Parri Estate Wines
Perpetual Trustees Company Ltd
Playlovers Inc.
PricewaterhouseCoopers Foundation
Redcliffe City Council

Relationships Australia
Renmark Branch
Rio Tinto
SalesForce
Santina Stransky
Mr John Shaw
Savings & Loans Credit Union
Shell Australia
Soroptimist International
Soul Studios
Stirling-Aldgate Branch
Stonnington City Council
Southern Cross Television
Sydney Opera House Trust
TafeSA
The Danks Trust
The Bell Charitable Fund
The Boston Consulting Group
The Cobra Group
The Elwood Lounge
The West Australian Newspaper
Telstra Country Wide
Toop & Toop
Transfield Services
Trinity Grammar School
UBS Wealth Management
University of WA
Vili's Cakes
Warner Brothers
WDT Engineers
Wellington International Management
Westfield Limited
Westpac Banking Corporation
William Angliss (Victoria) Charitable Fund
Work Skil Inc
World Nomads
Wrest Point Hotel
Xstrata Community Partnership Programs Queensland
Zart Art
Zonta Club of Brisbane

Bequests

Estate of William Arthur Cant
Estate of Leslie Hocking Cocks
Estate Margaret Elvira Collingridge
Estate of Alison Mary Dolling
Estate Bertha Forrest
Estate of Grace Dorothea Kempe
Estate of Renata McMillan
Estate of Mary Joseph Oliver
Estate of Robyn Palin
Estate Aileen Williams
The Shirley Gertrude Lane Trust Account
The Hackett Foundation Trust

We would also like to acknowledge the members, volunteers, donors and supporters, who so generously supported Save the Children Australia.

Save the Children Australia and controlled entities

Concise Financial Report
For the year ended 30 June 2007

The concise financial report incorporating the financial statements and other specific disclosures required by Accounting Standard AASB 1039 Concise Financial Reports 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 to all members, and will be sent without charge upon request. All 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

Directors’ Report to Members

The directors present their report together with the Financial Report of Save the Children Australia (“the company” or “SCA”) and controlled entities for the year ended 30 June 2007, and the auditor’s report thereon.

I. 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
	Gillian Groom
	Geoffrey Mildred
	Phillip Ransom
	Brian Hartzer
Directors for part of the financial year were:	Anthony Nicholls
	Virginia Rogers (term expired November 2006)
	Lynne Jensen (appointed November 2006)
	Sue Morphet (resigned July 2006)
	Bruce Mansfield (appointed February 2007)
	James Alt-Graham (appointed July 2006 and resigned February 2007)
	Collette Tayler (appointed July 2006)
	Penelope Cunningham (alternate for James Alt - Graham)

2. Directors’ meetings

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

	Directors’ Meetings	
	Number of meetings attended	Number of meetings eligible to attend (*)
Cliff Caldwell	6	6
Jill Cameron	6	6
Collette Tayler	5	6
Gillian Groom	5	6
Brian Hartzer	5	6
Geoffrey Mildred	6	6
Anthony Nicholls	5	6
Sue Morphet	0	0
Phillip Ransom	6	6
Virginia Rogers	2	3
Lynne Jensen	3	4
Bruce Mansfield	3	3
James Alt-Graham	1	3

3. Information on Directors

(a) Brian Hartzler – Chair

Brian is Group Managing Director of ANZ's Personal Division, serving the bank's retail and small business customer base in Australia and the Pacific. Prior to this Brian spent five years as Managing Director of ANZ's Consumer Finance business across Australia, New Zealand, the Philippines, and Indonesia. He 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. He is also a Director of Metrobank Cards Corporation (Philippines) and the Visa International Asia Pacific Board, and Chair of the ANZ Staff Foundation and ANZ Diversity Council.

Brian has a BA in European history and is also a Chartered Financial Analyst.

(b) Jill Cameron – Deputy Chair

Jill Cameron has a wealth of experience in the areas of children's services, education, health and community services. She 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 former Save the Children Australia Western Australian State Management Committee in 1999 and became a member of Save the Children Australia's Program Advisory Committee in 2001. She 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, ACA, 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 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 graduated Bachelor of Economics (Hons), with majors in accounting and economics. He has wide experience in finance, having been Finance Director for Cadbury Schweppes, Director of Incitec Limited (a subsidiary of ICI Australia) and Executive Director, Finance of ICI Australia Limited. In 1994, he was appointed by the Victorian Government as Chief Commissioner for the City of Glen Eira and, during that period was also General Manager for Australian Foundation Investment Company Limited, Djerriwarh Investments and AMCIL Limited, with collective assets of \$4 billion.

In mid-2001, Cliff was appointed to the Save the Children Alliance Panel of Chief Advisers, which advises the Alliance and member organisations on matters of governance, management and finance.

Cliff joined the Save the Children Australia Board of Directors in November 2002.

(e) Gillian Groom

Gillian holds a Diploma of Occupational Therapy and operates a consultancy providing rehabilitation services to business, industry, private hospitals and individuals.

Gillian is a member of the Film and Literature Classification Review Board which reviews children's films and computer games, amongst other things.

Gillian's professional associations include the Tasmanian Association of Vocational Rehabilitation Providers, the Australian Association of Occupational Therapists Tas Inc, and the Tasmanian Association of Cardiac Rehabilitation. Gillian is also a member of the World Federation of Occupational Therapists.

Gillian is a past Chair of the Board of Save the Children Tasmania and is a member of boards and committees of various organisations in Tasmania. Gillian joined the Save the Children Australia Board of Directors in November 2001.

(f) Geoffrey Mildred

Geoffrey Mildred BA(Hons), AKC, PGCE, DipEd, LRAM, MEd(Admin), PhD, FAIM, CPMgr; has extensive experience in education and associated fields. His management experience includes 13 years as CEO of higher education institutions in the UK and Australia, and running his own business as a management consultant specialising in the fields of organisational culture and human resources. In recent years his consultancy has focused on developing oral and written communication skills.

He is a Fellow of the Australian Institute of Management (AIM) and has been designated a Certified Professional Manager by the AIM. Geoffrey has been involved with Save the Children for more than 35 years and, before joining the Save the Children Australia Board of Directors in 2003, served on the former South Australian Board and the State Management Committee.

(g) Anthony Nicholls

Anthony is the Managing Director of the Carlingford Group of companies which has interests in Leasing, Car Rental and Property Development. He also lectures in the areas of taxation and corporate compliance, and has a degree in Commerce and a diploma in Rural Business Management. Anthony joined the Save the Children Australia Board of Directors in November 2005.

(h) Bruce Mansfield

Bruce Mansfield 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.

(i) Collette Tayler

Collette is Research Professor at the School of Early Childhood at the Queensland University of Technology.

In this role she assists advocacy in the field of early childhood and leads collaborative studies involving the university, government and public and private institutions focussing on challenges in this field. Collette's research seeks to understand and explain both universal principles and contextual variation in the care, education and upbringing of young children. She is also a consultant to UNESCO and has worked in a number of countries including UK, Japan, China, both North and South Korea and Vietnam.

Most recently, Collette was co-author of *Starting Strong II*, the OECD report of Early Childhood Care and Education.

Collette joined the Save the Children Australia Board of Directors in July 2006.

(j) Lynne Jensen

Lynne Jensen is a partner of the national law firm Allens Arthur Robinson. She 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.

She 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.

4. Directors and officers

(a) Company Secretary

The Company Secretary is David McLaughlan B.A, 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 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 SCA engagement; and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

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

(c) Indemnities

During the year, the company agreed 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 are concerned with the welfare and rights of children as stated in the UN Declaration on the Rights of the 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 economic 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.

(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. SCA has received a total of \$5.34 million, of that \$0.23 million has been expensed to collection and administration costs. SCA has already contributed \$2.01 million on work done by Save the Children Alliance members in the affected areas. A further amount of \$3.1 million will be spent in Banda Aceh over the next two years. Remittance of the fund balance has been delayed pending approvals for the commencement of infrastructure projects supported by SCA funds. Interest earned on accumulated funds will be allocated to programs to support victims of Tsunami.

(d) Revenue and results

Revenue for the year to 30 June 2007 of \$42.3 million was marginally below revenue for 2006. There were two major causes for the flatness in the revenue data. The first was a change in the process by which SCA receives credit for donations made by donors through direct charges to their credit cards, the immediate effect of which was to reduce revenue by \$2.2 million. The second was discontinuation of the contributions by other members of the International Save the Children Alliance to the costs of SCA's successful donor recruitment program, which in the 2006 financial year included \$1.1 million in revenue (as required to satisfy accounting standards).

A compensating factor was an increase in grants from government instrumentalities and institutions of \$1.1 million. Revenue from this source can fluctuate from year to year depending primarily on the timing of expenditure on the programs supported by such grants.

Spending on overseas projects was \$2.3 million less than the prior year. However, spending on overseas programs is expected to return to previous levels in due course, and ultimately to grow, though it is also our intention to increase program spending in Australia.

Net operating surplus for the year was \$2.0 million (\$1.5 million in 2006).

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

There have not been any significant changes in the state of affairs of the economic entity during the financial year.

8. Events subsequent to balance date

There have not been any reportable events subsequent to balance date.

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.

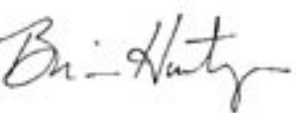
10. Environmental issues

The economic 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 27 and forms part of the Directors' Report for the financial year ended 30 June 2007.

Signed in accordance with a resolution of the directors.



Brian Hartzer
Chairman

Melbourne
20 September 2007



BDO Kendalls

BDO Kendalls Audit & Assurance (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

Auditor’s Independence Declaration

As lead auditor for the audit of Save the Children Australia and Controlled Entities for the year ended 30th June 2007 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 this audit; and
- any applicable code of professional conduct in relation to this audit.

BDO Kendalls Audit & Assurance (VIC) Pty Ltd



Nicholas E Burne
Director
20 September 2007

Consolidated Income Statement

For the year ended 30 June 2007

	Economic Entity	
	2007	2006
	\$	\$
Revenue from continuing operations		
Donations and gifts	24,788,137	25,274,862
Legacies and bequests	547,384	570,855
Grants		
- AusAID	3,307,947	1,864,861
- other Australian	5,836,907	5,071,324
- other overseas	3,992,324	5,122,155
Contributions to fundraising costs from other members of the International Save the Children Alliance	-	1,139,103
Revenues from commercial activities	3,226,720	2,870,868
Interest income	568,944	456,830
Investment income	-	-
Miscellaneous income	13,916	111,923
	42,282,279	42,482,781
Expenses		
Funds to overseas projects	19,938,819	22,188,872
Other project costs	582,573	368,984
Domestic projects	6,383,164	5,276,817
Community education	-	-
Fundraising costs		
• public	8,449,474	8,875,754
• government, multilateral and private	-	-
Commercial activities	1,985,881	1,588,543
Administration	2,917,066	2,723,763
Total expenses	40,256,977	41,022,733
Net surplus	2,025,302	1,460,048

Consolidated Balance Sheet

As at 30 June 2007

	Economic Entity	
	2007	2006
	\$	\$
Current assets		
Cash and cash equivalents	18,635,028	15,332,752
Trade and other receivables	2,024,692	1,214,138
Inventories	179,435	151,286
Total current assets	20,839,155	16,698,176
Non-current assets		
Other financial assets	141,511	140,165
Property, plant and equipment	2,148,190	1,754,644
Total non-current assets	2,289,701	1,894,809
Total assets	23,128,856	18,592,985
Current liabilities		
Trade and other payables	12,908,788	10,522,026
Short term borrowings	6,720	5,387
Provisions	265,565	134,917
Total current liabilities	13,181,073	10,662,330
Non-current liabilities		
Long term borrowings	36,878	43,529
Provisions	241,698	244,567
Total non-current liabilities	278,576	288,096
Total liabilities	13,459,649	10,950,426
Net assets	9,669,207	7,642,559
Equity		
Reserves	1,346	-
Accumulated funds	9,667,861	7,642,559
Total equity	9,669,207	7,642,559

Consolidated Statement of Changes in Equity

For the year ended 30 June 2007

	Economic Entity	
	2007	2006
	\$	\$
Balance of accumulated funds at 1 July	7,642,559	6,182,511
Changes in fair value of available for sale financial assets	1,346	-
Net income recognised directly in equity	1,346	-
Surplus for the year	2,025,302	1,460,048
Total recognised income and expense for the year	2,026,648	1,460,048
Balance at 30 June	9,669,207	7,642,559

Consolidated Cash Flow Statement

For the year ended 30 June 2007

	Economic Entity	
	2007	2006
	\$	\$
Cash flows from operating activities		
Cash received in the course of operations	42,405,529	41,399,139
Cash paid in the course of operations	(38,940,901)	(40,006,745)
Interest received	568,944	456,830
Net cash provided by operating activities	4,033,572	1,849,224
Cash flows from investing activities		
Proceeds from sale of non-current assets	115,605	61,750
Payments for plant and equipment	(841,583)	(527,211)
Net cash provided used in investing activities	(725,978)	(465,461)
Cash flows from financing activities		
Finance lease repayments	(5,318)	(2,921)
Net cash used in financing activities	(5,318)	(2,921)
Net increase in cash held	3,302,276	1,380,842
Cash at the beginning of the financial year	15,332,752	13,951,910
Cash at the end of the financial year	18,635,028	15,332,752

Notes to the Concise Financial Report

For the year ended 30 June 2007

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

SCA have elected to apply the following pronouncements to the annual reporting period beginning 1 July 2006:

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

In its 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. SCA has received a total of \$5.34 million, of that \$0.23 million has been expensed to collection and administration costs. SCA has already contributed \$2.01 million on work done by Save the Children Alliance members in the affected areas. A further amount of \$3.1 million will be spent in Banda Aceh over the next two years. Remittance of the fund balance has been delayed pending approvals for the commencement of infrastructure projects supported by SCA funds. Interest earned on accumulated funds will be allocated to programs to support victims of Tsunami.

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 economic 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 2006/2007, the ratio was 6.9% (2005/2006, 6.4%). The 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 2006/2007 was 33.3% (2005/2006, 34.3%).

However, the meaningfulness of this ratio is affected by the range of fundraising activities. In SCA's case this range, and the associated cost rates, varies markedly as between recruitment of donors, retail shops, and special events. Fundraising activities are worth pursuing provided they generate a worthwhile surplus that can be devoted to achieving SCA'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 the Save the Children Australia declare that:

- the concise financial report of Save the Children Australia and controlled entities for the financial year ended 30 June 2007, as set out on pages 28 to 31.
 - complies with Accounting Standard AASB 1039: Concise Financial Reports; and
 - is an extract from the full financial report for the year ended 30 June 2007 and has been derived from and is consistent with the full financial report of Save the Children Australia and Controlled Entities.
- 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 Hartzler
Chairman

Melbourne
20 September 2007



BDO Kendalls Audit & Assurance (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

Independent Auditor’s Report on the Concise Financial Report

The accompanying concise financial report of Save the Children Australia comprises the balance sheet as at 30 June 2007, 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 2007. 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 2007. Our audit report on the financial report for the year was signed on 20 September, 2007 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 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*.

Auditor’s Opinion

In our opinion, the concise financial report of Save the Children Australia for the year ended 30 June 2007 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

Dated the 20th day of September, 2007.

BDO KENDALLS AUDIT & ASSURANCE (VIC) PTY LTD
Chartered Accountants

NICHOLAS E BURNE
Director

BDO Kendalls is a national association of separate partnerships and entities

Appendix to the Concise Financial Report

For the year ended 30 June 2007

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	3,156	20,534	20,227	3,463
Emergency Appeal - Tsunami	3,336	116	216	3,326
Emergency Appeal - Pakistan & India Earthquake	80	0	0	80
Grants for overseas programs - ASIA	749	7,857	6,457	2,149
Grants for overseas programs - PACIFIC	584	4,101	3,957	728
Grants for Australian programs	696	6,430	5,687	1,439
Total for other purposes	6,732	8,979	8,171	7,540
TOTAL	15,333	48,017	44,715	18,635

In the absence of a contrary statement, the programs represented in this publication, by way of photograph or other reference, are programs which are managed by either Save the Children Australia or the International Save the Children Alliance (ISCA) members and/or their partners (to which Save the Children Australia may have contributed). In the instance of programs managed by the ISCA, the contribution value provided by Save the Children Australia varies depending on each program and its location. All photographs presented in this publication are the intellectual property of Save the Children Australia and/or the ISCA unless otherwise stated. All inquiries should be directed to Corporate Affairs Department, Save the Children Australia.



Save the Children
Australia

Save the Children Australia
Level 6, 250 Victoria Parade,
East Melbourne VIC 3002
(PO Box 340, Fitzroy VIC 3065)

Telephone: +61 3 9938 2000
Facsimile: +61 3 9938 2099
Email: info@savethechildren.org.au
Website: www.savethechildren.org.au