

Australian Committee for UNICEF Limited
ABN 35 060 581 437
Annual Financial Report – 31 December 2015

Table of Contents

	Page
Directors' Report	2
Auditor's Independence Declaration	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13
Directors' Declaration	25
Independent Auditor's Report to the Members	26

These financial statements are the financial statements of Australian Committee for UNICEF Limited. The financial statements are presented in Australian dollars.

The company owns the registered business name UNICEF Australia and may be referred to by that name in this report.

UNICEF Australia is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Australian Committee for UNICEF Limited
Level 4, 280 Pitt Street
Sydney NSW 2000

This report was authorised for issue by the Directors on 26 April 2016.

Directors' Report

The Directors present their report for the Australian Committee for UNICEF Limited for the year ended 31 December 2015.

Directors

The Directors in office during the whole of the financial year and up to the date of this report were:

Mr John Stewart (President)
Ms Deeta Colvin
Ms Stephanie Copus-Campbell
Mr Robin Davies
Mr Paul Fisher
Ms Nadika Garber
Ms Megan Quinn

The following were appointed as Directors during the year and continue in office at the date of this report:

	Date of appointment
Ms Olivia Wirth	25 August 2015
Mr Colin Storrie	25 August 2015

The following Directors resigned during or after the close of the year:

	Date of resignation
Ms Lesley Grant	30 June 2015
Mr Rohan Lund	25 August 2015
Ms Christine Christian	1 January 2016

UNICEF Australia - objectives

UNICEF's global mandate is to protect and improve the lives of children and women in developing countries. We respond to emergencies, engage in long term development and advocate for the rights of women and children.

Our advocacy is built around the United Nations Convention on the Rights of the Child, and aims to change the structures that impinge upon the rights of children and tackles the structures which keep people trapped in extreme poverty.

The vision of UNICEF Australia is to promote and realise the rights of all children in Australia and abroad to survive and thrive, especially the most disadvantaged and excluded. As part of a family of National Committees within the global UNICEF enterprise, UNICEF Australia's primary objective is to raise funds from the private sector for UNICEF programs internationally, and to expand its strategic engagement with both the private and public sector in advocating to advance child rights as laid out in the Convention of the Rights of the Child.

UNICEF Australia aims to further grow its contribution through selected channels built around core monthly pledge commitments, a highly visible and vocal presence as the go to agency for child rights, and the pursuit of continual effectiveness and efficiency in its organisation and culture.

UNICEF Australia has continued to invest in and develop our programs support team and monitoring and evaluation capabilities in order to secure full accreditation, having successfully achieved base accreditation in 2015. By doing this UNICEF Australia hopes to build an ever stronger link between UNICEF's international

development work and our staff and supporters, as well as further diversify our revenue streams in order to further support development and humanitarian programs.

Principal activities and results in 2015

Total revenue in 2015 of \$32.9 million (2014: \$26.0 million) reflects the continued generosity and compassion of the Australian public. Of these funds, \$21.5 million (2014: \$16.3 million) was committed to UNICEF programs overseas for the most vulnerable children in our world.

The primary driver for the 26% increase in total revenue from 2014 has been the significant Australian public support in aid of the multiple humanitarian emergencies that UNICEF responded to in 2015. Funds raised from emergency appeals totalled \$7.46 million in 2015 compared to \$3.27 million in 2014. UNICEF Australia raised funds to support recovery work in the wake of the Nepal Earthquake (\$4.6 million), Cyclone Pam in the Pacific (\$1.62 million), our ongoing response to the Syrian migrant crisis (\$0.49 million), and other emergency responses around the world (\$0.75 million).

UNICEF Australia continues to invest in its Global Parent pledge program. The objective of securing the commitment and support of long term regular givers (Global Parents) cannot be attained without significant short term investment. To this end, UNICEF Australia continues to utilise investment grants from UNICEF Geneva as well as its own resources. The projected long term benefits of this investment strategy continue to generate healthy returns which will increase our impact and ensure more children not only survive but thrive.

UNICEF Australia successfully gained base accreditation with the Australian Government NGO Cooperation Program (ANCP) in July 2015 and received its first tranche of DFAT grant funding in the year. UNICEF Australia intends to apply for full accreditation again in late 2016 with a view to securing full accreditation status in 2017.

Alongside the Global Parent pledge program, UNICEF Australia continues to raise funds from UNICEF Change for Good, UNICEF Checkout for Children, public appeals, other corporate partnerships, philanthropists and major donors and legacies and bequests. We would like to thank all our supporters for their continued support of UNICEF and its work around the world.

UNICEF Australia is committed to attracting and retaining best fit, high quality staff and has made investments in its people and infrastructure in 2015. This has resulted in an increase in some of our underlying costs in 2015, on the basis that this critical investment will support long-term growth and impact in delivering results for children.

Key performance indicators

Key performance indicators include the gross dollar amount remitted to UNICEF for overseas programs as well as the percentage of income that is spent on programs for children and educating the community.

	2015	2014
Funds Remitted to UNICEF Overseas Programs	\$21,494,463	\$16,262,977
Total income*	\$29,571,380	\$23,302,635
% of income remitted to UNICEF Overseas Programs	73%	70%
Total Program Costs (including advocacy and community education)	\$22,676,534	\$17,334,304
% of total income spent on programs including local advocacy and community education	77%	74%
% of public donations spent on accountability and administration costs**	6%	6%

The proportion of income remitted to UNICEF overseas programs and that spent on programs including local advocacy and community education have both improved in 2015 due to the significant public response to multiple humanitarian emergencies, as well as underlying growth in our core fundraising channels.

Accountability and administration costs are costs required to efficiently run the organisation and includes staff costs for finance, human resources and administration as well as audit fees, insurance and office maintenance costs. The proportion of public funds being spent on accountability and administration has remained constant in 2015.

In line with our strategy to grow committed regular givers the following KPI's are also monitored:

	2015	2014
Number of Global Parents at year end	26,241	25,951
Total Global Parent income	\$11,594,521	\$10,887,139
% of total income*	39%	47%

* Excludes UNICEF grants and non-monetary donations as these funds are not available for discretionary distribution.

** The value of non-monetary donations as well as fundraising costs that are funded by UNICEF Geneva and not the public are excluded.

Operating Results	2015 \$	2014 \$
Revenue from continuing operations	32,944,572	26,048,667
Employee benefits	4,265,661	3,172,299
Equipment and facilities	856,570	689,924
Travel and accommodation	271,140	219,455
Fundraising communication and advocacy	4,414,534	4,272,394
Depreciation and amortisation	139,316	93,025
Other	439,122	359,625
Programs and projects (domestic and international)	21,554,463	16,394,977
Non monetary donations	369,928	698,292
Total expenses	<u>32,310,734</u>	<u>25,899,991</u>
Excess of revenue over expenditure for the year	<u>633,838</u>	<u>148,676</u>
Other comprehensive loss	<u>(16,857)</u>	<u>(15,537)</u>
Total excess of comprehensive revenue over expenditure for the year	<u>616,981</u>	<u>133,139</u>

Australian Council For International Development (ACFID) Code of Conduct

The company is a member of ACFID and has applied the principles of the ACFID Code of Conduct for Non-Government Development Organisations. The application of these principles includes certain disclosures in the attached financial statements and notes.

Information on Directors

Mr John Stewart (President) B.Bus, FCA, FAICD, an independent non-executive Director since 16 April 2005. He is a Fellow of Chartered Accountants Australia and New Zealand and a Fellow of the Australian Institute of Company Directors. He is presently the Managing Director of a large business process outsourcing company and a director of private companies in the chemical and management consulting sectors.

Ms Deeta Colvin (McGeoch) BA, an independent non-executive Director since 25 May 2009, Deeta has had a successful career in media and marketing. She started her own marketing and public relations company, Colvin Communications, in 1985 specialising in consumer marketing of prestige clients, mostly international brands. Ms Colvin sold her company 12 years later and was then appointed Director of Corporate Relations for PBL Media to set up a below the line division of public relations and events as well as interfacing with major clients

of the group in ACP Magazines and Channel 9. In 2001 Ms Colvin was awarded an Ordre du Merite by the French Government for services to business and the arts. Ms Colvin was non-executive Director for Michael Hill International Pty Ltd from 2011 to April 2013 and is currently a non-executive director of the National Breast Cancer Foundation. Ms Colvin consults to Consolidated Press Holdings as well as a few key clients in luxury brand marketing and communications and is a member of the advisory board of the Centre for Fashion for MAAS.

Ms Stephanie Copus-Campbell has worked in the field of philanthropy, aid and international development since 1993. She is currently Executive Director on the Board of the Oil Search Foundation focusing on health, education and women's empowerment programs in Papua New Guinea. Her experience includes Executive Director of the Harold Mitchell Foundation, Principal Executive for International Programs for CARE Australia, lecturer at Deakin University and international humanitarian coordinator for Australian Red Cross, Western Australia. From 2009-2011, Ms Copus-Campbell was the head of Australia's \$500 million aid program with Papua New Guinea. She was also posted to Suva, Fiji, as head of Australia's aid program with Fiji and the Pacific region and has had previous postings to PNG. She is on the Board of UNICEF Australia, the Harold Mitchell Foundation, the PNG based City Pharmacy Group Foundation and Famili PNG, an NGO committed to supporting survivors of family violence. She is also on the Advisory Board of Victoria University's Mitchell Institute for Health and Education and the Advisory Board of the University of New South Wales, Canberra. Ms Copus-Campbell holds an MPhil degree from Cambridge University in international relations and a bachelor's degree from University of California in political science, where she graduated Summa Cum Laude.

Mr Robin Davies is the Associate Director of the Development Policy Centre at the Australian National University's Crawford School of Public Policy. He was previously a member of AusAID's senior executive service for a decade, both in Australia and overseas. Most recently he headed AusAID's international programs and partnerships division. Mr Davies was Australia's representative on the G20 Development Working Group from its establishment in 2010 until late 2011. He contributed to the development of a series of Australian and multilateral climate change initiatives in the period 2007 to 2010. He managed Australia's aid program in Indonesia from 2003 to 2006 and represented Australia on the OECD Development Assistance Committee from 1999 to 2001. Mr Davies is the Chair of UNICEF Australia's International Programs Committee.

Mr Paul Fisher MAICD is a senior executive who has held numerous executive roles in both commercial and not-for-profit sectors. He was recently Managing Director of Nielsen's Media business for the South East Asia, North Asia and Pacific (SEANAP) region, and was formerly the CEO of the Interactive Advertising Bureau (IAB) Australia. He has over 20 years' experience in the Australian media industry, in radio, television, digital and cross-platform advertising sales, sales management, and executive roles with some of Australia's largest media organisations including Austereo, WIN Television, ninemsn and News Corp. Mr Fisher has also coordinated emergency humanitarian operations in Rwanda and Kosovo for CARE Australia assisting unaccompanied children, internally displaced people and refugees.

Ms Nadika Garber has enjoyed a successful career in publishing and is currently Managing Director and part owner of Hinkler Pty Ltd – a Melbourne based publishing house with offices in UK and USA. They currently sell their publications in 72 countries in 38 different languages, through many major retailers around the world. Ms Garber is the main contributor to the Sugatha Scholarship foundation in Sri Lanka, established to help children of all ages realise their educational goals which included the building of a school and library.

Ms Megan Quinn GAICD, an independent non-executive Director since March 2013. Ms Quinn has built a career that has spanned retailing, marketing, publishing, advertising, banking and branding across several industries. She has held a variety of leadership, senior executive, consulting, executive and non-executive board roles, utilising her strong commercial capabilities and deep expertise in brand and service offer development. One of Ms Quinn's notable achievements was co-founding Net-A-Porter in 1999. While living in London, she held executive board positions with both Net-A-Porter and Harrods. Today, Ms Quinn is the Managing Director of Q&CO Consultancy, speaks internationally, and is a non-executive Director of Specialty Fashion Group (SFH).

Mr Colin Storrie FCPA, GAICD, has over 20 years' experience in senior finance roles in listed companies, investment banking and government. This includes Group Treasurer and Chief Financial Officer roles within AMP Ltd and Qantas Airways Ltd respectively. He is currently Deputy CFO of Woolworth's Ltd. Mr Storrie is an independent non-executive director of AIG Australia Ltd and is Chair of both its Board Audit and Risk Committees. He is also an independent non-executive director of North Queensland Airports. Mr Storrie is the Chair of UNICEF Australia's Audit and Risk Committee.

Ms Olivia Wirth is Group Executive Brand, Marketing and Corporate Affairs at Qantas. She is responsible for the Qantas Group's external and internal communications including managing the Qantas Brand, marketing, PR and corporate affairs, and is a member of the Executive Committee. Ms Wirth joined Qantas from the Tourism & Transport Forum, Australia's peak tourism industry group where, as Executive Director, she led its public advocacy and engagement with federal and state governments. She has worked in a range of public and corporate affairs roles, including for the UK based Business in the Community (part of the Prince's Trust) and the Australian Tourist Commission (now Tourism Australia).

Meetings of Directors

The number of meetings of the company's Directors held during the year ended 31 December 2015 and the number of meetings attended by each Director were:

	Board Meetings (6 held)		Audit & Risk Committee (6 held)		International Programs Committee (5 held)	
	<i>Meetings entitled to attend</i>	<i>Meetings attended</i>	<i>Meetings entitled to attend</i>	<i>Meetings attended</i>	<i>Meetings entitled to attend</i>	<i>Meetings attended</i>
C Christian	6	4	6	5		
D Colvin	6	6				
S Copus-Campbell	6	6				
R Davies	6	5	6	4	5	5
P Fisher	5	3			5	5
N Garber	6	6				
L Grant	3	3				
R Lund	4	4			4	3
M Quinn	6	5				
J Stewart	6	6	6 * ex-officio	5	5 * ex-officio	4
C Storrie	3	3	2	2		
O Wirth	3	2				

Liability of members

The liability of members is limited to contributing up to \$1.00 for payment of the company's debts and liabilities, and of the costs, charges and expenses of winding up and for adjustments of the rights of the contributions amongst themselves. There were 81 members as at 31 December 2015.

Dividends

The company's constitution does not permit dividends to be paid.

Indemnification and Insurance of Directors and Officers

UNICEF Australia maintains Association Liability Insurance which provides cover for all current and former directors and officers, against all costs and expenses involved in defending legal actions and any resulting payments arising from a liability to persons (other than the Company), except where the liability arises out of

conduct involving a lack of good faith. The premium paid for Association Liability insurance policy was \$3,530 (2014: \$3,030).

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration that forms part of the Directors' Report is set out on page 8.

Auditor

KPMG continues in office in accordance with Section 327D (2) of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Directors.



John Stewart
Director

Sydney
26 April 2016



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of the Australian Committee for UNICEF Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Stephen Isaac
Partner

Sydney

26 April 2016

Statement of Comprehensive Income

For the year ended 31 December 2015

	Notes	2015	2014
		\$	\$
CONTINUING OPERATIONS			
REVENUE			
Donations and Gifts			
- Monetary		27,526,665	21,856,478
- Non Monetary		369,928	698,292
Bequests and Legacies		1,086,572	676,506
Grants			
- Department of Foreign Affairs and Trade		37,639	-
- Overseas UNICEF Geneva		3,003,264	2,047,740
Investment Income		233,557	215,712
Other Income		686,947	553,939
TOTAL REVENUE		32,944,572	26,048,667
EXPENDITURE			
	2		
International Aid and Development Programs Expenditure			
International Programs			
- Funds to international programs		21,494,463	16,262,977
- Program support costs		304,542	190,534
		21,799,005	16,453,511
Community Education		817,529	748,793
Fundraising Costs			
- Public		4,405,936	4,412,429
- Funded by UNICEF Geneva		3,003,264	2,047,740
		7,409,200	6,460,169
Accountability and Administration		1,855,072	1,407,226
Non-Monetary Expenditure		369,928	698,292
Total International Aid and Development Programs Expenditure		32,250,734	25,767,991
Domestic Programs Expenditure		60,000	132,000
TOTAL EXPENDITURE		32,310,734	25,899,991
EXCESS OF REVENUE OVER EXPENDITURE		633,838	148,676
Other Comprehensive Loss		(16,857)	(15,537)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		616,981	133,139

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2015

	Notes	2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	3	11,223,377	7,595,006
Trade and other receivables	4	412,404	380,600
Prepayments	5	56,247	49,933
Total current assets		11,692,028	8,025,539
Non-current assets			
Financial assets available for sale	6	333,975	350,832
Plant and equipment	7	173,400	122,127
Intangibles	8	243,577	104,860
Total non-current assets		750,952	577,819
Total assets		12,442,980	8,603,358
Liabilities			
Current liabilities			
Trade and other payables	9	8,069,637	4,896,481
Provisions	10	200,590	180,594
Total current liabilities		8,270,227	5,077,075
Non-current liabilities			
Provisions	11	89,203	59,714
Total non-current liabilities		89,203	59,714
Total liabilities		8,359,430	5,136,789
Net Assets		4,083,550	3,466,569
Equity			
Reserves	14	4,083,550	3,466,569
Total Equity		4,083,550	3,466,569

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 31 December 2015

	Notes	Reserves \$
Balance at 1 January 2014		3,333,430
Excess of revenue over expenditure		148,676
Other comprehensive loss		(15,537)
Balance at 31 December 2014		<u>3,466,569</u>
Excess of revenue over expenditure		633,838
Other comprehensive loss		(16,857)
Balance at 31 December 2015	14	<u>4,083,550</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from card sales and inspired gifts		668,589	538,230
Donations and fundraising receipts		28,042,208	22,151,977
UNICEF investment grants received		4,923,359	2,253,442
Department of Foreign Affairs and Trade grants received		150,000	-
Investment income received		208,671	227,803
Other income		18,359	24,401
Project outgoings		(20,442,570)	(14,964,044)
Other outgoings		(9,569,517)	(8,697,877)
Net cash inflow from operating activities		3,999,099	1,533,932
Cash flows from investing activities			
Payments for plant and equipment		(125,846)	(62,642)
Payments for intangibles		(244,882)	-
Net cash outflow from investing activities		(370,728)	(62,642)
Net increase in cash and cash equivalents		3,628,371	1,471,290
Cash and cash equivalents at the beginning of the financial year		7,595,006	6,123,716
Cash and cash equivalents at end of year	3	11,223,377	7,595,006

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

As at 31 December 2015

Contents	Page
1 Summary of significant accounting policies	14
2 Expenditure	18
3 Current assets - Cash and cash equivalents	18
4 Current assets - Trade and other receivables	18
5 Current assets - Prepayments	19
6 Non-current assets - Financial assets available for sale	19
7 Non-current assets - Plant and equipment	19
8 Non-current assets - Intangibles	20
9 Current liabilities - Trade and other payables	20
10 Current liabilities - Provisions	20
11 Non-current liabilities - Provisions	20
12 Contingencies	21
13 Commitments	21
14 Reserves	21
15 Related party transactions	21
16 Economic dependency	23
17 Fundraising appeals income and expenses	23
18 Events occurring after the balance sheet date	24

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Australian Committee for UNICEF Limited ("UNICEF Australia").

UNICEF Australia is a company limited by guarantee. The liability of each member of the company is limited to \$1.00.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the Corporations Act 2001, Australian charities and Not-for-profits Commission Act 2012 and the ACFID Code of Conduct. UNICEF Australia is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of UNICEF Australia comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

New and amended standards adopted by the Company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2015 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Early adoption of standards

The Company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 January 2015.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention.

Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical results and other factors, including expectations of future events which are believed to be reasonable under the circumstances. Management has not made significant judgements that could have a material adjustment to the carrying amount of assets and liabilities within the next annual reporting period.

(b) Foreign Currency Translation

(i) *Functional and Presentation Currency*

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

(ii) *Transactions and Balances*

Foreign currency transactions are translated into Australian currency using the average exchange rates calculated during the month the transactions take place. Foreign currency account balances are revalued on a monthly basis using the exchange rate prevailing at month end. Foreign exchange gains and losses resulting from the monthly revaluation and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised when the amount of the revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for the major business activities as follows:

(i) Donations and Gifts

Donation revenue is recognised when it is received.

(ii) Bequests and Legacies

Bequests and legacies are recognised when they are received.

(iii) Grants

Grants are recognised as revenue as they are expended on the programs or activities to which they relate. Unexpended grants are recognised as liabilities to reflect the obligation to perform those programs or activities that are yet to be completed.

(iv) Interest Income

Interest income is recognised on time proportion basis using the effective interest rate method.

(v) Non-monetary Donations

The group receives donated services such as voluntary help, community service radio and television announcements, and advertising support.

Where the value of the non-monetary donation is material and a fair value is reasonably determinable the revenue and corresponding expense are recognised when the non-monetary donation is received.

(d) Income Tax

No income tax is payable, as the group has income tax exempt status with the Australian Taxation Office.

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 13). Payments made under operating leases are charged to profit or loss in the periods in which they are incurred.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, and deposits held at call with financial institutions.

(g) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently at fair value less the provision for doubtful debts. Trade receivables are due for settlement no more than 90 days from date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows.

The amount of the provision is recognised in the statement of comprehensive income as an administration expense. When a trade receivable for which a provision had been recognised becomes uncollectible in a

subsequent period, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against administration expenses in profit or loss.

(h) Plant & Equipment

Plant and equipment are brought to account at historical cost less, where applicable, any accumulated depreciation or amortisation. These assets are depreciated over their useful lives. The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of the disposal, and is included in the operating result of the company in the year of disposal.

The rates and basis of depreciation are as follows:

Furniture and Fittings	Diminishing value	20%
Office Equipment	Diminishing value	Between 20 and 50%
Motor Vehicle	Diminishing value	22.5%
Leasehold Improvements	Diminishing value	20%

(i) Intangibles

Intangibles are brought to account at historical cost less, where applicable, any accumulated amortisation. These assets are amortised over their useful lives. The gain or loss on disposal of all intangibles is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of the disposal, and is included in the operating result of the company in the year of disposal.

The rates and basis of amortisation are as follows:

Software	Diminishing value	40%
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(j) Other Financial Assets

Other financial assets are classified in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and financial assets available for sale. The classification depends on the purpose for which the assets were acquired. The company has financial assets falling into the category of loans and receivables and financial assets available for sale.

(i) Loans and Receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position (note 4).

(ii) Financial Assets Available for Sale

Financial assets available for sale are any assets which are not classified as financial assets at fair value through profit or loss, held-to-maturity financial assets or loans and receivables. Assets in this category are classified as current assets if they are expected to be settled within 12 months, otherwise they are classified as non-current.

Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through

profit or loss are expensed in profit or loss. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(k) Trade and Other Payables

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

(l) Program Funding Payable

Where the company has contracted with an outside entity to undertake an aid project the funds are recorded as income when they are received or receivable (see notes (c) (i) and (iii)). Where funds have been received from that outside party but have not yet been sent to the implementing agency in the field, those funds are held in bank or bank equivalent deposits. They are taken up as a liability in the statement of financial position and are remitted to UNICEF Overseas Programs within six months.

(n) Remittances to UNICEF Overseas Programs

The company strives to remit the maximum percentage of funds received to UNICEF Overseas Programs in accordance with a cooperation agreement. Funds due to UNICEF Overseas Programs under this agreement and which have not yet been remitted at balance date are calculated and accrued as a liability.

(o) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an expense.

(p) Employee Benefits

(i) Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including annual leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long Service Leave

The liability for long service leave is recognised in provisions and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the Australian Corporate Bond discount rate at the reporting date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) *Retirement Benefit Obligations*

All employees of the company are entitled to benefits from superannuation on retirement, death or disability. The company contributes to defined contribution superannuation funds as nominated by the individual employees and these contributions are recognised as an expense as they become payable.

2 Expenditure

Expenditure has been classified by function in accordance with ACFID's guidelines in the Company's statement of comprehensive income. The table below presents expenditure by nature:

	2015	2014
	\$	\$
Employee benefits	4,265,661	3,172,299
Equipment and facilities	856,570	689,924
Travel and accommodation	271,140	219,455
Fundraising, Communication and Advocacy	4,414,534	4,272,394
Depreciation and amortisation	139,316	93,025
Other	439,122	359,625
Programs and projects (domestic and international)	21,554,463	16,394,977
Non-monetary donations	369,928	698,292
	<u>32,310,734</u>	<u>25,899,991</u>

3 Current assets – Cash and cash equivalents

	2015	2014
	\$	\$
Cash	1,431,608	999,771
Deposits	9,791,769	6,595,235
	<u>11,223,377</u>	<u>7,595,006</u>

4 Current assets - Trade and other receivables

	2015	2014
	\$	\$
Trade receivables	1,260	3,884
Accrued income	91,654	259,294
Provision for impairment	(26,434)	(173,177)
Other receivables	344,411	273,581
Intercompany receivable – UNICEF Geneva	1,513	17,018
	<u>412,404</u>	<u>380,600</u>

Other receivables include transactions and invoicing other than for the sale of merchandise. The receivables are non-interest bearing. At year end other receivables included \$304,742 (2014: \$266,781) receivable from the tax office for GST credits.

For details on intercompany balances see note 15 on related party transactions and balances.

5 Current assets - Prepayments

	2015	2014
	\$	\$
Prepayments	56,247	49,933
	<u>56,247</u>	<u>49,933</u>

6 Non-current assets – Financial assets available for sale

	2015	2014
	\$	\$
Opening value at the start of the year	350,832	301,369
Donations received	-	65,000
Unrealised loss recognised in other comprehensive income	(16,857)	(15,537)
Closing value at the end of the year	<u>333,975</u>	<u>350,832</u>

Financial assets relate to an investment in a unit trust donated to the company. The investment has been classified as non-current as the purpose of the investment is to retain it in the long term. There are no fixed returns or fixed maturity date attached to this investment.

7 Non-current assets - Plant and equipment

	Leasehold improvements	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$
At 31 December 2014				
Cost	138,205	193,469	16,642	348,316
Accumulated depreciation	(59,310)	(150,744)	(16,135)	(226,189)
Net book amount	<u>78,895</u>	<u>42,725</u>	<u>507</u>	<u>122,127</u>
Year ended 31 December 2015				
Opening net book amount	78,895	42,725	507	122,127
Additions	34,575	91,271	-	125,846
Disposals	(12,128)	(4,935)	-	(17,063)
Depreciation charge	(21,362)	(36,035)	(113)	(57,510)
Closing net book amount	<u>79,980</u>	<u>93,026</u>	<u>394</u>	<u>173,400</u>
At 31 December 2015				
Cost	150,323	228,831	16,642	395,796
Accumulated depreciation	(70,343)	(135,805)	(16,248)	(222,396)
Net book amount	<u>79,980</u>	<u>93,026</u>	<u>394</u>	<u>173,400</u>

8 Non-current assets - Intangibles

	Software \$
At 31 December 2014	
Cost	496,765
Accumulated amortisation	(391,905)
Net book amount	<u>104,860</u>
Year ended 31 December 2015	
Opening net book amount	104,860
Additions	250,493
Disposals	(29,970)
Amortisation charge	(81,806)
Closing net book amount	<u>243,577</u>
At 31 December 2015	
Cost	457,151
Accumulated amortisation	(213,574)
Net book amount	<u>243,577</u>

9 Current liabilities - Trade and other payables

	2015 \$	2014 \$
Trade payables	825,198	510,556
Deferred Grants - Department of Foreign Affairs and Trade	112,361	-
Deferred Grants - UNICEF Geneva	2,193,230	273,135
Program funding payable	4,938,848	4,112,790
	<u>8,069,637</u>	<u>4,896,481</u>

10 Current liabilities - Provisions

	2015 \$	2014 \$
Annual leave provision	200,590	180,594
	<u>200,590</u>	<u>180,594</u>

11 Non-current liabilities - Provisions

	2015 \$	2014 \$
Provision for long service leave	65,122	36,202
Provision for make good on leased premises	24,081	23,512
	<u>89,203</u>	<u>59,714</u>

Movements in Provisions

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

	Make good \$	Long Service Leave \$	Total Non-Current Provisions \$	Annual leave \$	Total \$
Carrying amount at the start of the year	23,512	36,202	59,714	180,594	240,308
Increase in provision	569	62,289	62,858	19,994	82,852
Provision utilised/written back	-	(33,369)	(33,369)	-	(33,369)
Carrying amount at the end of the year	24,081	65,122	89,203	200,590	289,792

12 Contingencies

There are no contingent liabilities at balance date.

13 Commitments

(a) Lease commitments - non-cancellable operating lease

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2015 \$	2014 \$
Within one year	158,458	303,363
Later than one year but not later than five years	193,010	335,890
	<u>351,468</u>	<u>639,253</u>

Operating leases

The company leases premises under an operating lease expiring in less than 5 years.

The company also leases various plant and machinery under non-cancellable operating leases.

14 Reserves

Reserves are established to ensure that UNICEF Australia is able to meet its commitments, obligations and other contingencies, and deliver on its objectives in the unanticipated event of significant financial difficulties. It is UNICEF Australia's policy to retain only sufficient reserves to safeguard the continuity of its operations. The board of UNICEF Australia reviews and approves the level of reserves held periodically.

15 Related party transactions

(a) Transactions with related parties

The following transactions occurred with related parties:

Nature of Relationship and Transactions

UNICEF

The Company is a UNICEF National Committee, one of 34 such Committees around the world. The Company's operations are subject to performance in accordance with the cooperation agreement with UNICEF. Under this agreement the Company strives to remit 75% of funds raised to UNICEF Overseas Programs.

	2015 \$	2014 \$
<i>Outstanding balances arising from transactions:</i>		
Aggregate amount payable to UNICEF Overseas Programs at balance date	4,938,848	4,112,790
Aggregate amounts receivable from UNICEF Geneva at balance date	1,513	17,018
During the year UNICEF Geneva approved and remitted funds to the company to undertake market development and fundraising activities. Funds unspent at year end remain a liability to UNICEF Australia until spent.	2,193,230	273,135
<i>Value of transactions:</i>		
Total funds remitted to UNICEF Overseas Programs during the period	21,494,463	16,262,977
During the year UNICEF Geneva approved funds to the company to undertake market development and fundraising activities. Total expenditure funded by UNICEF Geneva during the year	3,003,264	2,047,740
Refund to UNICEF of unutilised emergency investment grant	164,679	23,378
Reimbursement by UNICEF for expenses incurred locally	207,671	89,568
Payments to UNICEF Mutual Assistance Fund	7,898	6,962
Payments for purchases from UNICEF during the year	2,314	-

UNICEF or a National Committee may on occasion enter into a fundraising relationship with a global company that operates in multiple markets in which other National Committees have a presence. Where revenue is collected centrally it is then soft credited to the National Committee in whose market the funds were raised, as income and recognised as a 100% contribution back to UNICEF Overseas Programs. In 2015 the company received soft credits from a multitude of global corporate partners and paid a soft credit to the New Zealand National Committee.

	2015 \$	2014 \$
Soft Credited Income received, also included in funds remitted to UNICEF Overseas Programs	590,377	713,526
Soft Credited Income paid to UNICEF	6,249	53,654

UNICEF National Committees & Country Offices

On occasion the company transacts directly with other UNICEF committees and offices.

Value of transactions:

Reimbursement by the UNICEF Japan country office for cost of UNICEF Australia staff travel to Japan	-	5,123
Payment to the UNICEF Lao country office for expenses incurred locally	3,343	-
Payment to the UNICEF Canada Committee for expenses incurred locally	12,395	-

Key Management Personnel

Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Company.

	2015 \$	2014 \$
<i>Value of transactions:</i>		
Compensation for key management personnel:		
- short term benefits	726,782	619,545
- post- employment benefits (superannuation contributions)	68,217	59,326
- termination benefits	66,835	-
Total compensation for key management personnel	<u>861,834</u>	<u>678,871</u>

(c) Directors' Transactions

The directors of UNICEF Australia serve voluntarily and do not receive any remuneration for their services as directors. Expenses incurred by directors on behalf of the company are reimbursed on a cost only basis. An amount of \$3,530 (2014: \$3,030) was paid for Directors and Officers liability insurance.

Ms Lesley Grant and Ms Olivia Wirth are Chief Executive of Qantas Loyalty and Group Executive of Brand, Marketing and Corporate Affairs at Qantas Airways Ltd respectively. During the year, the group received donation income and in kind support from Qantas of \$140,398 (2014: \$118,225). Neither Ms Grant nor Ms Wirth received any benefit from this association.

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

16 Economic dependency

The operations of the company depends to a significant extent on the use of the UNICEF name, which is granted under a Cooperation Agreement with UNICEF.

17 Fundraising appeals income and expenses

Donation income includes funds raised for UNICEF programs from public appeals, the UNICEF Global Parent monthly giving program, UNICEF Change for Good, UNICEF Checkout for Children, other corporate partnerships, legacies and bequests and Education for Development fundraising activities. Income is also raised from the sale of cards and inspired gifts.

Non-monetary donations include donated services such as pro-bono legal and research services, voluntary help, community service radio and television announcements, and advertising support. Where the value of the non-monetary donation is material and a fair value is reasonably determinable, the revenue and corresponding expense are recognised when the non-monetary donation is received. As the non-monetary donation is not a cash donation and cannot be allocated to programs (or otherwise) the value has been excluded from the analysis below.

	2015		2014	
	\$		\$	
Gross Proceeds from Fundraising Activities*	27,526,665		21,856,478	
Less: Total Costs of Fundraising *	4,251,453		4,206,053	
Net Surplus	23,275,212		17,650,425	

* As defined by the Charitable Fundraising Act - excludes sales of cards & gifts, bequests and non-monetary donations

Total cost of fundraising	4,251,453		4,206,053	
Gross proceeds from fundraising	27,526,665	15%	21,856,478	19%
Net surplus from fundraising	23,275,212		17,650,425	
Gross proceeds from fundraising	27,526,665	85%	21,856,478	81%
Total Program Expenditure	22,676,534		17,334,304	
Total Expenditure	28,937,542	78%	23,153,959	75%
Total Program Expenditure	22,676,534		17,334,304	
Total Income	29,571,380	77%	23,302,635	74%

Gross comparisons including fundraising not covered by the Charitable Fundraising Act (includes cards and gifts, bequests, non-monetary donations)

Total cost of fundraising	4,775,864		5,110,721	
Income	29,941,308	16%	24,000,927	21%

Appeals in which traders were engaged UA uses external agencies for Face to Face and Telemarketing Recruitment of Global Parents

Gross Income *	4,302,607		5,993,844	
Direct Costs	1,315,986		1,695,079	

* Gross income has been extrapolated to reflect the full expected benefit from the acquisition of a Global Parent assuming an average monthly gift of \$32.87 (2014 - \$32.27) and attrition of 1.21% per month (2014 - 1.52%).

18 Events occurring after the balance sheet date

No matters have arisen since the end of the financial year which have a material impact on these financial statements and notes as presented.

Directors' declaration

In the opinion of the directors of Australian Committee for UNICEF Limited (the Company):

- (a) the financial statements and notes that are set out on pages 1 to 24 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013 ; and
- (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;
- (c) the accounts give a true and fair view of all income and expenditure with respect to fundraising appeals;
- (d) the provisions and regulations of the Charitable Fundraising Act 1991 (NSW) and the conditions attached to the fundraising authority have been complied with by the company; and
- (e) the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

Signed in accordance with a resolution of the directors:



John Stewart
Director

Sydney
26 April 2016



Independent auditor's report to the members of the Australian Committee for UNICEF Limited

We have audited the accompanying financial report of the Australian Committee for UNICEF Limited (the Company), which comprises the statement of financial position as at 31 December 2015, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Company.

This audit report has also been prepared for the members of the Company pursuant to the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC) and Section 24(2) of the *Charitable Fundraising Act 1991 (NSW)* and Section 15(2) of the *Charitable Collections Act 1946 (WA)* and *Charitable Collections Regulations 1947 (WA)* (the Act and Regulations).

Directors' responsibility 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, the ACNC, and the Act and Regulations. The Directors' responsibility also includes such internal control as the Directors determine 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.



We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the ACNC, a true and fair view which is consistent with our understanding of the Company’s financial position and of its performance.

In addition, our audit report has also been prepared for the members of the Company to meet the requirements of the Act and Regulations. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the ACNC. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Act and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Auditor’s opinion

In our opinion, the financial report of the Australian Committee for UNICEF Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the Company’s financial position as at 31 December 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Audit opinion pursuant to the Charitable Fundraising Act 1991 (NSW)

In our opinion:

- (a) the financial report gives a true and fair view of the Australian Committee for UNICEF Limited’s financial result of fundraising appeal activities for the financial year ended 31 December 2015;



- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2015 to 31 December 2015, in accordance with the *Charitable Fundraising Act 1991 (NSW)*;
- (c) money received as a result of fundraising appeal activities conducted during the period from 1 January 2015 to 31 December 2015 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991 (NSW)*; and
- (d) there are reasonable grounds to believe that the Australian Committee for UNICEF Limited will be able to pay its debts as and when they fall due.

Audit opinion pursuant to the Charitable Collections Act 1946 (WA) and Charitable Collections Regulations 1947 (WA)

In accordance with the requirements of Section 15(2) of the *Charitable Collections Act 1946 (WA) and Charitable Collections Regulations 1947 (WA)* (the Act and Regulations), we have reviewed the Act and Regulations for the purpose of reporting whether, as a result of completing our audit procedures on the financial report of the Company for the year ended 31 December 2015, we have not become aware of any condition or event that constitute a material default by the Company in the performance of, or compliance with, any requirements of the Act or Regulations.

In our opinion, the Company, for the year ended 31 December 2015, has complied in all material respect with the requirements of the *Charitable Collections Act 1946 (WA) and Charitable Collections Regulations 1947 (WA)*.

KPMG

KPMG

Stephen Isaac
Partner

Sydney

26 April 2016