

Australian Committee for UNICEF Limited
ABN 35 060 581 437
Annual Financial Report – 31 December 2016

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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 2 May 2017.

Directors' Report

The Directors present their report for the Australian Committee for UNICEF Limited for the year ended 31 December 2016.

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 (McGeoch)
Mr Robin Davies
Mr Paul Fisher
Ms Nadika Garber
Ms Megan Quinn
Mr Colin Storrie
Ms Olivia Wirth

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

	Date of appointment
Mr Matt Comyn	26-Apr-16

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

	Date of appointment
Ms Suzanne Dvorak	8-Mar-17

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

	Date of resignation
Ms Christine Christian	1-Jan-16
Ms Stephanie Copus-Campbell	30-Aug-16

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, including our Directly Supported Programs within the region, 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.

Principal activities and results in 2016

In 2016, UNICEF Australia, through the generous support of our donors and supporters, continued working to protect and advance the rights of children in Australia, our region and across the world and to ensure each child has a fair chance.

In July 2016, UNICEF Australia welcomed My Tony Stuart as our new CEO. Mr. Stuart has a deep and longstanding commitment to the not-for-profit sector in Australia and is also the appointed Chair of the Advisory Board of the Australian Charities and Not-for-profits Commission. Since joining UNICEF Australia, Mr. Stuart has been working to grow the organisations impact for children domestically and abroad.

Total revenue in 2016 of \$30.7 million (2015: \$32.9 million) reflects the continued generosity and compassion of the Australian public. Of these funds, \$17.0 million (2015: \$21.5 million) was committed to UNICEF programs overseas for the most vulnerable children in our world.

Revenue has declined by 7% from 2015 levels. This reduction is primarily due to reduced funds raised from emergency appeals - \$1.83 million in 2016 compared to \$7.46 million in 2015. UNICEF Australia raised funds to support multiple emergency interventions throughout 2016, including Cyclone Winston (\$0.75 million), Syrian Crisis (\$0.47 million) and East and Southern Africa El Nino Nutrition (\$0.15 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 Private Fundraising & Partnerships (PFP) as well as its own resources. Consistent with this strategy, UNICEF Australia developed an in-house face-to-face fundraising campaign in 2016 with additional investments in infrastructure and human resourcing made to support this activity. Whilst these investments have increased the employee benefits expense in 2016, this program is expected to generate healthy long-term 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 2015 and completed the first funding cycle during 2016. With the intention of strengthening our impact for children within the region, UNICEF Australia applied for full accreditation in late 2016 with a view to securing full accreditation status in 2017.

UNICEF Australia continues to raise funds from UNICEF Change for Good, UNICEF Checkout for Children, public appeals, other corporate partnerships, philanthropists, major donors and bequests. 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 measure UNICEF Australia's contribution to UNICEF overseas programs as well as the proportion of income spent on advocacy and community education activities and administration.

	2016	2015
Funds Remitted to UNICEF Overseas Programs	\$17,007,081	\$21,494,463
Investment in advocacy and community education	\$1,128,385	\$817,529
Total income*	\$25,891,239	\$29,571,380
Total Program Costs (including advocacy and community education)	\$18,612,190	\$22,676,534
% of public donations spent on programs including advocacy and community education**	72%	77%
% of public donations spent on fundraising costs**	21%	15%

Total accountability and administration Costs	\$1,816,748	\$1,855,072
% of public donations spent on accountability and administration costs**	7%	6%
% of public donations transferred to reserves**	0%	2%

Revenue and overseas program contributions have decreased from 2015 levels reflecting reduced funds raised from emergency appeals during the year. The generous response to emergency appeals in 2015 also resulted in a lower proportional cost of fundraising in that year. UNICEF Australia's investment in domestic advocacy and community education work has increased in 2016 in accordance with our objective to advance child rights in accordance with the Convention of the Rights of the Child. 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.

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

	2016	2015
Number of Global Parents at year end	27,384	26,241
Total Global Parent income	\$12,204,272	\$11,594,521
% of total income*	47%	39%

* 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 PFP and not the public are excluded.

Operating Results

	2016	2015
	\$	\$
Revenue from continuing operations	30,685,830	32,944,572
Employee benefits	6,090,413	4,265,661
Equipment and facilities	1,054,496	856,570
Travel and accommodation	321,520	271,140
Fundraising Communication and Advocacy	4,418,524	4,414,534
Depreciation and amortisation	253,759	139,316
Other	601,142	439,122
Programs and projects (domestic and international)	17,067,081	21,554,463
Non monetary donations	838,305	369,928
Total expenses	30,645,240	32,310,734
Excess of revenue over expenditure for the year	40,590	633,838
Other comprehensive income/(loss)	(13,343)	(16,857)
Total excess of comprehensive revenue over expenditure for the year	27,247	616,981

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. Mr Stewart is a member of the Board Nomination and Review 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 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.

Mr Matt Comyn is Group Executive, Retail Banking Services for the Commonwealth Bank. The Retail Banking division is dedicated to providing exceptional service to its valued customer base of over 10 million Australians by offering superior products and services, supported by world-leading systems and processes. Matt joined the Commonwealth Bank in 1999 and has previously held a variety of senior leadership roles in business and institutional banking including Managing Director of CommSec. Matt is a non-executive Director and shareholder representative of Aussie Home Loans. He is also a member of Mastercard's Global Advisory Board.

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.

Ms Suzanne Dvorak has been the Executive General Manager, residential communities at Australian Unity since 2016 and has over 15 years' experience in health care, social and community support services. Over her extensive career she has held distinguished roles including CEO of Vivir Healthcare, CEO of Save the Children Australia and CEO of Marie Stopes International. Ms Dvorak spent much of her earlier career overseas, with roles at the United Nations Transitional Authority in Cambodia and Thailand and with Telstra in Cambodia and Vietnam. In 2005, Ms Dvorak was recognised for her outstanding career achievements when she was awarded the Hudson Community and Government Award as part of the National Telstra Business Women's Awards.

Mr Paul Fisher MAICD, is currently CEO of The UnLtd Foundation, the media, marketing and advertising industry foundation focused on undoing youth disadvantage in Australia. Paul 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) FinTech and zipMoney (ZML).

Mr Colin Storrie FCPA, GAICD, has over 20 years' experience in senior finance roles in listed companies, investment banking and government. In July 2016 Mr Storrie was appointed Group Portfolio Director Woolworths Limited following his role of Deputy Chief Financial Officer of Woolworths Ltd. Prior to this Mr Storrie held Group Treasurer, Deputy Chief Financial Officer and Chief Financial Officer positions at both Qantas Airways Ltd and AMP Limited. Mr Storrie has also held a number of listed and non-listed director roles including Qantas Airways Ltd, AMP Financial Services Ltd, AMP Bank Ltd and Jetset Travel World Ltd. He is also currently an independent non-executive director of AIG Australia Ltd, North Queensland Airports, Quantum Pty Ltd, Australia Leisure & Hospitality Ltd and other wholly owned Woolworths Limited entities. 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 2016 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>
D Colvin	6	6				
M Comyn	5	3				
S Copus-Campbell	4	4			4	3
R Davies	6	6			6	6
P Fisher	6	4			1	1
N Garber	6	5	6	4		
M Quinn	6	5				
J Stewart	6	6	6 * ex-officio	6	6 * ex-officio	5
C Storrie	6	6	6	6		
O Wirth	6	4				

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.

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 65 members as at 31 December 2016.

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 \$3,900 (2015: \$3,530)

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 60-C of the Australian Charities and Not-for-profits Commission Act 2012.

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



John Stewart
Director

Sydney
2 May 2017



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 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 2016 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

2 May 2017

Statement of Comprehensive Income

For the year ended 31 December 2016

	Notes	2016	2015
		\$	\$
CONTINUING OPERATIONS			
REVENUE			
Donations and Gifts			
- Monetary		22,963,338	27,526,665
- Non Monetary		838,305	369,928
Bequests and Legacies		1,875,950	1,086,572
Grants			
- Department of Foreign Affairs and Trade		219,474	37,639
- Overseas UNICEF PFP		3,956,286	3,003,264
Investment Income		203,061	233,557
Other Income		629,416	686,947
TOTAL REVENUE		30,685,830	32,944,572
EXPENDITURE			
	2		
International Aid and Development Programs Expenditure			
International Programs			
- Funds to international programs		17,007,081	21,494,463
- Program support costs		416,724	304,542
		17,423,805	21,799,005
Community Education		1,128,385	817,529
Fundraising Costs			
- Public		5,421,711	4,405,936
- Funded by UNICEF PFP		3,956,286	3,003,264
		9,377,997	7,409,200
Accountability and Administration		1,816,748	1,855,072
Non-Monetary Expenditure		838,305	369,928
Total International Aid and Development Programs Expenditure		30,585,240	32,250,734
Domestic Programs Expenditure		60,000	60,000
TOTAL EXPENDITURE		30,645,240	32,310,734
EXCESS OF REVENUE OVER EXPENDITURE		40,590	633,838
Other Comprehensive Income/(Loss)		(13,343)	(16,857)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		27,247	616,981

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

Statement of Financial Position

As at 31 December 2016

	Notes	2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	3	8,088,669	11,223,377
Trade and other receivables	4	538,364	412,404
Prepayments	5	100,066	56,247
Total current assets		8,727,099	11,692,028
Non-current assets			
Financial assets available for sale	6	320,632	333,975
Plant and equipment	7	147,371	173,400
Intangibles	8	351,032	243,577
Total non-current assets		819,035	750,952
Total assets		9,546,134	12,442,980
Liabilities			
Current liabilities			
Trade and other payables	9	5,066,787	8,069,637
Provisions	10	304,875	200,590
Total current liabilities		5,371,662	8,270,227
Non-current liabilities			
Provisions	11	63,675	89,203
Total non-current liabilities		63,675	89,203
Total liabilities		5,435,337	8,359,430
Net Assets		4,110,797	4,083,550
Equity			
Reserves	14	4,110,797	4,083,550
Total Equity		4,110,797	4,083,550

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 2016

	Notes	Reserves \$
Balance at 1 January 2015		3,466,569
Excess of revenue over expenditure		633,838
Other comprehensive loss		(16,857)
Balance at 31 December 2015		<u>4,083,550</u>
Excess of revenue over expenditure		40,590
Other comprehensive loss		(13,343)
Balance at 31 December 2016	14	<u><u>4,110,797</u></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 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from card sales and inspired gifts		622,443	668,589
Donations, fundraising and bequests receipts		24,342,132	28,042,208
UNICEF investment grants received		1,817,744	4,923,359
Department of Foreign Affairs and Trade grants received		152,133	150,000
Investment income received		218,854	208,671
Other income		6,973	18,359
Project outgoings		(17,831,865)	(20,442,570)
Other outgoings		(12,127,937)	(9,569,517)
Net cash (outflow)/inflow from operating activities		(2,799,523)	3,999,099
Cash flows from investing activities			
Payments for plant and equipment		(90,108)	(125,846)
Payments for intangibles		(245,077)	(244,882)
Net cash outflow from investing activities		(335,185)	(370,728)
Net increase in cash and cash equivalents		(3,134,708)	3,628,371
Cash and cash equivalents at the beginning of the financial year		11,223,377	7,595,006
Cash and cash equivalents at end of year	3	8,088,669	11,223,377

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

Notes to the Financial Statements

As at 31 December 2016

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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 adopted 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 2016 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 2016.

Historical Cost Convention

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

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:

Leasehold Improvements	Straight line	Useful life
Plant and Equipment	Diminishing value	Between 20 and 50%
Motor Vehicles	Diminishing value	22.5%

(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

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 note 1 (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 outflow.

(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:

	2016	2015
	\$	\$
Employee benefits	6,090,413	4,265,661
Equipment and facilities	1,054,496	856,570
Travel and accommodation	321,520	271,140
Fundraising, Communication and Advocacy	4,418,524	4,414,534
Depreciation and amortisation	253,759	139,316
Other	601,142	439,122
Programs and projects (domestic and international)	17,067,081	21,554,463
Non-monetary donations	838,305	369,928
	<u>30,645,240</u>	<u>32,310,734</u>

3 Current assets – Cash and cash equivalents

	2016	2015
	\$	\$
Cash	1,197,393	1,431,608
Deposits	6,891,276	9,791,769
	<u>8,088,669</u>	<u>11,223,377</u>

4 Current assets - Trade and other receivables

	2016	2015
	\$	\$
Trade receivables	-	1,260
Accrued income	87,174	91,654
Provision for impairment	-	(26,434)
Other receivables	441,616	344,411
Receivable - UNICEF PFP	9,574	1,513
	<u>538,364</u>	<u>412,404</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 \$310,785 (2015: \$304,742) 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

	2016	2015
	\$	\$
Prepayments	100,066	56,247
	100,066	56,247

6 Non-current assets – Financial assets available for sale

	2016	2015
	\$	\$
Opening value at the start of the year	333,975	350,832
Unrealised loss recognised in other comprehensive income	(13,343)	(16,857)
Closing value at the end of the year	320,632	333,975

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

	Lease-hold improvements	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$
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>
Year ended 31 December 2016				
Opening net book amount	79,980	93,026	394	173,400
Additions	52,769	37,339	-	90,108
Depreciation charge	(76,456)	(39,593)	(88)	(116,137)
Closing net book amount	<u>56,293</u>	<u>90,772</u>	<u>306</u>	<u>147,371</u>
At 31 December 2016				
Cost	203,092	266,169	16,642	485,903
Accumulated depreciation	(146,799)	(175,397)	(16,336)	(338,532)
Net book amount	<u>56,293</u>	<u>90,772</u>	<u>306</u>	<u>147,371</u>

8 Non-current assets - Intangibles

	Software
	\$
At 31 December 2015	
Cost	457,151
Accumulated amortisation	(213,574)
Net book amount	<u>243,577</u>
Year ended 31 December 2016	
Opening net book amount	243,577
Additions	245,077
Amortisation charge	(137,622)
Closing net book amount	<u>351,032</u>
At 31 December 2016	
Cost	702,228
Accumulated amortisation	(351,196)
Net book amount	<u>351,032</u>

9 Current liabilities - Trade and other payables

	2016	2015
	\$	\$
Trade payables	862,135	825,198
Deferred Grants - Department of Foreign Affairs and Trade	45,020	112,361
Deferred Grants - UNICEF PFP	54,688	2,193,230
Program funding payable	4,104,944	4,938,848
	<u>5,066,787</u>	<u>8,069,637</u>

10 Current liabilities - Provisions

	2016	2015
	\$	\$
Annual leave provision	239,168	200,590
Provision for long service leave	40,679	-
Provision for make good on leased premises	25,028	-
	<u>304,875</u>	<u>200,590</u>

11 Non-current liabilities - Provisions

	2016	2015
	\$	\$
Provision for long service leave	63,675	65,122
Provision for make good on leased premises	-	24,081
	<u>63,675</u>	<u>89,203</u>

Movements in Provision for make good on leased premises

Movements in make good provisions during the financial year are set out below:

	Make good - Current \$	Make good - Non Current \$	Total \$
Carrying amount at the start of the year	-	24,081	24,081
Increase in provision	947	-	947
Provision transferred	24,081	(24,081)	-
Provision written back	-	-	-
Carrying amount at the end the year	<u>25,028</u>	<u>-</u>	<u>25,028</u>

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:

	2016 \$	2015 \$
Within one year	161,505	158,458
Later than one year but not later than five	127,691	193,010
	<u>289,196</u>	<u>351,468</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.

	2016	2015
	\$	\$
<i>Outstanding balances arising from transactions:</i>		
Aggregate amount payable to UNICEF Overseas Programs at balance date	4,104,944	4,938,848
Aggregate amounts receivable from UNICEF PFP at balance date	9,574	1,513
During the year UNICEF PFP 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.	54,688	2,193,230
<i>Value of transactions:</i>		
Total funds remitted to UNICEF Overseas Programs during the period	17,007,081	21,494,463
During the year UNICEF PFP approved funds to the company to undertake market development and fundraising activities. Total expenditure funded by UNICEF PFP during the year	3,956,286	3,003,264
Reimbursement by UNICEF for expenses incurred locally	27,219	207,671
Payments to UNICEF Mutual Assistance Fund	7,261	7,898
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 2016 the company received soft credits from a multitude of global corporate partners and paid a soft credit to the United Kingdom National Committee.

	2016	2015
	\$	\$
Soft Credited Income received, also included in funds remitted to UNICEF Overseas Programs	485,843	590,377
Soft Credited Income paid to UNICEF	36,097	6,249

UNICEF National Committees & Country Offices

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

Value of transactions:

Reimbursement by the UNICEF South Africa country office for cost of UNICEF Australia staff travel to South Africa	4,038	-
Payment to the UNICEF Cambodia country office for expenses incurred locally	2,010	-
Payment to the UNICEF Lao country office for expenses	-	3,343
Payment to the UNICEF Canada Committee for expenses	-	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.

	2016	2015
	\$	\$
<i>Value of transactions:</i>		
Compensation for key management personnel:		
- short term benefits	635,278	726,782
- post- employment benefits (superannuation contributions)	60,351	68,217
- termination benefits	-	66,835
Total compensation for key management personnel	695,629	861,834

(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 \$3,900 (2015: \$3,530) was paid for Directors and Officers liability insurance.

Mr John Stewart is Managing Director of SEMA Holdings. During the year, UNICEF Australia received non-monetary support from SEMA of \$9,230 (2015: \$3,231) and made payments of \$9,500 for professional services. Mr Stewart did not receive any benefit from this association.

Mr Matt Comyn is Group Executive, Retail Banking Services for Commonwealth Bank of Australia (CBA). During the year, UNICEF Australia received interest from CBA of \$87,170 and made payments of \$31,312 for bank

fees. Mr Comyn did not receive any benefit from this association.

Ms Olivia Worth is Group Executive of Brand, Marketing and Corporate Communications at Qantas Airways Ltd. During the year, UNICEF Australia received donation income and non-monetary support from Qantas of \$116,240 (2015: \$140,398). Ms Worth did not receive 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 and legacies and bequests. Income is also raised from the sale of inspired gifts.

Non-monetary donations 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 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.

	2016 \$	2015 \$
Gross Proceeds from Fundraising Activities ¹	22,963,338	27,526,665
Less: Total Costs of Fundraising ²	5,120,133	4,251,453
Net Surplus	17,843,204	23,275,212

^{1 & 2} Excludes sales of cards & gifts, legacies & bequests and non-monetary donations

Total cost of fundraising	5,120,133		4,251,453	
Gross proceeds from fundraising	22,963,338	22%	27,526,665	15%
Net surplus from fundraising	17,843,204		23,275,212	
Gross proceeds from fundraising	22,963,338	78%	27,526,665	85%
Total Program Expenditure ³	18,612,190		22,676,534	
Total Expenditure ⁴	25,850,649	72%	28,937,542	78%
Total Program Expenditure	18,612,190		22,676,534	
Total Income	25,891,239	72%	29,571,380	77%

³ Program expenditure is the expenditure for International Programs, Community Education and Domestic Programs

⁴ Total Expenditure excludes fundraising costs funded by UNICEF PFP and non-monetary expenditure

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

Total cost of fundraising	6,260,016		4,775,864	
Income ⁵	26,729,544	23%	29,941,308	16%

⁵ *Income excludes grants from UNICEF PFP*

Appeals in which traders were engaged UA used external agencies for Face to Face and Telemarketing Recruitment of Global Parents in 2016

Gross Income ⁶	2,749,967	4,302,607
Direct Costs	982,218	1,315,986

⁶ *Gross income has been extrapolated to reflect the full expected benefit from the acquisition of a Global Parent assuming an average monthly gift of \$31.95 (2015: \$32.87) and attrition of 1.22% per month (2015: 1.21%)*

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 2016 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
2 May 2017



Independent Auditor's Report

To the members of Australian Committee for UNICEF Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report**, of Australian Committee for UNICEF Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2016, and of its financial performance and its cash flows for the year ended on that date; and
- (ii) complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- (i) Statement of financial position as at 31 December 2016.
- (ii) Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- (iii) Notes including a summary of significant accounting policies.
- (iv) Directors' declaration of the Company.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in Australian Committee for UNICEF Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. This includes the Directors' Report. The Directors are responsible for the Other Information. The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- (i) Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosures Requirements* and the ACNC.
- (ii) Preparing the Financial Report in accordance with 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).
- (iii) Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- (iv) Assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- (i) to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- (ii) to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

Undertaking an audit in accordance with *Australian Auditing Standards*, means exercising professional judgment and maintaining professional skepticism.

Our responsibilities include:

- (i) Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.
- (ii) Designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (iii) Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.
- (iv) Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (v) Concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (vi) Evaluating the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- (i) the Financial Report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 31 December 2016;
- (ii) the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2016 to 31 December 2016, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- (iii) money received as a result of fundraising appeal activities conducted during the period from 1 January 2016 to 31 December 2016 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- (iv) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

In our opinion, the Company has complied, in all material respects, with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* for the year ended 31 December 2016.



KPMG



Stephen Isaac

Partner

Sydney

2 May 2017