

Australian Committee for UNICEF Limited

ABN 35 060 581 437

Annual Financial Report – 31 December 2014

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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 28 April 2015.

Directors' Report

The Directors present their report for the Australian Committee for UNICEF Limited at the end of, or during, the year ended 31 December 2014.

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 Christine Christian
Ms Deeta Colvin
Ms Stephanie Copus-Campbell
Mr Robin Davies
Ms Nadika Garber
Ms Lesley Grant
Mr Rohan Lund
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
Mr Paul Fisher	28 October 2014

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

	Date of resignation
Mr Michael Gill	25 February 2014
Mr Michael Batchelor	10 April 2014
Ms Fiona Sinclair King	28 October 2014

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 on 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.

The UNICEF Australia board has also taken the decision to invest in and develop our programs support team and monitoring and evaluation capabilities in order to secure Australian Government ANCP accreditation. 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 2014

Total revenue in 2014 of \$26.0 million (2013: \$27.0 million) reflects the continued generosity and compassion of the Australian public. Of these funds, \$16.5 million (2013: \$18.6 million) was committed to UNICEF programs overseas for the most vulnerable children in our world.

Revenue has declined by 4% from 2013 levels. This reduction is primarily due to reduced funds raised from emergency appeals - \$3.27 million in 2014 compared to \$5.37million in 2013. UNICEF Australia continued to respond to multiple emergency interventions throughout 2014, with funds raised to combat the Ebola Virus Epidemic (\$1.27 million), South Sudan Children's Crisis (\$0.83 million), continued support of the Syrian Crisis (\$0.58 million) and Typhoon Haiyan (\$0.24 million).

UNICEF Australia continues to invest in its Global Parent pledge program, and at 47% is a core component of our revenue base. This investment has been funded through utilisation of UNICEF Australia's own resources as well as grants received from UNICEF Geneva for this purpose. 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 continues to implement of its programs strategy to secure accreditation with the Australian Government NGO Cooperation Program (ANCP). UNICEF Australia successfully submitted its agency profile to DFAT in November 2014, and undertook its organisational review in March 2015. At the time of writing this report, the organisation is waiting on final confirmation of the outcome of the accreditation process.

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, legacies and bequests and Education for Development fundraising activities. We would like to thank all our supporters for their continued support of UNICEF and its work around the world.

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.

	2014	2013
Funds Remitted to UNICEF Overseas Programs	\$16,262,977	\$18,480,416
Total income*	\$23,302,635	\$25,352,881
% of income remitted to UNICEF Overseas Programs	70%	73%
Total Program Costs (including advocacy and community education)	\$17,334,304	\$19,369,258
% of total income spent on programs including local advocacy and community education	74%	76%

Both of the performance indicators as reflected above have decreased from 2013 levels, as a direct result of the significant proportion of emergency response income generated in 2014 from the public response to Typhoon Haiyan.

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

Number of Global Parents at year end	25,951	24,941
Total Global Parent income	\$10,887,139	\$10,943,704
% of total income*	47%	43%

* Excludes UNICEF grants and donations in kind income as these funds are not available for discretionary distribution.

Operating Results	2014	2013
	\$	\$
Revenue from continuing operations	26,048,667	27,020,441
Employee benefits	3,172,299	2,966,895
Equipment and facilities	689,924	598,652
Travel and accommodation	219,455	171,316
Fundraising communication and advocacy	4,272,394	3,313,803
Depreciation and amortisation	93,025	83,008
Other	359,625	368,408
Programs and projects (domestic and international)	16,394,977	18,540,416
Non monetary Donations in kind	698,292	695,977
Total expenses	<u>25,899,991</u>	<u>26,738,475</u>
Excess of revenue over expenditure for the year	<u>148,676</u>	281,966
Other comprehensive income	<u>(15,537)</u>	58,035
Total excess of comprehensive revenue over expenditure for the year	<u>133,139</u>	340,001

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

Directors in office at the date of this report and their brief details are:

Mr John Stewart (President) B.Bus, FCA, FAICD, an independent non-executive Director since 16 April 2005. He is a Fellow of the Institute of Chartered Accountants in Australia and 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. Mr Stewart is a member of the Board Nomination and Review Committee.

Ms Christine Christian BA, MAICD, an independent non-executive Director since 12 April, 2011. Ms Christian's current directorships include Members Equity Bank, Private Media, Scottish Pacific Business Finance, Powerlinx Inc., Policy and Economic Research Council, Melbourne International Comedy Festival and Chairman of the State Library of Victoria Foundation. Ms Christian has served in senior executive roles in Australia and overseas primarily in the credit risk, financial services and global business publishing sectors, including 14 years as Chief Executive Officer of Dun & Bradstreet Australia and 2 years as Executive Director of Dun & Bradstreet India. Ms Christian was the founding Chair of Business Information Industry Association – Hong Kong and Middle East. Ms Christian is Chair of the Audit and Risk Committee.

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 all 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. Since 2007 she has consulted to Consolidated Press Holdings (CPH) to liaise with key clients and set up some of the VIP events and relationship opportunities and she is also currently Chairman of communications agency, Stellar* Concepts Australia.

Ms Stephanie Copus-Campbell has worked in the field of philanthropy, aid and international development since 1993. Her experience includes a secondment to CARE Australia as the Principal Executive for International Programs, and positions as a lecturer at Deakin University and an international humanitarian coordinator for Australian Red Cross, Western Australia. From 2009-2011, Ms Copus-Campbell was the head of Australia's \$470 million aid program to Papua New Guinea. She was also posted to Suva, Fiji, as head of Australia's aid program to Fiji and the Pacific region and has had previous postings to PNG. During her early career with AusAID, she worked on the China program and on environment and infrastructure policy. 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 Paul Fisher MAICD leads his own management consulting practice specialising in digital media and marketing strategy and implementation. 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 NewsCorp. Paul has also coordinated emergency humanitarian operations in Rwanda and Kosovo for CARE Australia assisting unaccompanied children, internally displaced people and refugees. He has also lived and worked in the United Arab Emirates and Sri Lanka.

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 Lesley Grant has been with Qantas Airways since May 2002 and holds the position of Chief Executive Qantas Loyalty. She is also a member of the Qantas Group Executive Committee. She has over 30 years' experience in the airline industry in customer, marketing and operations roles and prior to joining Qantas, Lesley held senior airline roles in other international airlines. Lesley has been an independent non-executive Director of UNICEF Australia since May 2006, a Director of the Qantas Foundation since March 2009 and was a Director of the Jetset Travelworld Group.

Mr Rohan Lund is the Chief Operating Officer of Foxtel. He was formerly COO of Seven West Media, CEO of Yahoo!7 and Chairman of Yahoo! New Zealand. He remains a Director of UNICEF and was previously a Director of Vividwireless (Australia's first 4G network) and the former Chairman of the Internet Advertising Board. Prior to joining Yahoo!7 in 2007, Mr Lund had been the Strategy Director of Seven Network Limited and before that Strategy Director of SingTel Optus. He holds a Master of Laws from Queensland University of Technology.

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, Megan is the Managing Director of Q&CO Consultancy, speaks internationally, and is a non-executive Director of Specialty Fashion Group (SFH). She stepped down from the Fitted For Work board in 2014.

Meetings of Directors

The number of meetings of the company's Directors held during the year ended 31 December 2014 and the number of meetings attended by each Director were:

	Board Meetings (6 held)		Audit & Risk Committee (6 held)	
	<i>Meetings entitled to attend</i>	<i>Meetings attended</i>	<i>Meetings entitled to attend</i>	<i>Meetings attended</i>
M Batchelor	2	2	2	2
C Christian	6	6	6	6
D Colvin	6	5		
S Copus-Campbell	6	5		
R Davies	6	6	6	6
P Fisher	1	1		
N Garber	6	6		
M Gill	1	1		
L Grant	6	5		
R Lund	6	5		
M Quinn	6	6		
F Sinclair King	5	5		
J Stewart	6	6	4	4

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 82 members as at 31 December 2014.

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 \$3,030 (2013: \$3,015)

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration that has been provided in accordance with subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012 is set out on page 9.

Auditor

KPMG were appointed as auditors in accordance with Section 327D (2) of the Corporations Act 2001, at an Extraordinary General Meeting held on 28th October 2014.

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

A handwritten signature in black ink, appearing to read "John Stewart", with a horizontal line underneath.

John Stewart
Director

Sydney
28 April 2015



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 2014 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

A handwritten signature in blue ink, appearing to read 'S Isaac'.

Stephen Isaac
Partner

Sydney

28 April 2015

Statement of Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 \$	2013 (Restated) \$
CONTINUING OPERATIONS			
REVENUE			
Donations and Gifts			
- Monetary		21,856,478	24,306,034
- Non Monetary		698,292	695,977
Bequests and Legacies		676,506	233,016
Grants			
- Overseas UNICEF Geneva		2,047,740	971,583
Investment Income		215,712	189,559
Other Income		553,939	624,272
TOTAL REVENUE		26,048,667	27,020,441
EXPENDITURE			
	2		
International Aid and Development Programs Expenditure			
International Programs			
- Funds to international programs		16,262,977	18,480,416
- Program support costs		190,534	81,937
		16,453,511	18,562,353
Community Education		748,793	746,905
Fundraising Costs			
- Public		4,412,429	4,370,895
- Funded by UNICEF Geneva		2,047,740	971,583
		6,460,169	5,342,478
Accountability and Administration		1,407,226	1,330,762
Non-Monetary Expenditure		698,292	695,977
Total International Aid and Development Programs Expenditure		25,767,991	26,678,475
Domestic Programs Expenditure		132,000	60,000
TOTAL EXPENDITURE		25,899,991	26,738,475
EXCESS OF REVENUE OVER EXPENDITURE		148,676	281,966
Other Comprehensive Income		(15,537)	58,035
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		133,139	340,001

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

Statement of Financial Position

As at 31 December 2014

	Notes	2014 \$	2013 (Restated) \$
Assets			
Current assets			
Cash and cash equivalents	3	7,595,006	6,123,716
Trade and other receivables	4	380,600	438,814
Prepayments	5	49,933	41,166
Total current assets		8,025,539	6,603,696
Non-current assets			
Financial assets available for sale	6	350,832	301,369
Plant and equipment	7	226,987	257,369
Total non-current assets		577,819	558,738
Total assets		8,603,358	7,162,434
Liabilities			
Current liabilities			
Trade and other payables	8	4,896,481	3,584,433
Provisions	9	180,594	177,904
Total current liabilities		5,077,075	3,762,337
Non-current liabilities			
Provisions	10	59,714	66,667
Total non-current liabilities		59,714	66,667
Total liabilities		5,136,789	3,829,004
Net Assets		3,466,569	3,333,430
Equity			
Reserves	13	3,466,569	3,333,430
Total Equity		3,466,569	3,333,430

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 2014

	Notes	Retained earnings \$	Reserves \$	Total Equity \$
Balance at 1 January 2013		2,993,429	-	2,993,429
Total comprehensive income for the year ended 31 December 2013		340,001	-	340,001
Amounts transferred (to)/from		(3,333,430)	3,333,430	-
Balance at 31 December 2013		-	3,333,430	3,333,430
Total comprehensive income for the year		-	133,139	133,139
Balance at 31 December 2014	13	-	3,466,569	3,466,569

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 2014

	2014	2013
	\$	\$
Cash flows from operating activities		
Receipts from card sales and inspired gifts	538,230	424,003
Donations and fundraising receipts	22,151,977	24,052,741
UNICEF investment grants received	2,253,442	1,039,016
Investment income received	227,803	170,332
Other income	24,401	191,545
Project outgoings	(14,964,044)	(16,613,956)
Other outgoings	(8,697,877)	(7,462,835)
Net cash inflow from operating activities	1,533,932	1,800,846
Cash flows from investing activities		
Payments for plant and equipment	(62,642)	(137,692)
Proceeds from sale of plant and equipment	-	21,837
Net cash outflow from investing activities	(62,642)	(115,855)
Net increase in cash and cash equivalents	1,471,290	1,684,991
Cash and cash equivalents at the beginning of the financial year	6,123,716	4,438,725
Cash and cash equivalents at end of year	7,595,006	6,123,716

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

Notes to the Financial Statements

As at 31 December 2014

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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 2014 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 2014.

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 statement of comprehensive income.

(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) Donations In-kind

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

Where the value of the in-kind donation is material and a fair value is reasonably determinable the revenue and corresponding expense are recognised when the in-kind 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 12). 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 include 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) 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 available-for-sale financial assets.

(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.

(j) Trades 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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 market yields at the reporting date on national government bonds 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.

(o) Reclassification of Comparatives

Certain comparative balances have been restated to conform with current year presentation, and the requirements of Australian Accounting Standards.

In accordance with the requirement as specified in AASB 101, the reclassification of comparatives was as follows:

	Balance as per 2013 Financial Statements \$	Balance as per 2013 Restated Comparatives \$	Change \$
<u>Statement of Comprehensive Income</u>			
Investment Income	247,594	189,559	58,035
Community Education	1,120,847	746,905	373,942
Fundraising costs - Public	3,996,953	4,370,895	(373,942)
Excess of revenue over expenditure	340,001	281,966	58,035
Other Comprehensive Income	-	58,035	(58,035)
Total Comprehensive Income	340,001	340,001	-

Reclassification of community education costs to fundraising costs - public, and reclassification of the gain on the investment fund to other comprehensive income, consistent with the classification of the investment fund as an available for sale financial asset.

<u>Statement of Financial Position</u>			
Cash and cash equivalents	6,123,716	6,123,716	-
Trade and other receivables	163,763	438,814	(275,051)
Financial assets at fair value through profit or loss	301,369	-	301,369
Prepayments	-	41,166	(41,166)
Other	316,217	-	316,217
Total current assets	6,905,065	6,603,696	301,369
Financial assets available for sale	-	301,369	(301,369)
Plant and equipment	257,369	257,369	-
Total non-current assets	257,369	558,738	(301,369)

Reclassification of investment fund as a non-current financial asset classified as a financial asset available for sale, and reclassification of accrued income as a trade and other receivable.

Trade and other payables	3,762,337	3,584,433	177,904
Provisions	66,667	177,904	(111,237)
Total current liabilities	3,829,004	3,762,337	66,667
Provisions	-	66,667	(66,667)
Total non-current liabilities	-	66,667	(66,667)

Reclassification of long service leave and make good balances as a non-current provision, and classification of annual leave as a current provision from a trade and other 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:

	2014	2013
	\$	\$
Employee benefits	3,172,299	2,966,895
Equipment and facilities	689,924	598,652
Travel and accommodation	219,455	171,316
Fundraising, Communication and Advocacy	4,272,394	3,313,803
Depreciation and amortisation	93,025	83,008
Other	359,625	368,408
Programs and projects (domestic and international)	16,394,977	18,540,416
Non-Monetary Donations in kind	698,292	695,977
	<u>25,899,991</u>	<u>26,738,475</u>

3. Current assets – Cash and cash equivalents

	2014	2013
	\$	\$
Cash	999,771	1,423,716
Deposits	6,595,235	4,700,000
	<u>7,595,006</u>	<u>6,123,716</u>

4. Current assets – Trade and other receivables

	2014	2013
	\$	(Restated) \$
Trade receivables	3,884	8,857
Accrued income	259,294	275,051
Provision for impairment	(173,177)	-
Other receivables	273,581	120,718
Intercompany receivable – UNICEF Geneva	17,018	34,188
	<u>380,600</u>	<u>438,814</u>

Change for Good revenue is counted, converted at the monthly exchange rate and recognised as revenue in the month that it is received. Foreign coins are then sent to a third party who converts the coins to Australian Dollars and deposits the funds in the UNICEF Australia bank account. Accrued income at 31 December 2014 includes foreign currency collections to 31 December 2014 converted to Australian Dollars at the relevant December foreign exchange rate for which Australian Dollars have not yet been received. A provision for impairment has been recognised against the accrued income as this balance may not be received due to the third party organisation being placed under administration.

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 \$266,781 (2013: \$113,920) receivable from the tax office for GST credits.

For details on intercompany balances see note 14 on related party transactions and balances.

5. Current assets – Prepayments

	2014	2013
	\$	\$
Prepayments	49,933	41,166
	<u>49,933</u>	<u>41,166</u>

6. Non-current assets – Financial assets available for sale

	2014	2013
	\$	\$
Opening value at the start of the year	301,369	243,334
Donations received	65,000	-
Unrealised (loss)/gain recognised in other comprehensive income	(15,537)	58,035
Closing value at the end of the year	<u>350,832</u>	<u>301,369</u>

Financial assets relate to 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 2013				
Cost	129,403	636,394	16,642	782,439
Accumulated depreciation	(39,088)	(469,992)	(15,990)	(525,070)
Net book amount	<u>90,315</u>	<u>166,402</u>	<u>652</u>	<u>257,369</u>
Year ended 31 December 2014				
Opening net book amount	90,315	166,402	652	257,369
Additions	8,802	53,840	-	62,642
Depreciation charge	(20,222)	(72,657)	(145)	(93,024)
Closing net book amount	<u>78,895</u>	<u>147,585</u>	<u>507</u>	<u>226,987</u>
At 31 December 2014				
Cost	138,205	690,234	16,642	845,081
Accumulated depreciation	(59,310)	(542,649)	(16,135)	(618,094)
Net book amount	<u>78,895</u>	<u>147,585</u>	<u>507</u>	<u>226,987</u>

8. Current liabilities – Trade and other payables

	2014	2013 (Restated)
	\$	\$
Trade payables	510,556	532,826
Deferred Grants - UNICEF Geneva	273,135	88,558
Program funding payable	4,112,790	2,963,049
	<u>4,896,481</u>	<u>3,584,433</u>

9. Current liabilities – Provisions

	2014	2013 (Restated)
	\$	\$
Annual leave provision	180,594	177,904
	<u>180,594</u>	<u>177,904</u>

10. Non-current liabilities – Provisions

	2014	2013 (Restated)
	\$	\$
Provision for long service leave	36,202	45,111
Provision for make good on leased premises	23,512	21,556
	<u>59,714</u>	<u>66,667</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	Annual leave	Total
	\$	\$	\$	\$	\$
Carrying amount at the start of the year	21,556	45,111	66,667	177,904	244,571
Increase/(decrease) in provision	1,956	(8,909)	(6,953)	2,690	(4,263)
Carrying amount at the end the year	<u>23,512</u>	<u>36,202</u>	<u>59,714</u>	<u>180,594</u>	<u>240,308</u>

11. Contingencies

There are no contingent liabilities at balance date.

12. Commitments

(a) Lease commitments – non-cancellable operating lease

	2014 \$	2013 \$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	303,363	297,131
Later than one year but not later than five years	335,890	406,480
	<u>639,253</u>	<u>703,611</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.

13. 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.

14. 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 those agreements the Company strives to remit 75% of funds raised to UNICEF Overseas Programs.

Amounts were shown on a cash basis in the prior year, however they have been shown on an accrual basis in the current year for consistency within the financial statements.

	2014	2013
	\$	\$
<i>Outstanding balances arising from transactions:</i>		
Aggregate amount payable to UNICEF Overseas Programs at balance date.	4,112,790	2,963,049
Aggregate amounts receivable from UNICEF Geneva at balance date.	17,018	34,188
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.	273,135	88,558
<i>Value of transactions:</i>		
Total funds remitted to UNICEF Overseas Programs during the period	16,262,977	18,480,416
During the year UNICEF Geneva approved funds to the company to undertake market development and fundraising activities. Total funds received from UNICEF Geneva during the year	2,047,740	971,583
Refund to UNICEF of unutilised emergency investment grant	23,378	-
Reimbursement by UNICEF for expenses incurred locally	89,568	66,035
Payments to UNICEF Mutual Assistance Fund	6,962	-
Payments for purchases from UNICEF during the year	-	8,573

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 2014 the company received soft credits from a multitude of global corporate partners and paid a soft credit in relation to Brightstar revenue due to the US Fund.

	2014	2013
	\$	\$
Soft Credited Income received, also included in funds remitted to UNICEF Overseas Programs.	713,526	595,287
Soft Credited Income paid to UNICEF	53,654	-

UNICEF National Committees & Country Offices

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

	2014	2013
	\$	\$
<i>Outstanding balances arising from transactions:</i>		
Amount payable to the UNICEF Lao country office for expenses incurred locally	-	2,586
<i>Value of transactions:</i>		
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	-	2,586
Payment to the UNICEF Cambodia country office for expenses incurred locally	-	1,719
Reimbursement by the UNICEF Indonesia country office for seconded staff member costs	-	11,049
Reimbursement by the UNICEF Thailand country office for expenses incurred locally	-	3,697
Reimbursement by UNICEF UK Committee for expenses incurred locally	-	2,521
Payment to the UNICEF UK Committee for expenses incurred locally	-	777
Payment to the UNICEF USA Fund of donations earmarked for USA	-	2,624

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.

	2014	2013
	\$	\$
<i>Value of transactions:</i>		
Compensation for key management personnel:		
- short term benefits	619,545	561,089
- post- employment benefits (superannuation contributions)	59,326	52,118
- other long-term benefits	-	-
- termination benefits	-	-
Total compensation for key management personnel	678,871	613,207

(b) 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 \$3,030 (2013: \$3,015) was paid for Directors and Officers liability insurance.

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.

15. Economic Dependency

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

16. 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.

Donations in-kind includes 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 in-kind donation is material and a fair value is reasonably determinable the revenue and corresponding expense is recognised when the in-kind donation is received. As the donation in-kind is not a cash donation and cannot be allocated to programs (or otherwise) the value has been excluded from the analysis below.

	2014		2013
	\$		\$
Gross Proceeds from Fundraising Activities*	21,856,478		24,306,034
Less: Total Costs of Fundraising *	4,206,053		3,792,234
Net Surplus	17,650,425		20,513,800

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

Total cost of fundraising	4,206,053		4,166,176	
Gross proceeds from fundraising	21,856,478	19%	24,306,034	17%
Net surplus from fundraising	17,650,425		20,513,800	
Gross proceeds from fundraising	21,856,478	81%	24,306,034	84%
Total Program Expenditure	17,334,304		19,743,200	
Total Expenditure	23,153,959	75%	25,070,915	79%
Total Program Expenditure	17,334,304		19,743,200	
Total Income	23,302,635	74%	25,410,916	78%

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

Total cost of fundraising	5,110,721		5,066,872	
Income	24,000,927	21%	26,106,892	19%

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

** Gross income has been extrapolated to reflect the full expected benefit from the acquisition of a global parent assuming an average monthly gift of \$32.27 (2013 - \$33.78) and attrition of 1.52% per month (2013 – 2.08%)*

17. 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.

Director's Declaration

Directors' declaration

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

- (a) the financial statements and notes that are set out on pages 10 to 28 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 2014 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;
- (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:

Dated at Sydney, 28 April 2015.



John Stewart
Director



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

Report on the financial report

We have audited the accompanying financial report of Australia Committee for UNICEF Limited (the Company), which comprises the statement of financial position as at 31 December 2014, 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 17 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 (NSW) Act 1991* and Regulations and with Section 15(1) and 15(2) of the *WA Charitable Collections Act 1946* and Regulations 1947 (the Acts 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 Acts 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 Acts 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 Acts 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 Australia 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 2014 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 (NSW) 1991

In our opinion:

- (a) the financial report gives a true and fair view of the Australia Committee for UNICEF Limited financial result of fundraising appeal activities for the financial year ended 31 December 2014;



- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2014 to 31 December 2014, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- (c) money received as a result of fundraising appeal activities conducted during the period from 1 January 2014 to 31 December 2014 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; 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 (WA) 1946 and Charitable Collections Regulations (WA) 1947

In accordance with the requirements of Section 15(2) of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* (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 2014, 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 2014, has complied in all material respects with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947*.

KPMG

KPMG

Stephen Isaac
Partner

Sydney

28 April 2015