

Australian Committee for UNICEF Limited
ABN 35 060 581 437
Annual Financial Report – 31 December 2019

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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
Suite 4.02, Building B, City West Office Park
33-35 Saunders Street
Pyrmont, 2009, NSW

This report was authorised for issue by the Directors on 27 May 2020.

Directors' Report

The Directors present their report for the Australian Committee for UNICEF Limited for the year ended 31 December 2019.

Directors

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

Mr Matt Comyn
Ms Jacqui De Lacy
Ms Suzanne Dvorak
Mr Toby Hall
Ms Elizabeth Macgregor
Ms Ann Sherry
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 Nigel Andrade	19-Mar-19
Ms Tharani Jegatheeswaran	19-Mar-19
Ms Sandra Rouse	22-May-19

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

	Date of resignation
Ms Megan Quinn	28-Jan-19
Mr Colin Storrie	30-Jun-19

UNICEF Australia - Objectives

UNICEF Australia's vision is to provide a fair chance for every child. We will provide this fair chance by being the children's champion and inspiring Australians to connect with UNICEF by raising funds and by protecting and promoting children's rights.

2019 was the second year of UNICEF Australia's four year strategic plan. During the 2018-21 period UNICEF Australia's goal is to accelerate our impact for children locally, regionally and globally. UNICEF Australia will achieve this via four strategic pillars:

- (1) engage our supporters,
- (2) inspire a connection to our brand and work,
- (3) elevate our voice, and
- (4) advance a culture of excellence.

UNICEF Australia's efforts to accelerate impact for children are guided by the Convention on the Rights of Child, which articulates every child's right to survive and thrive, to learn and grow, to make their voice heard and to reach their full potential. Our impact for children is measured through our contribution globally, regionally and locally.

Our global contribution includes distributing funds to UNICEF programs, which deliver positive outcomes for children's nutrition, health, education, social inclusion, sanitation and support environments where children are protected and included. UNICEF Australia also directs funding to support humanitarian action in emergencies where children are especially vulnerable to disease, malnutrition and violence.

Our regional contribution across the East Asia & Pacific region is focused on water, sanitation and hygiene; early childhood development; child survival and child protection programs. To expand our impact across these thematic areas, UNICEF Australia works in collaboration with the Australian Government and private sector to mobilise additional resources for UNICEF programs and improve their effectiveness.

Our local contribution includes investment in community education, which raises awareness of child rights' and invites active involvement from the Australian Community to protect and promote these for the benefit of children everywhere. UNICEF Australia works with key stakeholders including the government to assess the impact of social and economic policy on children's well-being and advocates for changes that improve outcomes for every child.

Principal activities and results in 2019

In 2019, with the generous support of our donors and supporters, UNICEF Australia 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.

Across the year, UNICEF Australia's contribution to children increased to \$19.2 million (2018: \$18.9 million) with a greater proportion of funds being directed to local and regional activities.

Global: UNICEF Australia's remittance of unrestricted regular resource funding to UNICEF grew by more than 10% to \$6.5 million in 2019 (2018: \$5.9m) ensuring that UNICEF is able to support children wherever the need is greatest and respond quickly at the onset of disasters. However, following a reduction in restricted emergency funding to \$0.6 million (2018: \$2.8m), overall contribution to UNICEF global programs declined in 2019 to \$8.0 million (2018: \$9.4m).

Regional: Through the support of the Australian community and the Australian Government, UNICEF Australia's investment in directly supported programs across the East Asia & Pacific region grew to \$7.8 million (2018: \$6.5 million), directly benefiting over 500,000 children. A number of new programs commenced during 2019 including one to support early childhood development amongst Rohingya communities in Bangladesh and another to introduce HPV, rotavirus and pneumococcal vaccines across 9 pacific countries.

Local: Community Education expenditure rose to \$2.4 million (2018: \$2.3 million) in line with our strategic priority to elevate our voice and better engage with our supporters. The increase is attributable to additional consultation activities with children, which culminated in the first youth summit for young people impacted by the prolonged Australian drought. The participants' calls to action around mental health services, financial and education support are now acknowledged by government. New state-wide policies have also been implemented as a result and we have contributed to the development of a new national youth mental health strategy.

The growth in contribution to children was achieved despite reductions in total revenue (declining from \$36.4 million to \$34.7 million) and facilitated through control of our fundraising, accountability and administration expenditure. UNICEF Australia generated a \$1 million (2018: \$0.3m) surplus in 2019 to support strategic investments in our underlying systems infrastructure across 2020, which will improve fundraising capacity, generate operational efficiencies and strengthen our impact for children in the long-term.

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; funded through UNICEF PFP grants as well as funding from the Australian community. While these programs result in short term costs they are expected to generate healthy long-term returns, which will increase our impact and ensure more children not only survive but thrive.

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 children and the efficiency and effectiveness of fundraising and administration activities.

	2019	2018
Total public expenditure*	\$28,710,743	\$30,240,607
Funds to international programs	\$15,851,328	\$15,826,842
Investment in program support costs	\$979,300	\$788,819
Investment in community education	\$2,361,718	\$2,298,590
Contribution to Children	\$19,192,346	\$18,914,251
% of public expenditure spent on children	67%	63%
Public Fundraising Costs	\$7,212,587	\$8,843,124
% of public expenditure spent on fundraising costs	25%	29%
Accountability and administration costs	\$2,305,810	\$2,483,232
% of public expenditure spent on accountability and administration costs	8%	8%
Fundraising Revenue**	\$26,491,589	\$27,355,554
Return on Fundraising Investment (Fundraising Revenue / Public Fundraising Costs)	3.67	3.09

Growth in contribution to children is reflected by an increase in the proportion of public expenditure spent on children, growing from 63% to 67% in 2019.

Fundraising costs have fallen, both in absolute terms and as a proportion of public expenditure. UNICEF Australia successfully prioritised high performing fundraising activities and limited investment in other areas such that the proportion of public expenditure spent on fundraising dropped to 25% (2018: 29%) and the return on fundraising investment grew to 3.67 (2018: 3.09).

Accountability and administration costs include essential investments required to efficiently run the organisation and include staff costs for finance, human resources and administration as well as audit fees and insurances. Accountability and administration costs reduced by 7% in 2019 to \$2.3 million (2018: \$2.5m) with lower staffing and travel expenditure during the year.

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

	2019	2018
Number of Global Parents at year end	28,359	30,428
Total Global Parent income	\$13,104,105	\$13,587,535
% of Fundraising Revenue	49%	50%
Average annual Global Parent donation (Total Global Parent Income / Number of Global Parents at year end)	\$462	\$447

The number of Global Parents decreased in 2019 as the organisation reduced investment in certain acquisition channels, which were not generating sufficient long-term returns. Retention of existing Global Parents improved across 2019 leading to an increase in the average annual donation from \$447 (2018) to \$462 (2019).

* Excludes amounts funded by UNICEF grants and non-monetary donations.

** Includes monetary donations and gifts, bequests and legacies and commercial activities income.

Operating Results

	2019	2018
	\$	\$
Revenue from continuing operations	34,723,656	36,368,798
Staff Expenditure	7,636,169	8,330,604
Marketing & Promotion Costs	6,856,257	7,380,975
Travel Expenditure	494,171	566,118
Operational Costs	1,524,601	1,465,843
Depreciation & Amortisation	745,481	701,891
Non-Monetary Expenditure	615,649	1,795,299
International Programs Expenditure	15,851,328	15,826,842
Total Expenditure	33,723,656	36,067,572
Excess of revenue over expenditure for the year	1,000,000	301,226

Information on Directors

Ms Ann Sherry AO (Chair) is one of Australia's leading business executives with a career that spans Government, Banking and Cruise Tourism. Ann is the Chair of ENERO and currently holds non-executive roles with National Australia Bank, Sydney Airport, Palladium Group, Infrastructure Victoria, Cape York Partnerships, and the Museum of Contemporary Art Australia. She is an Adviser, the former Chairman and Chief Executive Officer of Carnival Australia, the largest cruise ship operator in Australasia and a division of Carnival Corporation & Plc. After joining as Chief Executive Officer in 2007, she has transformed the industry and growth has been in double digits each year since. Beginning working life as a Radiographer, Ann became First Assistant Secretary of the Office of the Status of Women in Canberra before moving to the banking sector initially in HR roles, then in CEO roles with Westpac NZ and the Bank of Melbourne. The Australian Government awarded Ann the Centenary Medal in 2001 and in 2004 she was awarded an Order of Australia. In 2015, Ann was named as the overall winner of the Australian Financial Review 100 Women of Influence Award. Ann devotes considerable energy to her passion for women's rights (currently as convenor of the MCC STEM group), supporting opportunity for Indigenous communities, personal philanthropy and support of the arts.

Mr Nigel Andrade is a Partner in Kearney's Australia & New Zealand practice and also a Member of the Global Kearney Board. Kearney is a leading management consulting firm and trusted advisors to the world's foremost organizations. Nigel is also the co-founder and Global Lead of Kearney's Customer & Design Practice which also houses its multi-disciplinary global team, The Proposition & Customer Experience Labs which brings together global entrepreneurs, innovators, specialist firms, customer scientists and design thinkers to create and commercialise new growth engines.

He is passionate about the topics of Innovation and Shared Value and has co-authored the book Australia 2034: Luckier by Design, which lays out a capability manifesto for Australian Businesses to thrive over the next two decades as well as the Report "State of Shared Value in Australia & NZ 2019". His advice draws on his 20 years of experience across a range of industries and markets including Australia, Southeast Asia, The Middle East, India, UK, Europe and the Americas.

Mr Matt Comyn was appointed Chief Executive Officer of the Commonwealth Bank of Australia in April 2018. Matt has 20 years' experience in banking across business, institutional, retail and wealth management. Since joining Commonwealth Bank in 1999 he has held a number of senior leadership roles. Prior to his appointment as CEO, he was the Group Executive for the Retail Banking Services division, which accounts for half of the Bank's profit and leads development of digital products and services for the Bank. Between 2006 and 2010, Matt was Managing Director of CBA's biggest digital business, CommSec, overseeing a significant modernisation of its technology platform and growing market share and profitability. As CEO, Matt is focused on building a simpler bank fully aligned to meeting the needs of customers in core markets, underpinned by stronger risk

management and a continuing commitment to innovation and customer service. Matt is Chairman of the Australian Banking Association.

Ms Jacqui De Lacy is responsible for leading Abt's development and technical services in alignment with its mission and values. Prior to joining Abt (then JTA) in 2014, De Lacy represented the Australian Aid program (then AusAid, now DFAT) in multiple high-profile positions, including head of AusAid Indonesia, head of the Food Security Branch, global crisis response coordinator, and head of the PNG Branch in Canberra. While head of AusAID Indonesia, De Lacy led policy dialogue, coalition building and advocacy efforts with the Indonesian government at the national and subnational levels and with civil society organizations in a wide range of technical areas, including social protection, women's empowerment, health, economic governance, and electoral reform and legal reform. She has been vice-president of the UNICEF Executive Board. She has extensive experience representing Australia on UN funds and programs, at conferences, and in development policy and issues, including ASEAN, APEC and the G20.

Ms Suzanne Dvorak is the Managing Director of Bupa Villages and Aged Care Australia leading a dedicated team of more than 9,000 employees across Australia in 72 care homes. Suzanne has dedicated her career to social justice initiatives, working across health services, government and not-for-profit organisations. Prior to joining Bupa in April 2019, Suzanne was Interim CEO at safe steps Family Violence Response Centre, Victoria's state-wide first response service for women, young people and children experiencing family violence. Prior to this role, Suzanne was Executive General Manager, Residential Communities at Australian Unity, responsible for the residential communities portfolio, including 18 retirement communities and five aged care residences. As CEO of Vivir Healthcare, one of Australia's leading allied health groups, Suzanne was responsible for the delivery of care services to 20,000 patients at residential aged care facilities, hospitals, day therapy, community, medical centres, retirement villages and at home. After four years as Group CEO of Marie Stopes Australia, SE Asia and the Pacific, Suzanne was appointed CEO of Save the Children Australia, leading the Australian contingent of the 29 member nation alliance, delivering programs in over 120 countries. Suzanne has worked for the United Nations Transitional Authority in Cambodia and Thailand, Telstra and the Australian Red Cross. In 2005, Suzanne was recognised for her outstanding career achievements winning the Hudson Community and Government Award at the National Telstra Business Women's Awards.

Mr Toby Hall was appointed CEO of St Vincent's Health Australia, Australia's second largest healthcare provider in April 2014. Prior to this, he was the CEO of Mission Australia, COO of World Vision Australia and CEO of South Taranaki District Council. He is a qualified accountant with an MBA. Toby is passionate about helping people "be the best they can be". Toby chaired ASX listed Sterihealth prior to delisting and was a director of Working Links the largest welfare to work provider to the U.K government. He has also been a director of Goodstart, Australia's largest provider of early learning services to over 60,000 children and various Christian community organisations. He has been a member of a range of government committees and advisory panels.

Ms Tharani Jegatheeswaran is the Partner that leads Deloitte Australia's Social Impact Consulting Practice, a dedicated practice that supports social sector organisations and government agencies to deliver greater social impact aligned to their vision and mission. Drawing on over 15 years' of commercial and consulting experience, combined with a deep passion for social change, Tharani brings the latest trends in strategy, technology and innovation from adjacent industries and global players to support her clients to be 'future fit'. In a personal capacity, Tharani is a judge for the Good Design Australia Awards, a Goodwill Ambassador for Good Return (an ACFID accredited microfinance organisation) and a Director of the Deloitte Foundation. She is a passionate speaker and advocate for all things related to shared value, greater corporate and social sector collaboration, and social impact.

Ms Elizabeth Macgregor began her career as curator/driver of the Scottish Arts Council's Travelling Gallery which ignited her commitment to engaging new audiences with the work of living artists. In 1989 she was appointed director of Ikon Gallery, Birmingham and in 1999 she took up the directorship of Sydney's Museum of Contemporary Art when it was facing significant challenges. To secure its future, she negotiated a new funding model with government, sponsors and philanthropists. She successfully negotiated a \$53m building

redevelopment completed in 2012 which includes a National Centre for Creative Learning. Last year, the Museum attracted over 1m visitors. Ms Macgregor's innovation and contribution to the arts has been recognised with the Veuve Clicquot Business Woman Award in 2008 and the Australia Business Arts Foundation Business Leadership Award. In 2011 she received an OBE in the Queen's Birthday Honours List. In 2019 she was included in ArtReview's international Power 100 list, she won the 'Arts & Culture Category' of the Australian Financial Review '100 Women of Influence Awards', and was awarded the Western Sydney Leadership Dialogue's Patrons' Prize for Collaboration. She sits on the Foundation of the Sydney Swans.

Ms Sandra Rouse has over 15 years experience in senior finance roles with a career spanning multiple industries and continents. For the past eight years Sandra has been at TEG (Australasia's largest ticketing, live entertainment and digital group) in the role of Chief Financial Officer. TEG has a presence in over 15 countries, most notably via Ticketek a globally recognized ticketing brand. Prior to this role, Sandra has operated at a senior level across several top tier consumer businesses such as Burger King (Finance Director UK), Diageo (Financial Controller Africa, Global Strategy Partner) and Yum! Brands. During these roles Sandra also spent ten years working overseas including significant time focused on projects in emerging economies such as Kenya, Ghana, Nigeria, Russia and Vietnam as well as the more developed markets of Europe, UK, US and Australia. Sandra holds a Bachelor of Commerce from UNSW and is a Fellow of the Australian Society of Certified Practising Accountants (FCPA). She has participated in a number of panels and leadership events focused around women in finance.

Ms Olivia Wirth, as Chief Executive Officer, Qantas Loyalty, is responsible for leading the airline's Frequent Flyer and Business Rewards programs and the diversification of Qantas Loyalty into digital ventures across financial services, retail, health and wellbeing, and data and marketing. She is a member of the Qantas Group Management Committee and has been since 2012. Olivia joined Qantas in 2009 and has held several positions, including the role of Chief Customer Officer, Group Executive Brand Marketing & Corporate Affairs and Group Executive for Government Relations and Corporate Affairs. She has over 20 years of experience in public affairs, marketing and government relations. Prior to Qantas, Olivia held senior executive roles for a number of organisations including lobby group, the Tourism & Transport Forum, the Australian Tourist Commission and the Princes' Trust in the UK. Olivia is also a Board Director of the Great Barrier Reef Foundation.

Meetings of Directors

The number of meetings attended by company directors during the year ended 31 December 2019 were:

	Board Meetings (5 held)		Audit & Risk Committee (4 held)		Governance, Remuneration & Ethics Committee (2 held)	
	Meetings entitled to attend	Meetings attended	Meetings entitled to attend	Meetings attended	Meetings entitled to attend	Meetings attended
N Andrade	4	4				
M Comyn	5	3			2	2
J De Lacy	5	4				
S Dvorak	5	4				
T Hall	5	5	4	4		
T Jegatheeswaran	4	4	2	2		
E Macgregor	5	2			2	2
S Rouse	3	3	2	2		
C Storrie	2	2	2	2		
A Sherry	5	5			2	2
O Wirth	5	5				

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 59 members as at 31 December 2019.

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 the Association Liability insurance policy was \$4,600 (2018: \$4,200).

Australian Council For International Development (ACFID) Code of Conduct

The company is a member of the Australian Council for International Development (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.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration that forms part of the Directors' Report is set out on page 9.

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.



Ann Sherry
Director

Sydney
27 May 2020



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 of Australian Committee for UNICEF Limited for the financial year ended 31 December 2019 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
27 May 2020

Statement of Comprehensive Income

For the year ended 31 December 2019

	2019	2018
		Restated
Notes	\$	\$
REVENUE		
Donations and Gifts		
Monetary	23,591,252	24,656,808
Non Monetary	615,649	1,795,299
	24,206,901	26,452,107
Bequests and Legacies	2,900,337	2,694,201
Grants		
Department of Foreign Affairs and Trade	3,000,853	2,982,028
Other Australian	63,636	-
Overseas UNICEF	4,397,264	4,031,666
	7,461,753	7,013,694
Commercial Activities Income	-	4,545
Investment Income	151,165	203,074
Other Income	3,500	1,177
TOTAL REVENUE	34,723,656	36,368,798
EXPENDITURE	2	
International Aid and Development Programs Expenditure		
International Programs		
Funds to international programs		
UNICEF Australia directly supported programs	7,807,399	6,472,292
UNICEF global programs	8,043,929	9,354,550
	15,851,328	15,826,842
Program support costs	979,300	788,819
Community Education	2,361,718	2,298,590
Total Contribution to Children	19,192,346	18,914,251
Fundraising Costs		
Public	7,212,587	8,843,124
Funded by UNICEF	4,397,264	4,031,666
	11,609,851	12,874,790
Accountability and Administration	2,305,810	2,483,232
Non-Monetary Expenditure	615,649	1,795,299
TOTAL EXPENDITURE	33,723,656	36,067,572
EXCESS OF REVENUE OVER EXPENDITURE	1,000,000	301,226
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,000,000	301,226

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

Statement of Financial Position

As at 31 December 2019

		2019	2018
	Notes	\$	Restated \$
Assets			
Current assets			
Cash and cash equivalents	3	9,161,714	8,831,286
Trade and other receivables	4	491,064	606,149
Prepayments	5	149,114	397,252
Total current assets		9,801,892	9,834,687
Non-current assets			
Plant and equipment	6	337,839	826,584
Intangibles	7	441,137	303,218
Total non-current assets		778,976	1,129,802
Total assets		10,580,868	10,964,489
Liabilities			
Current liabilities			
Trade and other payables	8	4,571,797	5,611,858
Lease payable		199,773	461,718
Provisions	9	441,372	338,480
Total current liabilities		5,212,943	6,412,056
Non-current liabilities			
Lease Payable		-	199,773
Provisions	10	110,344	95,079
Total non-current liabilities		110,344	294,852
Total liabilities		5,323,287	6,706,908
Net Assets		5,257,581	4,257,581
Equity			
Reserves	12	5,257,581	4,257,581
Total Equity		5,257,581	4,257,581

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 2019

	Notes	Reserves \$
Balance at 1 January 2018 as previously reported		3,965,528
Impact of change in accounting policy	1(o)	(9,173)
Restated balance at 1 January 2018		3,956,355
Restated excess of revenue over expenditure		301,226
Other comprehensive income		-
Restated balance at 31 December 2018		<u>4,257,581</u>
Excess of revenue over expenditure		1,000,000
Other comprehensive income		-
Balance at 31 December 2019	12	<u>5,257,581</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 2019

	2019	2018
Notes	\$	Restated \$
Cash flows from operating activities		
Donations, fundraising and bequests receipts	25,692,473	26,706,227
Department of Foreign Affairs and Trade grants received	2,574,624	2,638,183
Other grants received	63,636	-
UNICEF grants received	5,000,000	4,040,031
Commercial Activities Income received	-	4,545
Investment income received	150,475	189,657
Other income received	3,500	1,177
Project outgoings	(17,101,199)	(15,309,463)
Other outgoings	(15,178,869)	(17,203,619)
Net cash inflow from operating activities	1,204,640	1,066,739
Cash flows from investing activities		
Proceeds from sale of investment	-	310,291
Payments for plant and equipment	(118,586)	(5,221)
Payments for intangibles	(293,908)	-
Net cash outflow from investing activities	(412,494)	305,070
Cash flows from financing activities		
Payments for lease liability	(461,718)	(430,104)
Net cash outflow from financing activities	(461,718)	(430,104)
Net increase in cash and cash equivalents	330,428	941,705
Cash and cash equivalents at the beginning of the financial year	8,831,286	7,889,581
Cash and cash equivalents at end of year	9,161,714	8,831,286

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

Notes to the Financial Statements

As at 31 December 2019

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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

The organisation adopted the following new standards, amendments to standards and interpretations which became effective for reporting periods beginning 1 January 2019.

AASB 15 Revenue from Contracts with Customers & AASB 1058 - Income of Not-for-Profit Entities

AASB 15 and AASB 1058 establish a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and IFRIC 13 Customer Royalty Programmes.

AASB 16 Leases

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items.

Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

AASB 16 replaces existing leases guidance including AASB 117 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The impact of the adoption of these accounting standards is described in note 1 (o).

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 2019.

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.

Compliance with ACFID Code

The financial statements of UNICEF Australia comply with the presentation and disclosure requirements of the ACFID Code of Conduct. The ACFID Code is available on the ACFID website www.acfid.asn.au.

(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 the income statement.

(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 performance obligations, where relevant, have been met.

(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 legal support, advertising and media space.

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

UNICEF Australia has applied AASB 16 using the retrospective approach. The impact of changes is disclosed in note 1 (o).

Policy applicable from 1 January 2019

At inception of a contract, UNICEF Australia assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, UNICEF Australia assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- UNICEF Australia has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- UNICEF Australia has the right to direct the use of the asset. UNICEF Australia has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used and predetermined, UNICEF Australia has the right to direct the use of the asset if either:
 - UNICEF Australia has the right to operate the asset; or
 - UNICEF Australia designed the asset in a way that predetermines how and for what purpose it will be used.

UNICEF Australia has applied this approach to contracts entered into or changed on or after 1 January 2019. UNICEF Australia's approach to other contracts is explained in note 1(o).

At inception or on reassessment of a contract that contains a lease component, UNICEF Australia allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, UNICEF Australia has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

UNICEF Australia recognises the right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site in which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, UNICEF Australia's incremental borrowing rate. Generally, UNICEF Australia uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that UNICEF Australia is reasonably certain to exercise, lease payments in an optional renewal period if UNICEF Australia is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless UNICEF Australia is reasonably certain not to terminate early

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in UNICEF Australia's estimate of the amount expected to be payable under a residual value guarantee or if UNICEF Australia changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

UNICEF Australia presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'trade and other payables' in the statement of financial position.

Short-term leases and leases of low-value assets

UNICEF Australia has elected not to recognise the right-of-use assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. UNICEF Australia recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(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 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 expected credit losses (ECL) on trade receivables is established based on a probability weighted estimate of lifetime credit losses.

The amount of the provision is recognised in the income statement. 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 to the income statement.

(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 income statement in the year of disposal.

The rates and basis of depreciation are as follows:

Leasehold	Straight line	3 years
Plant and Equipment	Straight line	4 years
Motor Vehicles	Straight line	4 years

(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 income statement in the year of disposal.

The rates and basis of amortisation are as follows:

Software	Straight line	4-7 years
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(j) Other Financial Assets

Other financial assets are classified in the following categories: amortised cost, fair value through profit or loss and fair value through other comprehensive income. The classification depends on the business model for managing the financial asset and the characteristics of contractual cash flows. During the year, the company had financial assets categorised as amortised cost.

Loans and receivables are recognised fair value and subsequently measured at amortised cost. 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).

(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

The company strives to remit the maximum percentage of funds received to UNICEF international programs in accordance with a cooperation agreement. Funds due to UNICEF international programs under this agreement and which have not yet been remitted at balance date are calculated and accrued as a liability in the statement of financial position and remitted to UNICEF within six months of year end.

(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 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.

(o) Changes in accounting policies

Except for the changes below, UNICEF Australia has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

(i) Leases

UNICEF Australia has applied AASB 16 with a date of initial application of 1 January 2019. As a result, UNICEF Australia has changed its accounting policy for lease contracts as detailed below.

UNICEF Australia has applied AASB16 using the retrospective approach resulting in a restatement of the comparative period balances. The details of the changes in accounting policies are disclosed below.

Definition of a lease

Previously, UNICEF Australia determined at contract inception whether an arrangement is or contains a lease under AASB 117. Under AASB 16, UNICEF Australia assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 1(e).

On transition to AASB16, UNICEF Australia elected to apply the practical expedient to grandfather the assessment of which transactions are leases. UNICEF Australia applied the definition of a lease under AASB16 to contracts entered into or changed on or after 1 January 2019.

As a lessee

As a lessee, UNICEF Australia previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to UNICEF Australia. Under AASB 16, UNICEF Australia recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

UNICEF Australia decided to apply the recognition exemptions to short-term leases of equipment and IT equipment (see note 1(e)). For leases of other assets, which were classified as operating under AASB 117,

UNICEF Australia recognised right-of-use assets and lease liabilities.

For leases that were not covered by the recognition exemptions under AASB 16, UNICEF Australia recognised right-of-use assets and lease liabilities measured under AASB 16.

Impacts on financial statements

The following tables summarise the impacts of adopting AASB 16 on UNICEF Australia's financial statements.

Statement of financial position

1-Jan-18	Impact of changes in accounting policies (\$)		
	As previously reported	Adjustment	As restated
Property, plant and equipment	339,166	1,047,722	1,386,888
Total assets	10,227,506	1,047,722	11,275,228
Trade and other payables	5,783,112	(34,700)	5,748,412
Lease payable	-	1,091,595	1,091,595
Total liabilities	6,261,978	1,056,895	7,318,873
Reserves	3,965,528	1,082,422	5,047,950
Total equity	3,965,528	1,082,422	5,047,950

31-Dec-18	Impact of changes in accounting policies (\$)		
	As previously reported	Adjustment	As restated
Property, plant and equipment	212,401	614,183	826,584
Total assets	10,350,306	614,183	10,964,489
Trade and other payables	5,644,220	(32,362)	5,611,858
Lease payable	-	661,491	661,491
Total liabilities	6,077,779	629,129	6,706,908
Reserves	4,272,527	646,545	4,919,072
Total equity	4,272,527	646,545	4,919,072

Statement of comprehensive income

For the year ended 31 December 2018	Impact of changes in accounting policies (\$)		
	As previously reported	Adjustment	As restated
Revenue	36,368,798	-	36,368,798
Expenditure	36,061,799	5,773	36,067,572
Excess/(Deficiency) of revenue over expenditure	306,999	(5,773)	301,226
Total comprehensive income for the year	306,999	(5,773)	301,226

(ii) *AASB 15 Revenue from contracts with customers*

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue. In accordance with the AASBs definition, UNICEF Australia is a not-for-profit entity and therefore AASB 15 is effective for UNICEF Australia from 1 January 2019. Upon assessment of UNICEF Australia's revenue stream and the nature of services provided, AASB 15 has no material impact on UNICEF Australia's financial statements as at 31 December 2019.

(iii) *AASB 1058 Income of Not-for-Profit Entities*

AASB 1058 introduces new income recognition requirements for not-for-profit (NFP) entities.

NFP entities will assess whether AASB 1058 or another standard (such as AASB 15) is applicable depending on the nature of the arrangement. AASB 1058 contains specific guidance on accounting for volunteer services and transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally for the NFP to further its objectives. Income recognition may be accelerated or deferred depending on an entity's current policy.

In accordance with the AASBs definition, UNICEF Australia is a not-for-profit entity and therefore AASB 1058 is effective for UNICEF Australia from 1 January 2019.

Upon assessment of UNICEF Australia's revenue stream and the nature of the services provided, AASB 1508 has no impact of UNICEF Australia's financial statements as at 31 December 2019.

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.

	2019	2018
	\$	Restated \$
Staff Expenditure	7,636,169	8,330,604
Marketing & Promotion Costs	6,856,257	7,380,975
Travel Expenditure	494,171	566,118
Operational Costs	1,524,601	1,465,843
Depreciation & Amortisation	745,481	701,891
Non-Monetary Expenditure	615,649	1,795,299
International Programs Expenditure	15,851,328	15,826,842
	33,723,656	36,067,572

3 Current assets – Cash and cash equivalents

	2019	2018
	\$	\$
Cash	996,418	1,077,261
Deposits	8,165,296	7,754,025
	9,161,714	8,831,286

4 Current assets - Trade and other receivables

	2019	2018
	\$	\$
Trade receivables	21,990	-
Accrued income	159,239	162,013
Other receivables	341,614	496,235
Provision for impairment	(31,779)	(52,099)
	491,064	606,149

The receivables are non-interest bearing. At year end other receivables included \$224,978 (2018: \$382,459) receivable from the tax office for GST credits.

5 Current assets - Prepayments

	2019	2018
	\$	\$
Prepayments - UNICEF	-	250,437
Prepayments - Other	149,114	146,815
	149,114	397,252

6 Non-current assets - Plant and equipment

	Leasehold	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$
At 31 December 2018 as previously reported				
Cost	300,217	182,699	16,642	499,558
Accumulated depreciation	(157,322)	(113,347)	(16,488)	(287,157)
Net book value	<u>142,895</u>	<u>69,352</u>	<u>154</u>	<u>212,401</u>
Impact of change in accounting policy				
Cost	1,300,620	-	-	1,300,620
Accumulated depreciation	(686,437)	-	-	(686,437)
Net book value	<u>614,183</u>	<u>-</u>	<u>-</u>	<u>614,183</u>
At 31 December 2018 restated				
Cost	1,600,837	182,699	16,642	1,800,178
Accumulated depreciation	(843,759)	(113,347)	(16,488)	(973,594)
Net book value	<u>757,078</u>	<u>69,352</u>	<u>154</u>	<u>826,584</u>
Year ended 31 December 2019				
Opening net book value	757,078	69,352	154	826,584
Additions	52,934	65,652	-	118,586
Depreciation charge	(569,730)	(37,447)	(154)	(607,331)
Closing net book value	<u>240,282</u>	<u>97,557</u>	<u>-</u>	<u>337,839</u>
At 31 December 2019				
Cost	1,653,771	248,351	16,642	1,918,764
Accumulated depreciation	(1,413,489)	(150,794)	(16,642)	(1,580,925)
Net book value	<u>240,282</u>	<u>97,557</u>	<u>-</u>	<u>337,839</u>

UNICEF Australia has applied AASB 16 using the retrospective approach with a date of initial application of 1 January 2019 as detailed in notes 1(e) & 1(o). The commercial lease of Level 19, 320 Pitt Street, Sydney is recognised as a leasehold asset and depreciated in accordance with the lease term, which expires in May 2020.

7 Non-current assets - Intangibles

	Software
	\$
At 31 December 2018	
Cost	896,660
Accumulated amortisation	(593,441)
Net book value	<u>303,218</u>
Year ended 31 December 2019	
Opening net book value	303,218
Additions	293,908
Disposals	(19,201)
Amortisation charge	(136,788)
Closing net book value	<u>441,137</u>
At 31 December 2019	
Cost	1,100,688
Accumulated amortisation	(659,551)
Net book value	<u>441,137</u>

In line with the strategic goal to accelerate our impact for children, UNICEF Australia continued its digital transformation in 2019 and began capitalising long-term investments into core software including a new CRM & ERP. These investments will equip UNICEF Australia to better engage with our supporters and inspire a stronger connection to our brand and work whilst also delivering operational efficiencies to the organisation.

8 Current liabilities - Trade and other payables

	2019	2018
	\$	Restated
		\$
Trade payables	819,010	609,926
Deferred Grants - Department of Foreign Affairs and Trade	727,650	1,153,879
Deferred Grants - UNICEF	628,931	26,195
Program funding payable	2,278,319	3,601,908
Other payables	117,888	219,950
	<u>4,571,797</u>	<u>5,611,858</u>

9 Current liabilities - Provisions

	2019	2018
	\$	\$
Annual leave provision	366,109	304,338
Provision for long service leave	35,263	32,323
Provision for make good on leased premises	40,000	1,819
	<u>441,372</u>	<u>338,480</u>

10 Non-current liabilities - Provisions

	2019	2018
	\$	\$
Provision for long service leave	110,344	55,079
Provision for make good on leased premises	-	40,000
	<u>110,344</u>	<u>95,079</u>

11 Contingencies

During 2019, UNICEF Australia partnered with the United States Fund for UNICEF Impact Fund (US Impact Fund) to pre-finance a \$328,050 remittance to a new directly supported program in the Pacific region introducing 3 new vaccinations to children and young people across 9 different countries. The US Impact Fund advanced the funding following a pledge of future donations by a third party donor. Under the conditions of the pre-financing agreement, UNICEF Australia is to repay funding to the US Impact Fund to the extent that third party donations are received in future periods up to the maximum \$328,050 pre-financed amount.

Given the uncertainty over the timing and value of future donations, UNICEF Australia has not recognised either a receivable from the third party donor or a liability for repayment of the US Impact Fund in the Statement of Financial Position.

Utilising pre-financed funding to commence the program will allow UNICEF to introduce life-saving vaccinations at an earlier date and save more children from the preventable diseases.

12 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.

13 Related party transactions

The following transactions occurred with related parties.

UNICEF

The Company is a UNICEF National Committee, one of 33 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 international programs.

	2019	2018
	\$	\$
<i>Outstanding balances arising from transactions:</i>		
Aggregate amount payable to UNICEF international programs at balance date	2,278,319	3,601,908
<i>Value of transactions:</i>		
During the year UNICEF 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.	628,931	26,195
Total remittances to UNICEF international programs during the period	15,851,328	15,826,842
During the year UNICEF approved funds to the company to undertake market development and fundraising activities. Total expenditure funded by UNICEF during the year	4,397,264	4,031,666
Reimbursement by UNICEF for expenses incurred	14,543	-

Payments to UNICEF Mutual Assistance Fund	9,764	8,466
Payments to UNICEF during the year	-	9,730

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 international programs. In 2019 the company received soft credits from a multitude of global corporate partners.

Soft Credited Income received, also included in funds remitted to UNICEF international programs	802,581	584,659
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UNICEF National Committees & Country Offices

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

Value of transactions:

Receipts from United States Fund for UNICEF Impact Fund	328,050	-
Payment to the UNICEF New Zealand office for cost of joint Board orientation	-	2,273

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. 2018 balances have been restated to ensure the classification of key management personnel is comparable year on year.

	2019	2018 Restated
	\$	\$
<i>Value of transactions:</i>		
Compensation for key management personnel:		
- short term benefits	1,205,920	1,142,396
- post-employment benefits (superannuation contributions)	113,031	110,273
- termination benefits	-	30,287
Total compensation for key management personnel	<u>1,318,951</u>	<u>1,282,956</u>

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 \$4,600 (2018: \$4,200) was paid for Directors and Officers liability insurance.

Ms Ann Sherry was Chairman of Carnival Australia. During the year, UNICEF Australia received donations totalling \$300,000 (2018: \$0) from P&O Cruises Australia, a Carnival Australia brand. Ms Sherry did not receive any benefit from this association.

Mr Matt Comyn is Chief Executive Officer of the Commonwealth Bank of Australia (CBA). During the year, UNICEF Australia received interest from CBA of \$60,234 (2018: \$44,182) and made payments of \$90,540 (2018: \$73,466) for bank fees. Mr Comyn did not receive any benefit from this association.

Ms Sandra Rouse is Chief Financial Officer of TEG. During the year, UNICEF Australia paid TEG Digital \$5,000 (2018: \$0) for marketing services. Ms Rouse did not receive any benefit from this association.

Ms Olivia Wirth is Chief Executive Officer, Loyalty at Qantas Airways Ltd. During the year, UNICEF Australia received donation income and non-monetary support from Qantas of \$188,848 (2018: \$80,850). Ms Wirth 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.

14 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.

15 Fundraising appeals income and expenses

Donation income includes funds raised from public appeals, the UNICEF Global Parent monthly giving program, UNICEF Change for Good, UNICEF Coins for Kids, other corporate partnerships and legacies and bequests.

Non-monetary donations include donated services such as pro-bono legal services, advertising and media space. 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.

	2019		2018	
	\$		Restated	
	\$		\$	
Gross Proceeds from Fundraising Activities ¹	23,591,252		24,656,808	
Less: Total Costs of Fundraising ²	6,974,175		8,601,507	
Net Surplus	16,617,077		16,055,301	
<i>^{1&2} Excludes legacies & bequests and non-monetary donations</i>				
Total Costs of Fundraising	6,974,175		8,601,507	
Gross proceeds from fundraising	23,591,252	30%	24,656,808	35%
Net surplus from fundraising	16,617,077		16,055,301	
Gross proceeds from fundraising	23,591,252	70%	24,656,808	65%

Appeals in which traders were engaged

UA used external agencies for Face to Face and Telemarketing Recruitment of Global Parents in 2019

Gross Income ³	6,395,477	6,846,001
Direct Costs	2,492,837	3,464,731

³ Gross income has been extrapolated to reflect the full expected benefit from the acquisition of a Global Parent assuming an average monthly gift of \$28.64 (2018: \$28.77) and attrition of 2.64% per month (2018: 2.64%)

16 Events occurring after the balance sheet date

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For UNICEF Australia's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, UNICEF Australia cannot reasonably estimate the impact these events will have on UNICEF Australia's financial position, results of operations or cash flows in the future.

Notwithstanding the Coronavirus pandemic noted above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the directors, to effect significantly the operations of UNICEF Australia, the results of these operations, or the state of affairs of UNICEF Australia in subsequent financial years.

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 10 to 25 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the ACFID Code of Conduct, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2019 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 company has complied with the provisions and regulations of the Charitable Fundraising Act 1991 (NSW) and the conditions attached to the fundraising authority; 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:



Ann Sherry
Director

Sydney
27 May 2020



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 the Australian Committee for UNICEF Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of 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 2019, 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 Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.
- iii. The Company complied in all material respects with the financial reporting requirements of the Australian Council for International Development (ACFID) Code of Conduct.

The **Financial Report** comprises:

- i. Statement of financial position as at 31 December 2019.
- 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 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 auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have 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. The Directors are responsible for the Other Information.

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. 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 that we obtained prior to the date of this Auditor's Report 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, the ACNC and the ACFID Code of Conduct.
- 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 and whether the use of the going concern basis of accounting is appropriate. 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.



As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit 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 registered Company's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude 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 registered 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 registered Company to cease to continue as a going concern.
- v. Evaluate 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.

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined 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.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

Report on Other Legal and Regulatory Requirements

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 2019;



- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2019 to 31 December 2019, 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 2019 to 31 December 2019 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 2019.

I, Stephen Isaac, am currently a member of Chartered Accountants Australia and New Zealand and my membership number is 374502.

KPMG

KPMG

Stephen Isaac

Tower Three,
International Towers Sydney,
300 Barangaroo Avenue,
Sydney, Australia

Partner
Sydney
27 May 2020