SAVE THE CHILDREN AUSTRALIA

ACN 008 610 035

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Company Secretary: Angela Milne

Registered Office:

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

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SAVE THE CHILDREN AUSTRALIA
ACN 008 610 035
31 DECEMBER 2021

DIRECTORS' REPORT

The directors present their report on the Consolidated Entity consisting of Save the Children Australia ("the company") and the entities it controlled (Consolidated Entity) at the end of, or during, the year ended 31 December 2021.

1. Directors

Directors of the company for the full financial year were:

Gary Oliver	Larry Kamener
Harvey Collins	Michelle Scott
Karen Harmon	Justin Hanney
Mary Sue Rogers	Michelle Nightingale

Directors of the company for part of the financial year were:

Ian Tarutia (appointed 4/10/21)	Leonie Valentine (appointed 13/10/21)
Michael White (retired 19/9/21)	Peter Hodgson (retired 24/3/21)
Sandy Pitcher (resigned 24/3/21)	Annabelle Herd (resigned 29/3/21)

Directors of the company appointed since the end of the financial year were:

Ngiare Brown (appointed 18/01/22)

Directors of the company have been in office since the start of the financial year to the date of this report except as noted above.

2. Directors' meetings

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

Board Member	Meetings Attended	Meetings Held*
Larry Kamener	6	6
Harvey Collins	6	6
Karen Harmon	6	6
Mary Sue Rogers	6	6
Michelle Scott	6	6

Board Member	Meetings Attended	Meetings Held*
Gary Oliver	5	6
Justin Hanney	6	6
Michelle Nightingale	6	6
Ian Tarutia	1	1
Leonie Valentine	1	1

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

DIRECTORS' REPORT

3. Directors' qualifications, experience, and special responsibilities

Larry Kamener BSc (Economics) (LSE), MA (Hons) (Economics)(Melb)	**Chairman of the Board and ex-officio Member of the Board Audit Committee, Board Programs and Risk Committee, Board Human Resources Committee & Board Nominations Committee.** Larry Kamener is a Senior Adviser and former Senior Partner in the Boston Consulting Group. During his time with BCG, Larry founded and was the inaugural leader of BCG's Global Public Sector Practice. Prior to joining BCG he worked as an economist in the Australian and Victorian Governments' Treasury Departments. Larry founded and is now the Chair of the Centre for Public Impact, a BCG Foundation based in London and is also the Chair of Teach for Australia, as well as a Director of the Melbourne Theatre Company. Larry has been a director of Save the Children since September 2019.
Gary Oliver	**Member of the Board Human Resources Committee & Member of the Board Programs and Risk Committee** Gary is a proud Kuku Yalanji man from Cape York Queensland. Over the past two decades, he has held senior government positions, including with Aboriginal Affairs NSW and the Queensland Department of Communities, and was Chairman of NSW Aboriginal Legal Services from 2009 to 2012. Gary is currently the Managing Director of Synergy Nation Group, an Indigenous Australian company involved in Indigenous Strategic Practice across diverse industries. Gary has been a director of Save the Children Australia since May 2013.
Harvey Collins B.Bus, Dip Fin, FAICD, SFFin	**Member of the Board Programs & Risk Committee and Board Nominations Committee** Harvey is currently Chairman of impact funds manager, Insitor Partners Pte. Ltd, Singapore, and an executive coach with Foresight's Global Coaching. He has held board roles in a number of ASX listed and other corporations including Chairman of Navitas Limited, Bankwest Limited, HBF Health Fund Inc, and iiNet Limited. His executive roles included CFO Challenge Bank Limited, and Executive Director, Chieftain Securities. His earlier professional work was in treasury and financial markets. In September 2016, Harvey retired as Chairman of international NGO, Hagar International. Harvey has been a director of Save the Children since May 2017.
Mary Sue Rogers BSc. MAICD, IDP-C	**Chairman of the Board Human Resources Committee & Ex-officio Member of the Board Nominations Committee** Mary Sue is a non-executive director with several organisations including Women on Boards, East-West Seed and Aiir Consulting. In addition to boards, Mary Sue is active in the start-up community having successfully launched ForPurposeCo – a "for profit for purpose" social enterprise. Mary Sue mentors and coaches young entrepreneurs and seasoned executives Her executive career was in professional services including Global General Manager at IBM, Partner at PwC and CEO at Talent2. Mary Sue has been a director of Save the Children since January 2018.

DIRECTORS' REPORT

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

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

DIRECTORS' REPORT

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

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

DIRECTORS' REPORT

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

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

4. Principal activities

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

5. Significant changes in the state of affairs

Save the Children's performance and operations continued to be impacted by the effects of Covid-19 during the year including travel bans, team member availability, closure of retail stores and inability to deliver programs as originally designed or within agreed time-frames.

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

6. Matter subsequent to the end of the financial year

No matters or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect:

i. The Consolidated Entity's operations in future financial years, or

ii. The results of those operations in future financial years, or

iii. The Consolidated Entity's state of affairs in future financial years.

DIRECTORS' REPORT

7. Insurance of officers

During the financial year, Save the Children Australia paid a premium of $45,801 to insure directors and secretaries of the company and its Australian based controlled entities, and the general managers of the divisions of the entity.

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

8. Short term objective

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

9. Long term objectives

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

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

10. Strategy for achieving the objectives

The Consolidated Entity completed its final year of its three-year Strategy, which commenced in 2019. The Strategy defined the Consolidated Entity's seven goals to be achieved by 2021, focus areas and key outcomes. These have formed the basis for Key Performance Indicators (KPIs) established by management that link to the overall strategy. KPIs have been monitored throughout the year and performance compared to KPIs is reported to the Executive and Board periodically.

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

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

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

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

DIRECTORS' REPORT

10. Strategy for achieving the objectives – cont'd

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

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

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

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

11. How principal activities assisted in achieving the objectives

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

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

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

The key highlights of the result were:

- Total revenue of $179,719k increased by $16,338k or 10% on 2020. This is the highest result in the history of Save the Children Australia.
- The surplus result of $5,527k represents a decrease of $7,243k on the 2020 surplus. In 2020, a key feature of the result was inclusion of $11.9m from the JobKeeper scheme in Australia, not replicated in 2021.
- In 2021, the surplus includes the write-off for cloud-based software, often referred to as Software as a Service (SaaS). In instances where Save the Children Australia (SCA) pays a license fee to access the supplier's cloud-based application software, any configuration and capitalised costs incurred that cannot be separately controlled by SCA must be treated as operating expenses (vs previously capitalised). The impact of the SaaS write-off was $667k, reducing the underlying 2021 operating result (pre-SaaS) from $6,194k to $5,527k. This change in accounting policy has been restated through opening retained earnings with the cumulative write-down to 2019 accumulated surplus of $2,699k.

DIRECTORS' REPORT

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

- Fundraising, programming efficiency and the contribution from Commercial activities all improved the surplus result in 2021.
- Net assets increased to $19,575k from $12,821k in the prior year.
- Save the Children continues to hold significant cash on hand of $56,867k. Cash flow from operations in 2021 was positive at $20,933k, largely due to the continued increase in deferred income relating to grant income received in advance.
- Fundraising income including donations, gifts, bequests and legacies of $29,736k and increased by $3,189k or 12% from 2020. This increase includes recording the highest Tax Year End and Christmas appeals and growth in our Regular Giving donor base for the first time in five years. This was supported by an increase in fundraising costs of $1,116k or 12% resulting in an increase in the fundraising net result of $2,073k, taking the fundraising net result to $19,244k in 2021.
- Grant income increased by $22,698k or 22% with growth across each of Australian Services, Pacific Programs and International Programs and grant expenditure increased by $16,286k or 16% in 2021.
- Revenues from Commercial activities increased by $3,681k or 19%, driven by Centre for Evidence & Implementation & Child Wise, and Retail also grew in 2021, despite prolonged closure of Save the Children's retail stores across NSW & Victoria due to COVID-19. The continued investment in our commercial activities will help to drive future growth and financial stability.
- Administration costs of $12,654k increased by $2,157k or 21% on the 2020 equivalent. The one-off write-off SaaS assets $667k (2021) form part of administration costs. The underlying administration costs to total income (excluding SaaS write-off) has increased from 6.4% in 2020 to 6.7% in 2021 due to investments in support functions such as IT, Finance, People and Culture to support the growth and diversification of income in 2021.

12. Members' guarantee

Save the Children Australia is a company limited by guarantee. In the event of, and for the purpose of, the winding up of the Consolidated Entity, the amount capable of being called up from each member and any person who has ceased to be a member in the year prior to the winding up, is limited to $10 per member. During 2020, a new constitution was adopted under which the only members of Save the Children Australia are the directors, rather than the broader membership base under the previous constitution. Accordingly, as at 31 December 2021 the collective liability of members was $100 (2020: $120).

13. Auditor's independence declaration

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

Signed in accordance with a resolution of the Directors.

Larry Kamener
Chairman

Melbourne
30 March 2022

Auditor's Independence Declaration

As lead auditor for the audit of Save the Children Australia for the year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

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

Jason Perry
Partner
PricewaterhouseCoopers

Melbourne
30 March 2022

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SAVE THE CHILDREN AUSTRALIA
ACN 008 610 035
31 DECEMBER 2021

CORPORATE GOVERNANCE STATEMENT

1. Introduction

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

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

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

2. Remuneration of Directors of the company

Directors demonstrate their commitment to Save the Children Australia's mission through the contribution of their skills and experience to the collective work of the Board, the contribution of their personal time and efforts, advocacy within their social and business networks of Save the Children Australia's mission and the programs implemented to achieve the mission, and through whatever financial contributions they make personally. They receive no return in cash or kind other than reimbursement of necessarily incurred expenditure. Their sole reward is the satisfaction of seeing the achievement of the goal of Save the Children to improve the lives of children.

3. Board Meetings

The Board meets at least six times a year.

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

4. Board Committees

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

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

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

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

CORPORATE GOVERNANCE STATEMENT

4. Board Committees – cont'd

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

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

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

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

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

5. Executive Team

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

6. Executive Remuneration

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

7. Internal Controls and Management of Risk

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

8. Ethics and Conduct

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

CORPORATE GOVERNANCE STATEMENT

9. Supporter and Donor Relationships

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

10. Governance Best Practice

Save the Children Association, of which Save the Children Australia is a member, requires that the governance processes of its members ensure that the organisation effectively and efficiently strives to achieve its stated goals, while protecting the public interest and trust

SAVE THE CHILDREN AUSTRALIA
ACN 008 610 035

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 Restated* $'000
REVENUE			
Donations and gifts - monetary		**25,430**	22,237
Donations and gifts - non-monetary		**605**	236
Bequests and legacies		**3,701**	4,074
Grants			
- Department Foreign Affairs and Trade		**17,022**	29,279
- Other Australian		**67,617**	57,163
- Other overseas		**41,180**	16,679
Revenues from commercial activities	**2**	**23,221**	19,540
OTHER INCOME			
Investment income	**3(a)**	**85**	78
Other income	**3(b)**	**858**	12,503
Discount on acquisition	**17(a)**	**-**	1,592
TOTAL REVENUE	**3(c)**	**179,719**	163,381
EXPENDITURE			
International Aid and Development Programs Expenditure			
International programs			
- Funds to international programs		**67,488**	53,888
- Program support costs		**4,202**	3,453
Domestic Aid and Development Programs Expenditure			
Domestic programs			
- Funds to domestic programs		**44,911**	43,843
- Program support costs		**3,282**	2,413
Community Education		**5,056**	3,849
Fundraising costs (International and Domestic)			
- Public - monetary		**10,492**	9,376
- Government, multilateral and private		**2,079**	1,145
Commercial activities (Domestic)		**24,028**	22,147
Accountability and Administration (International and Domestic)*		**12,654**	10,497
TOTAL EXPENDITURE		**174,192**	150,611
Net surplus from continuing operations		**5,527**	12,770
Total surplus of income is attributable to:			
Owners of Save the Children Australia		**5,544**	12,567
Non-controlling interests - Impact Investment Fund	**26(a)**	**(55)**	-
Non-controlling interests - other entities	**17(b)**	**38**	203
Total		**5,527**	12,770

* Change in accounting policy - Refer to note 1(t) for details of restatement

The accompanying notes form an integral part of these financial statements

SAVE THE CHILDREN AUSTRALIA
ACN 008 610 035

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 Restated* $'000
Surplus of income over expenditure from continuing operations		**5,527**	12,770
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR		**5,527**	12,770
Total comprehensive income is attributable to:			
Owners of Save the Children Australia		**5,544**	12,567
Non-controlling interests - Impact Investment Fund	**26(a)**	**(55)**	-
Non-controlling interests - other entities	**17(b)**	**38**	203
Total		**5,527**	12,770

* Change in accounting policy - Refer to note 1(t) for details of restatement

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

The accompanying notes form an integral part of these financial statements

SAVE THE CHILDREN AUSTRALIA

ACN 008 610 035

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Consolidated 2021 $'000	2020 Restated* $'000
Assets			
Current assets			
Cash and cash equivalents	5	56,867	46,736
Trade and other receivables	6	8,343	9,185
Other current assets - partner advances		18,070	8,139
Contract assets	7	7,410	6,405
Inventories	8	893	851
Total current assets		91,583	71,316
Non-current assets			
Property, plant and equipment	9	3,055	3,710
Intangible assets	10	3,851	2,385
Right-of-use assets	15	13,707	14,113
Financial assets at amortised cost	11(a)	318	-
Financial assets at fair value through profit or loss	11(b)	1,951	-
Total non-current assets		22,882	20,208
Total assets		114,465	91,524
Liabilities			
Current liabilities			
Trade and other payables	12	14,335	9,156
Provisions	13	5,813	5,158
Contract liabilities	14	58,122	47,187
Lease liabilities	15	6,368	6,368
Total current liabilities		84,638	67,869
Non-current liabilities			
Trade and other payables	12	614	770
Provisions	13	1,608	1,461
Lease liabilities	15	8,030	8,603
Total non-current liabilities		10,252	10,834
Total liabilities		94,890	78,703
Net assets		19,575	12,821
Equity			
Accumulated surplus attributable to Save the Children Australia*	16	18,318	12,774
		18,318	12,774
Non-controlling interests	17(b), 26(a)	1,257	47
Total equity		19,575	12,821

* Change in accounting policy - Refer to note 1(t) for details of restatement

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

SAVE THE CHILDREN AUSTRALIA
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Accumulated Surplus $'000	Non-controlling interests $'000	Total Equity $'000
Balance at 31 December 2019		2,906	(156)	2,750
Change in accounting policy*	**1(t)**	(2,699)	-	(2,699)
Restated balance at 31 December 2019		207	(156)	51
Total comprehensive income for the year				
Surplus over expenditure for the year		12,567	203	12,770
Restated balance at 31 December 2020		**12,774**	**47**	**12,821**
Comprehensive income for the year				
Surplus over expenditure for the year	**16, 17(b), 26(a)**	5,544	(17)	5,527
Other movements through equity for the year				
Transactions with external unitholders in the Impact Investment Fund - application of units	**26(a)**	-	1,227	1,227
Balance at 31 December 2021		**18,318**	**1,257**	**19,575**

* Change in accounting policy - Refer to note 1(t) for details of restatement

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

SAVE THE CHILDREN AUSTRALIA

ACN 008 610 035

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Cash flows from operating activities			
Cash received in the course of operations (inclusive of GST)		**194,897**	181,490
Cash paid in the course of operations (inclusive of GST)		**(172,408)**	(138,191)
Interest received		**85**	78
Interest paid on leases		**(102)**	(118)
Net cash provided by operating activities	**20**	**22,472**	43,259
Cash flows from investing activities			
Proceeds from / (payments for) business acquisitions net of cash acquired	**17(a)**	**-**	1,010
Payments for property, plant and equipment	**9**	**(236)**	(719)
Payments for intangible assets	**10**	**(2,780)**	(1,292)
Payments for financial assets at fair value through profit or loss	**11(b)**	**(1,951)**	-
Net proceeds from applications for units - Impact Investment Fund	**26(a)**	**1,264**	-
Net cash used in investing activities		**(3,703)**	(1,001)
Cash flows from financing activities			
Principal elements of lease payments		**(7,731)**	(8,697)
Net payments for financial assets at amortised cost	**11(a)**	**(318)**	-
Net cash used in financing activities		**(8,049)**	(8,697)
Net increase in cash held		**10,720**	33,561
Exchange difference on cash and cash equivalents		**(589)**	(1,878)
Cash at the beginning of the financial year		**46,736**	15,053
Cash at the end of the financial year	**5**	**56,867**	46,736

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

The financial statements for Save the Children Australia and its Consolidated Entities ("the Consolidated Entity") are general purpose financial statements that are prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

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

The financial statements are presented in the Australian currency.

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

The consolidated financial statements for the year ended 31 December 2021 were approved and authorised for issue by the Board on 30 March 2022. The Board has the power to amend and reissue the financial statements.

Early adoption of standards

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

New and amended standards adopted by the Consolidated Entity

There are no new or amended standards adopted by the Consolidated Entity for the annual reporting period commencing 1 January 2021.

New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the AASB. None of these Standards or amendments to existing Standards have been adopted early by the Consolidated Entity.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year which are expected to have a material impact on the Consolidated Entity's financial statements include:

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

This standard is effective for periods beginning on or after 1 July 2021 and will be applicable for the subsequent financial year. Application of this standard will result in changes to disclosures of:

- Revenue,
- Other income and expenses,
- Financial assets and liabilities,
- Leases,
- Interests in other entities

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Historical cost convention

The financial statements are prepared on an accruals basis, and are based on historical costs, except for certain financial assets (including certain investments) that are measured at fair value.

Critical accounting judgements, estimates and assumptions

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

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

The areas involving significant estimates or judgements are outlined below.

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

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

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

(a) Principles of Consolidation

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Income Tax

The company is a registered charity under s.50-5 of the Income Tax Assessment Act 1997. The company is exempt from income tax.

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

Inclusiv Ventures Pty Ltd is a company incorporated under the Corporations Act 2001 and is subject to income tax under the Income Tax Assessment Act 1997.

Inclusiv Education Pty Ltd is a company incorporated under the Corporations Act 2001 and is subject to income tax under the Income Tax Assessment Act 1997.

Impact Investment Fund ("the Fund") is not subject to income tax provided it attributes the entirety of its taxable income, including realised capital gains, to its unitholders.

(c) Trade and Other Receivables

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

The ability to collect trade receivables is assessed on an ongoing basis. The Consolidated Entity applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contracts assets. An allowance is made for trade receivables where there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to make contractual payments for a period of greater than 120 days past due.

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

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

(d) Inventories

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

Inventories are stated at the lower of cost and net realisable value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(d) Inventories – cont'd

Goods for resale

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

Goods held for distribution

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

(e) Property, Plant and Equipment

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

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

Depreciation

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Impairment

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

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

(f) Leases

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

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(f) Leases – cont'd

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

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Consolidated Entity is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

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

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

(g) Intangible Assets

Software and development costs

Costs incurred in configuring or customising Software-as-a-Service (SaaS) arrangements can only be recognised as intangible assets if the implementation activities create an intangible asset that the Consolidated Entity controls and the intangible asset meets the recognition criteria. Those costs that do not result in intangible assets are expensed as incurred, unless they are paid to the suppliers of the SaaS arrangements to significantly customise the cloud-based software for the group, in which case the costs are recorded as a prepayment for services and amortised over the expected renewable term of the arrangement. Refer to change in accounting policy as outlined in Note 1(t).

Publishing rights

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

Measurement

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(g) Intangible Assets – cont'd

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

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

Amortisation has been included within depreciation and amortisation.

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

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

Goodwill

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

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

Impairment

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

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

(h) Financial assets

Recognition

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) Financial assets – cont'd

Classification and subsequent measurement of financial assets

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

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

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

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

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

Financial assets measured at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Loans and receivables

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

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

Non-current loans and receivables may include loans due from related parties that are repayable more than one year after the period end. In these circumstances, as these are non-interest bearing, the initial recognition at fair value requires an adjustment to discount these loans using a market-rate of interest for a similar instrument with a similar credit rating. The discount is debited on initial recognition to the investment account.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) Financial assets – cont'd

Trade and other payables

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

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

Financial assets measured at fair value through profit or loss

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

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

Financial instruments held for trading (HFT)

A financial instrument is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term. The Consolidated Entity's HFT financial assets are usually acquired through donations and are sold once ownership is granted. Therefore, the value of HFT financial assets at the time of producing financial statements are likely to be nil or minimal.

All HFT financial assets are measured at fair value. Gains and losses are recognised in the income statement as incurred. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'revenue'.

The fair value of quoted investments is determined by reference to Stock Exchange quoted market bid prices at the close of business at the end of the reporting period.

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

Financial instruments at Fair value

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) Financial assets – cont'd

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

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

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

Financial assets at fair value include partner advances which represent grant funds advanced to partners for delivery of program services under the grant contracts.

Fair value measurement hierarchy

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

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

Impairment of financial assets

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

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

(j) Employee Benefits

Short-term obligations

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

Other long-term employee benefit obligations

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

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

Superannuation

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

(k) Provisions

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(k) Provisions – cont'd

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

(l) Cash and Cash Equivalents

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

(m) Revenue Recognition

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

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

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

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

Grant Income – government and other grants

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(m) Revenue Recognition – cont'd

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

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

General donations and fundraising events

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

Committed donations

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

Legacies & Bequests

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

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

Commercial Income

Sales of Goods

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

Consulting Income

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

Investment Income

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(m) Revenue Recognition – cont'd

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

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

(n) Expenditure

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

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

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

Community education includes all costs related to informing and educating the Australian community of, and inviting their active involvement in, global justice, development and humanitarian issues.
This includes the cost of producing and distributing materials, the cost of conducting educational and public policy campaigns, and the cost of personnel involved in these activities.

(o) Goods and Services Tax (GST)

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

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(p) Interest-Bearing Liabilities

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the loans and borrowings using the effective interest method.
All borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(q) Contract Assets and Liabilities

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

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

(r) Gifts in Kind

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

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

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

(s) Business combinations

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

Acquisition related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Consolidated Entity recognises any non-controlling interest in the acquiree, either at fair value or at non-controlling interest proportionate share of the acquirer’s net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a discount on acquisition. Goodwill is allocated to a group of cash generating assets and is tested for impairment on an annual basis as part of the impairment testing process.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(s) Business combinations – cont'd

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

(t) Software-as-a-Service (SaaS) arrangements

The Consolidated Entity previously capitalised costs incurred in configuring or customising Software-as-a-Service (SaaS) arrangements as intangible assets, as the Consolidated Entity considered that it would benefit from those costs to implement the SaaS arrangements over the term of the arrangements.

Following the IFRS Interpretations Committee agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement in March 2021, the Consolidated Entity has reconsidered its accounting treatment and adopted the treatment set out in the IFRS IC agenda decision, which is to recognise those costs as intangible assets only if the implementation activities create an intangible asset that the Consolidated Entity controls and the intangible asset meets the recognition criteria. Costs that do not result in intangible assets are expensed as incurred, unless they are paid to the suppliers of the SaaS arrangement to significantly customise the cloud-based software for the Consolidated Entity, in which case the costs are recorded as a prepayment for services and amortised over the expected renewable term of the arrangement.

As a result of this change in accounting policy, the Consolidated Entity has determined that costs totalling \$3.366m relating to the implementation of SaaS arrangements would need to be expensed when they were incurred, as the amounts were paid to third parties who did not create separate intangible assets controlled by the Consolidated Entity or to the suppliers of the SaaS arrangements who did not create separate intangible assets controlled by the Consolidated Entity, or significantly customise the cloud-based software for the Consolidated Entity.

The change in policy has been applied retrospectively and comparative information has been restated.
This had the following impact on the amounts recognised in the financial statements:

	Consolidated	
	2021	**2020 Restated***
	$'000	**$'000**
Consolidated Statement of Financial Position		
Intangible assets - decrease	667	2,699
Accumulated surplus - decrease	667	2,699
Consolidated Income Statement		
Software-as-a-Service expenditure - increase	667	-
Net surplus from continuing operations - decrease	667	-

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(u) Endowment Fund

To mark its 100-year anniversary and increase its access to capital, Save the Children Australia has established an endowment fund known as the 'Centenary Innovation Fund' ("the CIF") in collaboration with its trusted advisers and partners.

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

(v) Impact Investment Fund

Principal activities

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

Units in Fund

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

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

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

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

Applications and redemptions

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(v) Impact Investment Fund – cont'd

Distributions

The Impact Investment Fund distributions are recognised when declared during the financial year and no longer at the discretion of the fund. There were no Distributions paid/payable during the financial year.

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

	Consolidated 2021 $'000	Consolidated 2020 $'000
2. REVENUES FROM COMMERCIAL ACTIVITIES		
Sale of goods	**9,996**	10,565
Consulting services	**13,225**	8,975
Total	**23,221**	19,540
3(a). INVESTMENT INCOME		
Interest	**85**	78
Total	**85**	78
3(b). OTHER INCOME		
Humanitarian Leadership course fees	**213**	132
Government Support*	**137**	11,896
Other income	**508**	475
Total	**858**	12,503

* $92k in 2021 received in cash as part of NSW Government Retail support grant. In 2021 ($45k) and 2020 ($11,896k) related to income received as part of the JobKeeper scheme.

3(c). TOTAL REVENUE

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

	Consolidated 2021 $'000	Consolidated 2020 $'000
Total Revenue		
- Amounts recognised over time	**128,452**	100,471
- Amounts recognised at a point in time	**51,267**	62,910
	179,719	163,381

	Note	Consolidated 2021 $'000	Consolidated 2020 Restated* $'000
4. EXPENSES			
Net surplus includes the following specific expenses:			
Depreciation of property, plant and equipment		**949**	915
Depreciation of right-of-use assets		**7,564**	7,721
Amortisation of intangibles		**1,250**	796
Impairment of goodwill		**-**	156
Loss on disposal of assets		**6**	17
Rental expenses relating to operating leases		**1,237**	1,498
Bad and doubtful debts expense		**56**	31
Interest paid/payable for lease liabilities		**102**	118
Forgiveness of related party loan		**-**	477
Net foreign exchange (gain) / loss		**(2,251)**	1,878
Software-as-a-Service expenditure	1(t)	**667**	-
5. CASH AND CASH EQUIVALENTS			
Cash on hand		**20**	27
Cash at bank		**40,125**	31,477
Term deposits		**16,722**	15,232
Total		**56,867**	46,736

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

		Consolidated	
		2021	2020
		$'000	$'000
6.	**TRADE AND OTHER RECEIVABLES**		
	Current		
	Trade receivables	**3,718**	4,534
	Loss allowance for trade receivables	**(38)**	(83)
	Net trade receivables	**3,680**	4,451
	Sundry receivables and prepayments	**3,662**	3,662
	GST receivable	**1,001**	1,072
	Total	**8,343**	9,185
7.	**CONTRACT ASSETS**		
	Contract assets - accrued income	**7,410**	6,405
	Total	**7,410**	6,405
8.	**INVENTORIES**		
	Fundraising merchandise and inventory – at cost	**-**	3
	Pre-positioned emergency stock - at cost	**646**	648
	Inventory - IT equipment at cost	**247**	200
	Total	**893**	**851**
9.	**PROPERTY, PLANT AND EQUIPMENT**		
	Building & buildings improvements - at cost	**927**	927
	Less: Accumulated depreciation	**(298)**	(279)
		629	648
	Leasehold improvements - at cost	**5,194**	5,114
	Less: Accumulated depreciation	**(3,736)**	(3,202)
		1,458	1,912
	Plant and equipment - at cost	**2,749**	2,635
	Less: Accumulated depreciation	**(1,857)**	(1,601)
		892	1,034
	Motor vehicles - at cost	**502**	412
	Less: Accumulated depreciation	**(426)**	(296)
		76	116
	Total	**3,055**	3,710

9. PROPERTY, PLANT AND EQUIPMENT – cont'd

Movement in carrying amounts

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

	Buildings & Building Improvements $'000	Leasehold Improvements $'000	Plant & Equipment $'000	Motor Vehicles $'000	Total $'000
Consolidated Entity					
Carrying amount at 31 December 2019	671	2,454	724	72	3,921
Additions at cost	-	43	596	80	719
Additions by acquisition*	-	-	2	-	2
Disposals	-	(9)	(8)	-	(17)
Depreciation expense	(23)	(576)	(280)	(36)	(915)
Carrying amount at 31 December 2020	648	1,912	1,034	116	3,710
Additions at cost	**-**	**80**	**66**	**90**	**236**
Disposals	**-**	**-**	**(6)**	**-**	**(6)**
Transfers	**-**	**-**	**64**	**-**	**64**
Depreciation expense	**(19)**	**(534)**	**(266)**	**(130)**	**(949)**
Carrying amount at 31 December 2021	**629**	**1,458**	**892**	**76**	**3,055**

* Refer to Note 17 for Business Combinations

10. INTANGIBLE ASSETS

	Book rights $'000	Goodwill $'000	Software Restated** $'000	Total $'000
Consolidated Entity				
Carrying amount at 31 December 2019	-	443	3,174	3,617
Software-as-a-Service expenditure**	-	-	(2,699)	(2,699)
Restated carrying amount at 31 December 2019	-	443	475	918
Additions at cost	200	-	1,092	1,292
Additions by acquisition*	1,127	-	-	1,127
Amortisation expense	(134)	-	(662)	(796)
Impairment expense	-	(156)	-	(156)
Restated carrying amount at 31 December 2020	1,193	287	905	2,385
Additions at cost	66	-	3,381	**3,447**
Transfers	-	-	(64)	**(64)**
Amortisation expense	(391)	-	(859)	**(1,250)**
Software-as-a-Service expenditure**	-	-	(667)	**(667)**
Carrying amount at 31 December 2021	**868**	**287**	**2,696**	**3,851**

* Refer to Note 17 for Business Combinations

** Change in accounting policy - Refer to note 1(t) for details of restatement

		Note	Consolidated 2021 $'000	Consolidated 2020 $'000
11(a).	**FINANCIAL ASSETS AT AMORTISED COST**			
	Debt investments		**318**	-
	Total		**318**	-
11(b).	**FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**			
	Ordinary shares in unlisted entities - Impact Investment Fund	**26(b)**	**1,701**	-
	Ordinary shares in unlisted entities		**250**	-
	Total		**1,951**	-
12.	**TRADE AND OTHER PAYABLES**			
	Current			
	Trade and other payables		**14,335**	9,156
	Total		**14,335**	9,156
	Non-current			
	Other payables		**614**	770
	Total		**614**	770
13.	**PROVISIONS**			
	Current			
	Employee benefits		**5,730**	5,110
	Provision – severance pay		**83**	48
	Total		**5,813**	5,158
	Non-current			
	Employee benefits		**1,124**	966
	Provision for make good		**484**	495
	Total		**1,608**	1,461
14.	**CONTRACT LIABILITIES**			
	Contract liabilities - deferred income		**58,122**	47,187
	Total		**58,122**	47,187
15.	**LEASES**			
	Right-of-use assets			
	Buildings		**23,650**	21,846
	Additions & modifications		**5,727**	1,805
	Less: Accumulated depreciation		**(17,373)**	(11,264)
			12,004	12,387
	Motor Vehicles		**4,219**	2,848
	Additions & modifications		**1,432**	1,370
	Less: Accumulated depreciation		**(3,948)**	(2,492)
			1,703	1,726
	Total		**13,707**	14,113

Additions to the right-of-use assets during the financial year were $2,586k (2020: $1,328k).

	Consolidated 2021 $'000	Consolidated 2020 $'000
15. LEASES - cont'd		
Lease liabilities		
Current	**6,368**	6,368
Non-current	**8,030**	8,603
Total	**14,398**	14,971

(a) Amounts recognised in the Consolidated Income Statement

	2021 $'000	2020 $'000
Depreciation charge of right-of-use assets		
Buildings	**6,109**	6,351
Motor Vehicles	**1,455**	1,371
	7,564	7,721
Interest expense (included in operating cost)	**102**	118
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	**440**	985

The total cash outflow for leases accounted for under AASB16 in 2021 was $7,833k (2020: $8,815k).

(b) Lease payments not recognised as a liability

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

		Consolidated 2021 $'000	Consolidated 2020 Restated* $'000
16. ACCUMULATED SURPLUS			
Balance at the beginning of the year		**12,774**	2,906
Change in accounting policy *	**1(t)**	**-**	(2,699)
Restated balance at the beginning of the year		**12,774**	**207**
Surplus for the year		**5,544**	12,567
Balance at the end of the year attributable to the owners of Save the Children Australia		**18,318**	**12,774**

* Change in accounting policy - Refer to note 1(t) for details of restatement

Accumulated surplus above includes $842k that relates to the Endowment Fund established in 2018. This fund was established to help the Consolidated Entity to continue to reach the most vulnerable children of all. The Endowment Fund is held solely for the purpose of supporting the long-term objectives of the Consolidated Entity, which includes, without limitation, generating income for special or general purposes and supporting programs in Australia and internationally.

17. BUSINESS COMBINATIONS

(a) On the 1 March 2020 (the comparative period), Save the Children Australia merged with Library For All Ltd, incorporated in Australia for nil consideration. Library For All have created a diverse and inclusive digital and print library aimed at meeting the varied needs of primary school aged children around the world. The merger met the definition of a business combination for accounting purposes and SCA was identified as the acquirer.

	Fair Value
The assets and liabilities recognised as a result of the acquisition are as follows:	$'000
Cash	513
Accounts Receivable	117
Inventory	17
Fixed assets	2
Intangibles	1,127
Accounts Payable	(9)
Contract liabilities	(75)
Employee related liabilities	(58)
Other liabilities	(55)
Net identifiable assets acquired	1,579
Purchase consideration	-
Discount on Acquisition	(1,579)

On the 1 September 2020 (the comparative period), Save the Children Australia acquired 55% of Inclusiv Education Pty Ltd for nil consideration. The mission of Inclusiv Education is to transform the lives of learners and excluded communities by increasing access to quality education and training through education technology.

	Fair Value
The assets and liabilities recognised as a result of the acquisition are as follows:	$'000
Cash	497
Accounts Receivable	8
Accounts Payable	(43)
Contract liablities	(352)
Employee related liabilities	(34)
Other liabilities	(63)
Net identifiable assets acquired *	13
Purchase consideration	-
Discount on Acquisition	(13)

* Non-controlling interest's share of net assets acquired is $6k.

Total cash acquired is $1,010,000 as shown in the Consolidated Statement of Cashflows.

There were no business combinations in the 2021 financial year.

(b) Non-Controlling Interest (NCI) relates to Inclusiv Education Pty Ltd (Inclusiv Ed) and lnclusiv Ventures Pty Ltd (lnclusiv Ventures). Both entities are controlled entities of SCA.
lnclusiv Ventures was established and registered as a company under the Corporations Act 2001 on 13 November 2018 and SCA was issued 50% of the share capital on incorporation.
Inclusiv Education was established and registered as a company under the Corporations Act 2001 on 8 November 2018. SCA was issued 55% of the share capital on 1 September 2020.

	Consolidated	
	2021	2020
	$'000	$'000
Opening balance 31 December	**47**	**(156)**
Surplus over expenditure for the year	**38**	**203**
Closing balance at 31 December	**85**	**47**

18. PARENT ENTITY INFORMATION

The following details information related to the parent entity, Save the Children Australia, at 31 December 2021. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	Parent Entity	
	2021	2020 Restated*
	$'000	$'000
Current assets	**72,615**	48,367
Non-current assets	**19,447**	20,996
Total assets	**92,062**	69,363
Current liabilities	**69,038**	48,912
Non-current liabilities**	**12,604**	13,263
Total liabilities	**81,642**	62,175
Retained earnings	**10,421**	7,188
Total equity	**10,421**	7,188
Surplus/(Deficit) for the year ***	**3,233**	(47,422)
Total comprehensive income for the year	**3,233**	(47,422)

* Change in accounting policy - Refer to note 1(t) for details of restatement
** Non-current liabilities in 2021 include related party payables of $2,406k.
** Non-current liabilities in 2020 include related party payables of $2,729k.
*** The 2020 loss is attributable to the write-off of intercompany balances within the SCA group which have no impact on the Consolidated Entity.

19. AUDITOR'S REMUNERATION

	Consolidated	
	2021	2020
	$	$
Audit services		
Audit and review of SCA, SCA Trust and SCiPNG financial statements - PricewaterhouseCoopers	116,821	110,500
Audit and review of CEI Australia, ChildWise, Library for All and Impact Investment Fund- RSM	59,077	30,900
Audit of SCA Singapore Operations - Jonathan & Lee	7,604	28,706
Audit of CEI Singapore Operations - Fiducia LLC	8,283	-
Audit of CEI UK - Fuller & Roper Chartered Accountants	9,668	11,750
	201,453	181,856
Other services		
Acquittal audits* - PricewaterhouseCoopers (Australia)	**66,750**	63,500
Acquittal audits* - KPMG (PNG)	**26,876**	14,443
Accounting and tax services CEI UK - Vistra Tust Company Limited	**5,330**	6,479
Accounting and tax services SCA and CEI Singapore Operations - Jonathan & Lee	**1,724**	-
	100,680	84,422
Total	**302,133**	266,278

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

20. CASH FLOW INFORMATION

Reconciliation of net surplus of income over expenditure for the year to net cash provided by operating activities:

	Consolidated	
	2021	**2020**
	$'000	**$'000**
Net surplus for the year	**5,527**	12,770
Adjustments for:		
Non-monetary donations	**(605)**	(236)
Loss allowance for trade receivables	**56**	31
Loss / (Gain) on sale of property, plant and equipment and assets held for sale	**6**	17
Expenditure on sale of non-current assets recognised in operating activities	**-**	-
Depreciation and amortisation	**2,199**	1,711
Right-of-use asset depreciation	**7,564**	7,721
Change in deferred consideration	**-**	(126)
Impairment of goodwill	**-**	156
Net unrealised foreign exchange loss	**496**	1,878
Changes in operating assets and liabilities, net of assets and liabilities acquired:		
(Increase) in inventories	**(42)**	(300)
Decrease / (Increase) in trade & other receivables	**842**	(1,718)
(Increase) / Decrease in other current assets - partner advances	**(9,931)**	885
(Increase) / Decrease in contract assets	**(1,005)**	1,535
Increase in trade & other payables	**5,023**	1,552
Increase in contract liabilities	**11,540**	16,361
Increase in provisions	**802**	1,022
Net cash provided by operating activities	**22,472**	43,259

21. RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

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

	Consolidated	
	2021	**2020**
	$	**$**
Short term employee benefits	**1,844,584**	1,722,564
Long term employee benefits	**26,469**	28,483
	1,871,053	1,751,047

(b) Transactions with key management personnel

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

	Units Issued during the year	**Units $**	**%**
Save the Children Australia (Parent entity)	832,324	832,324	40%
Paul Ronalds (CEO)	13,873	13,873	1%
Alistair Brown (Former CFO, resigned during the year)	13,873	13,873	1%
Larry Kamener (Director)	27,744	27,744	1%
Mary Sue Rogers (Director)	13,873	13,873	1%
	901,687	**901,687**	**44%**

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

(c) Transactions with related parties

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

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

(d) Controlled entities

Interests in controlled entities are set out below.

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

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

21. RELATED PARTY TRANSACTIONS - Cont'd

(d) Controlled entities - cont'd

Controlled entity of Save the Children Australia:	Established	Ownership 2021	Ownership 2020
Save the Children in Vanuatu Association Committee Inc No. 012567 under Vanuatu Charitable Associations (Incorporation) Act	Vanuatu	100%	100%
Save the Children in Papua New Guinea (SCIPNG) Inc. Association No. 5-4999 under the PNG Associations Incorporation Act	PNG	100%	100%
Good Beginnings Australia Limited (ABN 68 090 673 528)	Australia	100%	100%
Hands on Learning Australia (ABN 11 130 433 288)	Australia	100%	100%
Child Wise Limited (ABN 57 098 261 575)	Australia	100%	100%
Centre for Evidence and Implementation Limited (ABN 56 625 430 177)	Australia	100%	100%
CEI Global UK Limited (Company No. 11471351)	UK	100% (via CEI)	100% (via CEI)
Centre for Evidence and Implementation Singapore Ltd (UEN 201934244Z)	Singapore	100% (via CEI)	100% (via CEI)
Save the Children Australia - Singapore Branch (Reg No T17FC0068C)	Singapore	100%	100%
Save the Children Impact Fund Limited (ACN 634 440 145)*	Australia	100%	100%
Inclusiv Ventures Pty Ltd (ACN 629 974 161)	Australia	50%	50%
Inclusiv Ventures PNG Limited (Entity No 1-123837)	Papua New Guinea	50% (via Inclusiv Ventures Pty Ltd)	50% (via Inclusiv Ventures Pty Ltd)
Inclusiv Education Pty Ltd (ACN 629 895 914)	Australia	55%	55%
Library For All Limited (ABN 57 602 320 865)	Australia	100%	100%
Centenary Endowment Fund	Australia	100%	100%

* acts as Trustee for Impact Investment Fund

22. CONTINGENCIES AND COMMITMENTS

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

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

The Consolidated Entity has bank guarantees of $2.222m at 31 December 2021 (2020: $2.232m).

23. MEMBERS' GUARANTEE

Save the Children Australia is a company limited by guarantee. In the event of, and for the purpose of, the winding up of the company, the amount capable of being called up from each member and any person or association who has ceased to be a member in the year prior to the winding up, is limited to $1,000 for members that are corporations and $10 for all other members, subject to the provisions of the company's constitution. At 2021 the collective liability of members was $100 (2020: $120).

24. SUBSEQUENT EVENTS

There have been no matters or circumstances which have arisen since 31 December 2021 that have significantly affected or may significantly affect:
(a) the operations, in financial years subsequent to 31 December 2021, of the Group, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 31 December 2021, of the Group.

25. FINANCIAL RISK MANAGEMENT

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

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

		Consolidated	
		2021	**2020 Restated***
	Notes	**$'000**	**$'000**
Financial assets			
Cash and cash equivalents	**5**	**40,145**	31,504
Fixed term deposits	**5**	**16,722**	15,232
Trade receivables	**6**	**3,680**	4,451
Other receivables	**6**	**4,663**	4,734
Other current assets - partner advances		**18,070**	8,139
Contract assets	**7**	**7,410**	6,405
Financial assets at amortised cost	**11(a)**	**318**	-
Financial assets at fair value through profit or loss	**11(b)**	**1,951**	-
Total financial assets		**92,959**	70,465
Financial liabilities			
Trade and other payables	**12**	**14,949**	9,926
Total financial liabilities		**14,949**	9,926

a. Interest rate risk

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

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

25. FINANCIAL RISK MANAGEMENT - cont'd

b. Credit risk

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

c. Liquidity risk

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

(i) Financing Arrangements

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

d. Foreign currency (fx) risk

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

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

The Consolidated Entity maintains bank accounts in local currencies for its Pacific (Solomon Islands, PNG and Vanuatu) and Singapore operations, which at the reporting date were for AUD equivalent, $5,066,130 (2020: $5,967,381). The Consolidated Entity also maintains foreign currency accounts for grants received and transfer required in foreign currency. These accounts at the reporting date were for AUD equivalent $24,285,546 (2020: $13,308,540).

The following are the foreign currency balances at the end of 2021:

Bank Account	Currency	Foreign Currency Balance	AUD Equivalents
Melbourne	USD	16,951,612	23,345,696
Melbourne	EUR	601,598	939,850
In PNG	PGK	6,230,873	2,509,804
In Solomon Islands	SBD	1,086,677	185,275
In Vanuatu	VUV	11,810,530	145,372
In Singapore	SGD	2,180,721	2,225,679
Total			**29,351,676**

26. IMPACT INVESTMENT FUND

The Impact Investment Fund is a unit trust with a trustee company. Save the Children is the sole member in the trustee company and has a 40% share of units in the unit trust. Save the Children has consolidated the trustee and unit trust based on its power and exposure to returns from the trustee and unit trust.

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

(a) NET ASSETS ATTRIBUTABLE TO EXTERNAL UNITHOLDERS

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

	2021 Number of units	2021 $'000	2020 Number of units	2020 $'000
Net assets attributable to external unitholders at the beginning of the financial year:				
Deficit for the year - Impact Investment Fund unitholders	-	(92)	-	-
Add back deficit for the year attributable to Save the Children Australia (parent entity)	-	37	-	-
Deficit attributable to external unitholders*	-	(55)	-	-
Applications - Impact Investment Fund unitholders	2,060	2,060	-	-
Less units held by Save the Children Australia (parent entity)	(833)	(833)	-	-
Redemptions	-	-	-	-
Distributions paid	-	-	-	-
Units held by external unitholders at the end of the financial year*	1,227	1,227	-	-
Net assets attributable to external stakeholders at the end of the financial year	1,227	1,172	-	-

* The deficit and the units attributable to external unitholders are recorded as non-controlling interest in the consolidated statement of changes in equity.

In accordance with the provisions of the fund constitution, each unit represents a right to an individual share in the fund and does not extend to a right to the underlying assets of the fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the fund.

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

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

(b) FAIR VALUE MEASUREMENT

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

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

26. IMPACT INVESTMENT FUND - cont'd

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2020				
Assets				
Ordinary shares - unlisted Australian entities	-	-	-	-
Total assets	-	-	-	-
Liabilities	-	-	-	-
Total liabilities	-	-	-	-

There were no transfers between levels during the financial year.

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

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

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

27. NSW CHARITABLE FUNDRAISING ACT 1991

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

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

Fundraising activities include:

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

	Total Income	Total Fundraising Direct Expenses	Net Income	Total Income	Total Fundraising Direct Expenses	Net Income
	2021	**2021**	**2021**	**2020**	**2020**	**2020**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Fundraising Information						
Donations and Gifts	**24,204**	**10,228**	**13,976**	20,890	9,053	11,837
Special Events	**298**	**237**	**61**	172	296	(124)
Emergency Appeals	**1,533**	**27**	**1,506**	1,411	27	1,384
	26,035	**10,492**	**15,543**	22,473	9,376	13,097
Bequests and Legacies	**3,701**	**-**	**3,701**	4,074	-	4,074
Grants						
- Department Foreign Affairs and Trade	**17,022**	**-**	**17,022**	29,279	-	29,279
- Australian	**67,617**	**2,079**	**65,538**	57,163	1,145	56,018
- Other Overseas	**41,180**	**-**	**41,180**	16,679	-	16,679
Revenues from commercial activities						
- Sale of Goods & Other	**23,221**	**-**	**23,221**	19,540	-	19,540
Interest Income	**85**	**-**	**85**	78	-	78
Other Income						
- Other income	**721**	**-**	**721**	607	-	607
- JobKeeper income	**137**	**-**	**137**	11,896	-	11,896
- Discount on acquisition	**-**	**-**	**-**	1,592	-	1,592
Total Net Income Contribution	**179,719**	**12,571**	**167,148**	163,381	10,521	152,860
Program, Administration and Other						
Community Education	**-**	**5,056**	**(5,056)**	-	3,849	(3,849)
International Programs including delivery	**-**	**71,690**	**(71,690)**	-	57,341	(57,341)
Domestic Programs including delivery	**-**	**48,193**	**(48,193)**	-	46,256	(46,256)
Unallocated Fundraising Costs	**-**	**-**	**-**	-	-	-
Commercial Activities	**-**	**24,028**	**(24,028)**	-	22,147	(22,147)
Administration	**-**	**12,654**	**(12,654)**	-	10,497	(10,497)
Total Program, Administration and Other Costs	**-**	**161,621**	**(161,621)**	-	140,090	(140,090)
Operating Surplus/(Deficit)	**179,719**	**(174,192)**	**5,527**	163,381	150,611	12,770

27. NSW CHARITABLE FUNDRAISING ACT 1991 - cont'd

	2021 $'000	2021 %	2020 $'000	2020 %
<u>Comparison of monetary figures and percentages</u>				
Ratio of Fundraising Costs to Gross Income from Fundraising				
Total Cost of Fundraising and Donations	**12,571**	**48%**	10,521	47%
Gross Income from Fundraising and Donations	**26,035**		22,473	
Ratio of Fundraising Costs to Total Income				
Total Cost of Fundraising and Donations	**12,571**	**7%**	10,521	6%
Total Income	**179,719**		163,381	
Ratio of Surplus Fundraising Costs to Gross Income from Fundraising				
Net Surplus from Fundraising and Donations	**13,464**	**52%**	11,952	53%
Gross Income from Fundraising and Donations	**26,035**		22,473	
Total Cost of Fundraising and Donations	**12,571**	**7%**	10,521	7%
Total Expenditure	**174,192**		150,611	
Ratio of Cost of Fundraising using Traders to Total Income received from Fundraising using Traders*				
Total Cost of Fundraising using Traders	**1,638**	**10%**	718	4%
Total Income from Fundraising from Traders	**16,105**		16,177	
Ratio of Cost of Service and Programs provided to Total Income				
Total Cost of Services and Programs provided	**124,939**	**70%**	107,446	66%
Total Income	**179,719**		163,381	
Ratio of Cost of Service and Programs provided to Total Expenditure				
Total Cost of Services and Programs provided	**124,939**	**72%**	107,446	71%
Total Expenditure	**174,192**		150,611	

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

SAVE THE CHILDREN AUSTRALIA
ACN 008 610 035

DIRECTORS DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2021

In the directors' opinion:

(a) the financial statements and notes set out on pages 13 to 51 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 2013 and any other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and its performance for the year ended on that date.

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

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

Larry Kamener
Chairman

Melbourne:
30 March 2022

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 2021 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 2021
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated income statement for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

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

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

Independence

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual financial report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

PricewaterhouseCoopers, ABN 52 780 433 757
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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Jason Perry
Partner

Melbourne
30 March 2022