



**2017**

# **Financial Statements**



**Save the Children**

**Save the Children Australia**  
**ACN 008 610 035**

Consolidated income statement and statement of comprehensive income for the year ended 31 December 2017

		CONSOLIDATED	
	Note	2017	2016
		\$000	\$000
<b>REVENUE</b>			
Donations and gifts – monetary		28,567	26,993
Donations and gifts – non-monetary		434	101
Bequests and legacies		1,930	1,789
Grants			
- Department Foreign Affairs and Trade		19,045	26,549
- Other Australian		40,720	32,361
- Other overseas		7,035	8,446
Revenues from commercial activities	2	8,303	6,662
<b>OTHER INCOME</b>			
Investment income	3 (a)	307	824
Other income	3 (b)	1,087	1,996
Discount on acquisition	22(a)	1,196	-
<b>TOTAL REVENUE</b>		<b>108,624</b>	<b>105,721</b>
<b>EXPENDITURE</b>			
<b>International Aid and Development Programs Expenditure</b>			
International programs			
- Funds to international programs		32,704	42,166
- Program support costs		2,849	3,090
<b>Domestic Aid and Development Programs Expenditure</b>			
Domestic programs			
- Funds to domestic programs		37,638	29,541
- Program support costs		1,518	1,672
<b>Community Education</b>		3,385	3,493
<b>Fundraising costs</b> (International and Domestic)			
- Public – monetary		12,894	11,294
- Government, multilateral and private		1,460	1,330
<b>Commercial activities Domestic</b>		7,841	6,677
<b>Accountability and Administration</b> (International and Domestic)		10,019	9,923
<b>TOTAL EXPENDITURE</b>		<b>110,308</b>	<b>109,186</b>
<b>Shortfall of income over expenditure from continuing operations</b>		<b>(1,684)</b>	<b>(3,465)</b>

The accompanying notes form part of these financial statements.

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Consolidated income statement and statement of comprehensive income for the year ended 31 December 2017

	Note	CONSOLIDATED	
		2017	2016
		\$000	\$000
Shortfall of income over expenditure from continuing operations		(1,684)	(3,465)
Other comprehensive income for the year		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(1,684)</b>	<b>(3,465)</b>

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

The accompanying notes form part of these financial statements.

**Save the Children Australia**  
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Consolidated statement of financial position for the year ended 31 December 2017

		CONSOLIDATED	
	Note	2017	2016
		\$000	\$000
<b>ASSETS</b>			
<b>Current assets</b>			
- Cash and cash equivalents	6	18,617	26,929
- Trade and other receivables	7	12,174	12,981
- Inventories	8	514	119
Total current assets		31,305	40,029
<b>Non-current assets</b>			
- Goodwill	10,22(b)	156	-
- Property, plant and equipment	9	5,056	5,788
- Intangible Assets	10	2,446	1,206
Total non-current assets		7,658	6,994
<b>TOTAL ASSETS</b>		<b>38,963</b>	<b>47,023</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
- Trade and other payables	11	7,317	17,407
- Provisions	12	3,296	3,184
- Deferred income	13	25,237	21,942
- Total current liabilities		35,850	42,533
<b>Non-current liabilities</b>			
- Trade and other payables	11	487	359
- Provisions	12	1,144	965
Total non-current liabilities		1,631	1,324
<b>TOTAL LIABILITIES</b>		<b>37,481</b>	<b>43,857</b>
<b>NET ASSETS</b>		<b>1,482</b>	<b>3,166</b>
<b>EQUITY</b>			
Accumulated Surplus		1,482	3,166
<b>TOTAL EQUITY</b>		<b>1,482</b>	<b>3,166</b>

The accompanying notes form part of these financial statements.

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Consolidated statement of changes in equity for the year ended 31 December 2017

	Accumulated Surplus \$000	Total Equity \$000
<b>Balance at 31 December 2015</b>	6,631	6,631
<b>Total comprehensive income for the year</b>		
Shortfall of income over expenditure for the year	(3,465)	(3,465)
<b>BALANCE AT 31 DECEMBER 2016</b>	<b>3,166</b>	<b>3,166</b>
<b>Total comprehensive income for the year</b>		
Shortfall of income over expenditure for the year	(1,684)	(1,684)
Other comprehensive income for the year	-	-
<b>BALANCE AT 31 DECEMBER 2017</b>	<b>1,482</b>	<b>1,482</b>

The accompanying notes form part of these financial statements.

**Save the Children Australia**  
**ACN 008 610 035**

**Consolidated statement of cash flows for the year ended 31 December 2017**

		<b>CONSOLIDATED</b>	
	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$000</b>	<b>\$000</b>
<b>Cash flows from operating activities</b>			
- Cash received in the course of operations (inclusive of GST)		<b>110,889</b>	107,185
- Cash paid in the course of operations (inclusive of GST)		<b>(109,431)</b>	(109,991)
- Cash paid in relation to the transfer of MEC program to SCI*		<b>(9,647)</b>	-
- Interest received		<b>307</b>	824
<b>Net cash used in operating activities</b>	<b>15</b>	<b>(7,882)</b>	(1,982)
<b>Cash flows from investing activities</b>			
- Proceeds from acquisitions (cash acquired)	<b>22a, 22b</b>	<b>1,570</b>	-
- Proceeds from sale of plant and equipment		<b>858</b>	252
- Proceeds from landlord contribution		<b>435</b>	
- Payments for plant and equipment		<b>(2,097)</b>	(3,373)
- Payments for intangible assets		<b>(1,196)</b>	(481)
<b>Net cash used in investing activities</b>		<b>(430)</b>	(3,602)
<b>Net decrease in cash held</b>		<b>(8,312)</b>	(5,584)
- Cash at the beginning of the financial year		<b>26,929</b>	32,513
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>6</b>	<b>18,617</b>	26,929

\*The implementation of the Myanmar Education Consortium (MEC) program was transferred to Save the Children International during 2017.  
The accompanying notes form part of these financial statements.

**BASIS OF PREPARATION**

The Summary Financial Report has been prepared in accordance with the requirements set out in the Australian Council for International Development ("ACFID") Code of Conduct. For further information on the Code, please refer to the ACFID Code of Conduct Guidance Document available at [www.acfid.asn.au](http://www.acfid.asn.au). The Summary 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.

A full description of the accounting policies adopted by Save the Children Australia and Controlled Entities may be found in the full financial report.  
The Summary Financial Report is presented in Australian dollars. A copy of the full consolidated financial report and the independent audit report for the year ended 31 December 2017 is available on our website – [savethechildren.org.au](http://savethechildren.org.au). Alternatively, you can request a hard copy, which will be sent without charge. All such requests should be made to the Registered Office:  
Elizabeth Flynn, Company Secretary  
33 Lincoln Square South,  
Carlton, VIC 3053  
Phone: 03 7002 1600

**Save the Children Australia**  
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**Directors' declaration for the year ended 31 December 2017**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 13 to 46 are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:
  - (i) complying with Accounting Standards – Reduced Disclosure Requirements, the ACNC Regulations 2012 and any other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and its performance for the year ended on that date, and
  - (iii) complying with the requirements set out in the ACFID Code of Conduct;
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



**Peter Hodgson**  
Chairman

Melbourne:  
28 March 2018



## Independent auditor's report

To the members of Save the Children Australia

### Our opinion

In our opinion:

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 December 2017
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated income statement and statement of comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the Directors' declaration.

### Basis for opinion

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

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

### Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757  
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### *Other information*

The Directors are responsible for the other information. The other information comprises the information included in the Group's financial statements for the year ended 31 December 2017, including the Directors' Report and Corporate Governance Statement, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

### *Responsibilities of the Directors for the financial report*

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### *Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

Save the Children Australia  
ACN 008 610 035

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Independent auditor's report for the year ended 31 December 2017



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

  
PricewaterhouseCoopers

  
Jason Perry  
Partner

Melbourne  
28 March 2018



**Save the Children Australia**  
**33 Lincoln Square South**  
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**1800 76 00 11**

**[savethechildren.org.au](http://savethechildren.org.au)**