



Annual Financial Report

Financial year ending
30 June 2022



Barnardos
Australia

Because **every child**
needs a champion

We would like to acknowledge the Traditional owners and custodians of country throughout Australia and recognise our Aboriginal and Torres Strait Islander peoples continued connection to land, waters and community.

We pay our respects to Elders both past and present and acknowledge their ongoing commitment to culture and community. May we also acknowledge past atrocities that were inflicted on our Aboriginal and Torres Strait Islander peoples due to past government policies.

We are committed to approaching culture with humility, respect and curiosity.
Always was, always will be Aboriginal land.

Our vision

To empower every child in Australia to reach their full potential.

Our purpose

We support vulnerable children to recover and thrive. Together, we ensure they reach their brightest future.



Our values

We never give up

We recognise the challenges that children face and put our shared wisdom and experience to work.

We don't give up because we know that we can empower children to achieve their full potential.

We speak up

We listen, act and advocate on behalf of children, always showing compassion and inclusion.

We aim higher

We learn, improve and innovate in everything we do to enrich the well-being of children and their families.

We demand excellence to inspire excellence.

We stand with you

When we unite around a child in need, we prove that they do not have to overcome their challenges alone.

We champion collaboration and cultivate teamwork for the good of children, families and the community.

We do what's right

We build trust with people, partners and our community by being ethical, transparent and accountable.

We take full responsibility and learn from our mistakes.

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Directors' report

The Directors of Barnardos Australia (Barnardos) present their report together with the annual financial report for the year ending 30 June 2022.

DIRECTORS

The names of the Directors who have held office during the year and until the date of this report are:

Name	Particulars
Janett Margaret Milligan	Chair and Director Director since October 2016
Qualifications and experience	<p>Janett is the founding Director of JMM Group, providing advisory services in policy and strategy development, infrastructure planning and management, and governance. Janett held senior executive appointments in government for 25 years in a range of human services including housing, aged care, disability services, culture and sport. She was also the CEO of a NSW Public Trading Enterprise.</p> <p>Janett is currently a Trustee of the NSW Responsible Gambling Fund and a previous Board member of Venues NSW and the Western Sydney Parklands Trust.</p> <p>Qualifications: Bachelor of Social Science (Hons) (University of New England), Master of Business Administration (University of Sydney), Graduate of the Australian Institute of Company Directors.</p>
Special responsibilities	Member of the People and Practice Committee; the Governance Committee; and the Finance and Audit Committee.
Jane Elizabeth Paskin	Director until 23 November 2021 Director since May 2012
Qualifications and experience	<p>Jane is a former senior partner at Clayton Utz, and is currently a Consultant of the firm. She has over 30 years' experience as a lawyer. These days Jane pursues a career as a Non-Executive Director. During the year she was a Director of Railway and Transport Health Fund Limited, Transport Health Pty Ltd, Rice Warner Pty Limited (Chair) and ClearView Life Nominees Pty Limited (Chair).</p> <p>Qualifications: Bachelor of Laws (Hons) (University of Technology, Sydney) Graduate of the Australian Institute of Company Directors ASFA Accredited Investment Fiduciary.</p>
Special responsibilities	Chair of the Risk Committee and Member of the Finance and Audit Committee, Board Visitor to the Auburn Children's Family Centre.
John William Pittard	Director until 21 January 2022 Director since May 2014
Qualifications and experience	<p>John has extensive experience in Senior Executive and Board roles, on both listed and private company Boards. John has an extensive background leading organisational transformation (business and technology) and the development and execution of technology strategies across multiple industries. John is currently a Non-Executive Director of AEMO (Australian Energy Market Operator).</p> <p>Qualifications: Bachelor of Science (Newcastle University), Member of the Australian Institute of Company Directors.</p>
Special responsibilities	Chair of the Technology Advisory Council, Chair of the Governance Committee and Member of the Risk Committee, Board Visitor to OOH NSW.

Name	Particulars
<p>Professor Emerita Frances Eileen Waugh</p> <p>Qualifications and experience</p> <p>Special responsibilities</p>	<p>Director Director since May 2014</p> <p>Fran was an academic in the Social Work and Policy Studies programs at the University of Sydney for 20 years until 2020. During this time she assumed a number of leadership roles including Chair of Social Work, interim Dean, interim Head of School, Associate Dean International and Associate Dean Learning and Teaching. Fran's practice research has included a focus on child emotional abuse, child protection and domestic violence. Prior to her academic appointment Fran has over 20 years professional experience as a registered nurse and then social worker in community health and child welfare positions. She is currently a member of International House Council, the University of Sydney, and chairs the Social Work Program Reference Group, the University of Wollongong.</p> <p>Qualifications: Graduate Certificate in Educational Studies (Higher Education) with merit (University of Sydney), Doctor of Philosophy, Department of Social Work (University of Sydney), Bachelor of Social Work (Honors class 1) (University of New South Wales).</p> <p>Chair of the Service Excellence and Safety Committee and Board Visitor to South Coast Children's Family Centre.</p>
<p>Racheal Kellaway</p> <p>Qualifications and experience</p> <p>Special responsibilities</p>	<p>Director Director since October 2021</p> <p>Racheal has extensive corporate experience and is currently the Chief Financial Officer at the Bank of Queensland. Prior to that Racheal was Deputy Chief Financial Officer at the Bank of Queensland and previously General Manager within the Commonwealth Bank of Australia and a Director of a number of its subsidiaries. She is currently a Member of the Finance, Audit and Risk Committee at the Australian Banking Association.</p> <p>Qualifications: Bachelor of Commerce, CPA Australia, Graduate Australian Institute of Company Directors. She completed the McKinsey Executive Leadership Program in 2020.</p> <p>Chair of the Finance and Audit Committee since 12 April 2022 and Board Visitor to OOH NSW.</p>
<p>Sam George Garland</p> <p>Qualifications and experience</p> <p>Special responsibilities</p>	<p>Director Director since May 2017</p> <p>Sam has over 10 years' experience in financial reporting, risk management and governance as a company auditor and professional adviser. Sam is currently a partner at PwC Australia, leading the statutory and regulatory audits of complex financial institutions. Sam also advises on regulatory matters, risk management, controls and organisational governance. Sam has experience auditing and working with a number of not-for-profit organisations, including in the education and medical sector.</p> <p>Qualifications: Bachelor of Arts, Business Economics (University of Leeds), Member Chartered Accountants of Australia and New Zealand, registered external auditor (ASIC).</p> <p>Chair of the Finance and Audit Committee until 12 April 2022. Chair of the Risk Committee April 2022.</p>

Name	Particulars
Andrew Bacon	Director Director since February 2022
Qualifications and experience	<p>Andrew is a Governance, Risk and Compliance specialist with University Infrastructure at Sydney University and is the Managing Director of Adina Consulting Service.</p> <p>Andrew is currently a Non-Executive Director of Friends with Dignity and currently Chair of their Audit and Risk Committee and their Governance Committee. He is Co-Chair Gawura Strategic Planning Committee (St Andrew's Cathedral School), Committee Member Reconciliation Action Plan Committee (St Andrew's Cathedral School) and a Lived Experience Corporate Indigenous Speaker for the Black Dog Institute. He has an extensive level of professional work experience having held senior roles in government, investment banking, commercial insurance and the education sectors.</p> <p>Qualifications include Bachelor of Commerce (Murdoch University), Master of Business Administration (University of Western Australia), Lead Internal/External Auditor Certificate (Australian Organisation for Quality), Observership Program (AICD), Mental Health First Aider Certificate (Mental Health First Aid Australia) and an Applied Suicide Intervention Skills Training (ASIST) Certificate (Living Works).</p>
Special responsibilities	Member of the Governance Committee, Member of the Risk Committee, Board Visitor to Penrith Children's Family Centre.
Rick Macourt	Director Director since February 2022
Qualifications and experience	<p>Rick is Associate Dean, First Nations Strategy & Services, Associate Professor of Practice in the Faculty of Medicine and Health at the University of Sydney and formerly Director First Nations Expenditure and Outcomes, NSW Treasury. Rick is a Board Member of Black Rainbow, Indigenous Advisory Committee Member at Siemens Australia and Chair of the First Nations Funders Network at Philanthropy Australia. He has published a number of reports, articles and a children's book on First Nations matters and is currently driving whole-of-government reform to support the self-determination of First Nations peoples in NSW.</p> <p>Qualifications Bachelor of Laws (Bond University), Graduate Diploma in Legal Practice (ANU), Indigenous Human Rights Program (Columbia University, NY USA). Admitted to the Supreme Court of NSW in 2015.</p>
Special responsibilities	Member of the Finance and Audit Committee, Member of the Service Excellence and Safety Committee, Board Visitor to Western NSW Children's Family Centres.
Dr Stephen Mills	Director Director since September 2019
Qualifications and experience	<p>Stephen is an honorary senior lecturer in the School of Social and Political Sciences at the University of Sydney. His previous experience is as a journalist and editor with Fairfax newspapers, political adviser (speechwriter) to Prime Minister Hon R J L Hawke, and corporate affairs adviser in the financial services sector. He is the former Chair of Australian Business Foundation and former Director of ShareGift Australia.</p> <p>Qualifications include Bachelor of Arts (Hons) University of Melbourne; Master of Public Administration, John F Kennedy School of Government, Harvard University; Doctor of Philosophy, University of Sydney.</p>
Special responsibilities	Member of Finance and Audit Committee, Member of Risk Committee, Board Visitor to OOHCACT (ACT Together).

Name	Particulars
<p>Julia-Anne Davenport</p> <p>Qualifications and experience</p> <p>Special responsibilities</p>	<p>Director Director since May 2019</p> <p>Julia is an experienced Non-Executive Director and business advisor with mature executive and consulting experience in professional services, consultancies, private companies, founder and family-owned businesses, not-for-profit social impact enterprises, industry associations and local government including strategy and marketing leadership. Her executive and consulting career has been forged leading growth and transformational change including the development of innovative service offerings to tackle disruption. Julia is currently a Non-Executive Director of Everhard Industries and ICON professional services marketing association of Australasia and a former Director of the Children's Book Council of Australia. She is the founding Director of Davenport Marketing and Advisory, a specialist strategic marketing and business advisory consultancy. Julia is a passionate and experienced champion for children, women and diversity.</p> <p>Qualifications include Bachelor of Arts (Information Science) (University of Technology), Graduate Australian Institute of Company Directors.</p> <p>Chair of the Governance Committee, Board Visitor to Sydney Metro Children's Family Centre.</p>
<p>Amy Kilpatrick</p> <p>Qualifications and experience</p> <p>Special responsibilities</p>	<p>Director Director since November 2019</p> <p>Amy is a lawyer with a background in public interest law and the higher education sector. Amy has also led not-for-profit organisations in the social justice sector. Her key areas of practice are administrative law, governance, human rights and discrimination. Amy is also a Non-Executive Director of Directions Health Service.</p> <p>Qualifications include Barrister and Solicitor of the Supreme Court of the Australian Capital Territory, Bachelor of Law (Hons) (Australian National University), Graduate Diploma in Politics (University of Melbourne), Graduate of the Australian Institute of Company Directors.</p> <p>Member of the Governance Committee, Board Visitor to Canberra Children's Family Centre and Southern NSW Children's Family Centre.</p>
<p>Wendy Glasgow</p> <p>Qualifications and experience</p> <p>Special responsibilities</p>	<p>Director Director since March 2021</p> <p>Wendy has over 15 years' experience in Digital Technology and data management, with extensive knowledge and skill in leading large, diverse and international teams. Wendy has a keen interest in organisational and product transformation and has proven experience in developing business strategy and driving organisational commercial outcomes by delivering products and services to global markets. Wendy is currently the Head of Data at Canva and is an advocate for diversity, equality, building strong teams and developing strong organisational culture.</p> <p>Qualifications include Bachelor of Laws (Queensland University of Technology), Graduate Certificate in Law, Intellectual Property and Internet Law (Queensland University of Technology), Bachelor of Information Technology (Queensland University of Technology), Graduate Australian Institute of Company Directors.</p> <p>Chair of the Technology Advisory Council, Member of the Risk Committee, Board Visitor to Western NSW Children's Family Centres.</p>

Name	Particulars
Gillian McFee	Director Director since November 2020 Gillian has been a full-time Director since 2012 and is a Graduate and Fellow of AICD
Qualifications and experience	<p>Gillian is Managing Director of Gillian McFee and Associates, providing consulting, advisory and mentoring services in a range of community service sectors. Gillian currently serves on the Boards of Stride Mental Health Ltd and Child and Youth Services Mutual Ltd (trading as Kudos Services in South Australia). Gillian is also an independent advisor on co-operatives and mutuals for Common Equity Housing Ltd (Victoria). Gillian's previous Board roles include Bolton Clarke (aged care), Basketball Australia (sport) and UnitingCare Ageing NSW. ACT (aged care and housing). Prior to her non-executive career, Gillian held CEO and senior executive roles in the non-government and public sectors, including for UnitingCare NSW.ACT (now Uniting), the NSW Departments of Family and Community Services; Ageing Disability and Home Care; Housing NSW and Premier and Cabinet (NSW Office on Ageing).</p> <p>Qualifications include: BSocStud (Sydney University). Diploma Urban and Regional Studies (Macquarie University) MBA (Exec) (UNSW).</p>
Special responsibilities	Member of Governance Committee, Member of the Service Excellence and Safety Committee, Board Visitor to Auburn Children's Family Centre.
Kerrie Forrester	Company Secretary Company Secretary since 28 September 2021
Qualifications and experience	<p>Qualifications include Bachelor of Business (UTS Sydney), Law and Management, Graduate Diploma Law (UTS Sydney), Certificate of Superannuation Management (Macquarie University) and is a Fellow of the Governance Institute of Australia and a Fellow of the Chartered Governance Institute (UK).</p>
Scott Graham	Company Secretary until 28 September 2021 Company Secretary since 8 March 2021
Qualifications and experience	<p>Qualifications include Bachelor of Arts (Charles Sturt University), Diploma in Law (The legal Practitioners Admissions Board NSW), Graduate Diploma in Applied Corporate Governance (Chartered Secretaries Australia)</p>

ABOUT BARNARDOS AUSTRALIA

Barnardos Australia believes all children deserve caring families to grow safely and fulfil their potential. We listen, we act, and we advocate for the safety of children at risk of abuse and neglect, providing family support programs and services that empower children to reach their full potential. We keep children safe by supporting families and strengthening communities facing issues such as violence, poverty, mental illness and homelessness. Our wrap-around services provided through our Children's Family Centres, include family support, domestic violence support, youth and family homelessness services, drug and alcohol support, parenting and early learning programs, foster and kinship care and open adoption. We work together with children, young people and families to break the cycle of disadvantage, creating safe, nurturing and stable homes, connected to family and community. We are dedicated to the prevention of trauma in children, and support families to be the best parents they can be. We help children to recover and thrive, and we find safe homes for them through foster care and open adoption where there is a risk of abuse.

REVIEW OF OPERATIONS

The operating result of the company for year ending 30 June 2022 was a deficit of \$0.6m (2021 deficit: \$1.9m). The result for the year includes a net fundraising contribution of \$3.6m (2021 contribution \$3.4m), with both revenue and net contribution in line with last year. Our recruitment services division, ABRS delivered an improved performance contributing net income of \$0.5m (2021 net income: \$0.3m). The ACT Together Consortium continued to sustain losses in FY22. Effective 1 Jul 2022 the new contract includes a cost pass through agreement for Residential Care addressing the FY21 loss-making activity.

Social Care

Total Social Care expenditure has increased from \$107.2 million in 2021 to \$111.3 million in 2022. Social Care revenue has increased from \$100.8 million in 2021 to \$106 million in 2022.

Fundraising

The net contribution from Fundraising activities for the year ending 30 June 2022 was \$3.6 million (2021: \$3.4 million). The direct cost of fundraising over the gross income from fundraising ratio has increased to 46.4% (2021: 33.3%).

Recruitment Services

The performance of ABRS, a recruitment service providing staff for Barnardos as well as Social Care workers throughout Australia improved. Despite the impact of Covid 19, the net contribution to the Social Care work of Barnardos for the year was an increase in Net Income to \$0.5 million (2021: \$0.3 million).

Administration

Investment, other revenue and other gains and losses has reduced in the year ending 30 June 2022 to \$1.3 million (2021: \$1.6 million) which includes the utilised \$1.1m of onerous contract offset by a loss on revaluation of reserve fund investments. Property, Administration and Communications expenses have reduced during the year to \$1.4 million in 2022 (2021: \$1.8 million).

CHANGES IN STATE OF AFFAIRS

Barnardos operations have been impacted by the Covid 19 pandemic, both in relation to the way we provide support within the community, and how we manage our dispersed workforce. The use of technology has provided greater flexibility in how we communicate, and we have continued to visit our client base while maintaining appropriate safe practices within the community. Our financial sustainability continues to be sound. We remain confident in our ability to manage the changed environment and to provide essential support to the community.

There has not been any matter or circumstance, other than referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

KEY PERFORMANCE INDICATORS

The annual budget establishes key performance measures that are reviewed through the Board governance model. These include fiscal measures, service outcomes, contract compliance, risk analysis, in addition to best practice standards and accepted industry benchmarks.

Barnardos utilises performance indicators and measures aligned to each area of our strategic directions plan "Towards 2025". The reporting framework developed in 2020 allows the Board to monitor and report progress towards this strategic plan.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year the company paid a premium in respect of a contract insuring the Directors of the company (as named above) and all Executive Officers of the Company against a liability incurred as a Director or Executive Officer to the extent permitted by the Australian Charities and Not-for-profits Commission Act 2012. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. In addition to this insurance, Directors of the company have been provided with a Deed of indemnity, insurance and access. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such by an officer or auditor.

ROUNDING

The Company is of a kind referred to in ASIC Corporations Instrument 2016 /191 dated 1 April 2016 and, in accordance with that Instrument, amounts in the financial report and Directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

DIVIDENDS

Under the terms of Barnardos' Constitution, the Company is not authorised to pay dividends to its members.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is included on page 12 of the financial report.

CORPORATE GOVERNANCE STATEMENT

Barnardos is a not-for-profit income tax exempt organisation incorporated as a Company limited by guarantee in accordance with the Corporations Act 2001 (Cth). Barnardos operates under a Constitution approved by the members of the Company in 2015. As required by the Constitution, all Directors of Barnardos are Non-Executive Directors and receive no remuneration for performing their role as Director. Some expenses incurred by Directors in carrying out their duties as Directors in attending Company meetings are reimbursed on a cost only basis.

Barnardos is a registered charity with the Australian Charities and Not-for-profits Commission. Barnardos has Deductible Gift Recipient status and is a public benevolent institution under Australian Taxation law.

Barnardos conducts its operations in accordance with a Board-approved Governance Charter that includes the role of the Board and Directors, the Code of Conduct for Directors and the role of the Chief Executive Officer.

Barnardos currently has over 100 members, they are all of the same class and include all the Company's Directors. There is no limit on the number of members allowed under the Constitution. In accordance with the Company's Constitution in the event of winding up of the Company, the members undertake (including for a year after membership expiry) to contribute an amount up to but not exceeding \$10 each towards the payment of the debts and liabilities of the Company or the costs of winding up of the Company in addition to the amount of unpaid membership fees.

During the financial year, the Barnardos Board held 6 meetings. In addition, there were meetings of the Governance Committee, Finance and Audit Committee, Risk Committee, People and Practice Committee and Engagement Committee.

The Governance Committee provides advice to the Board on the adequacy of governance arrangements for the Board and organisation. This includes the review of the Governance Charter every three years, ensuring the membership of the Company of Barnardos is of an appropriate size and composition and providing advice and managing the process for Board succession. In keeping with best practice governance, a full board review will be conducted by an external consultant later in the year.

The Finance and Audit Committee reviews the effectiveness of the internal financial controls and oversees both the external and internal audit programs, ensuring the internal controls and financial risk management structures are appropriate for the organisation's requirements. The Finance and Audit Committee also reviews any significant recommendations of the internal and external auditors including changes in accounting practices or policies. The Finance and Audit Committee reviews the policy for the investment of Barnardos reserves and monitors the implementation of this policy.

The Risk Committee provides oversight of the risk management framework within the organisation and monitors the alignment of the Barnardos risk profile and controls with the Board-approved risk appetite. The Risk Committee is also responsible for ensuring the organisation has appropriate insurance with regards to Barnardos circumstances and needs.

The People and Practice Committee provides oversight to ensure that the Strategic Directions concerning Human Resource management and practice are maintained with particular focus on organisational culture, recruitment and retention and support of staff through professional development, leadership and succession planning. The People and Practice Committee also ensures that there is a strong focus on practice across all Barnardos programs and that human resource management and practice are culturally informed for our Aboriginal staff and clients. The People and Practice Committee was disbanded in the Committee structure review and now reports directly to the Board.

The Engagement Committee provides advice to the Board on Barnardos Revenue and Giving and Marketing and Communications strategies, in alignment with the Strategic Directions, and the resourcing and effectiveness of these strategies. The Engagement Committee was disbanded in the Committee structure review, noting that the Fundraising Strategy had been approved and implemented, reporting directly to the Board.

In addition to involvement at Committee level, Directors also act as Board Visitors, visiting specific programs on a regular basis to inform the Board in respect of the development of specific Barnardos programs and to enhance the recognition of the Board and its role to Barnardos' staff.

A Technology Advisory Council was established in 2019, to support the Barnardos Board and Management with ideas, advice, expertise and insight on technology matters. The Council is chaired by a Director of Barnardos, and the membership includes two external experts. The Technology Advisory Council met three times during year end 30 June 2022.

In addition to the Directors, who are members of the above committees, Barnardos is grateful for the valuable contributions of the following external experts, who volunteered their advice and support during the course of the year:

- Anita Paddock (Risk Committee)
- Elizabeth Tregoning (Engagement Committee)
- Wendy Glasgow (Technology Advisory Council)
- Gareth Chegidden (Board Observer and Risk Committee)

MEETINGS OF DIRECTORS

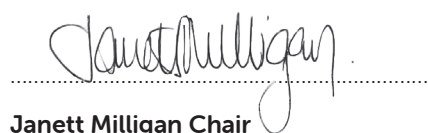
During year end 30 June 2022, 6 Board meetings were held. In addition, 19 Board Sub-Committee meetings were held. Director attendances at these meetings were as follows:

Director's Name	Board of Directors		Finance and Audit Committee		Governance Committee		Service Excellence and Safety Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Janett Milligan	6	6	3	3	3	3		
Jane Paskin	3	3	2	2				
John Pittard	4	4			2	2		
Fran Waugh	6	6					1	1
Racheal Kellaway	4	4	2	2				
Sam Garland	6	5	3	3				
Andrew Bacon	2	2						
Rick Macourt	2	2	2	2			1	1
Julia Davenport	6	6						
Stephen Mills	6	6	2	2				
Amy Kilpatrick	6	5			2	2		
Wendy Glasgow	6	6						
Gillian McFee	6	5			3	3	1	1

Director's Name	Risk Committee		Engagement Committee		People and Practice Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Janett Milligan	1	1			3	3
Jane Paskin	2	2				
John Pittard	2	2				
Fran Waugh					3	3
Racheal Kellaway						
Sam Garland	1	1				
Andrew Bacon	1	1				
Rick Macourt						
Julia Davenport			3	3	3	3
Stephen Mills	4	4	3	3		
Amy Kilpatrick						
Wendy Glasgow	1	1				
Gillian McFee			3	3		

Signed in accordance with a resolution of the Directors.

On behalf of the Board



Janett Milligan Chair

Dated at Sydney this 1st day of November 2022.



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The Board of Directors
Barnardos Australia
60-64 Bay Street
Ultimo NSW 2000

1 November 2022

Dear Board Members

Auditors' Independence Declaration to Barnardos Australia

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Barnardos Australia.

As lead audit partner for the audit of the financial statements of Barnardos Australia for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that reads "Gaile Timperley".

Gaile Timperley
Partner
Chartered Accountants

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Independent Auditor's Report to the Directors of Barnardos Australia

Opinion

We have audited the financial report of Barnardos Australia (the "Entity"), which comprises the statement of financial position as at 30 June 2022, the statement of surplus or deficit and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the declaration by the directors. In addition, we have audited Barnardos Australia's compliance with specific requirements of the *Charitable Fundraising Act 1991*.

In our opinion:

- a) the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:
 - (i) giving a true and fair view of the Entity's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Non-for-profits Commission Regulation 2013*.
- b) the financial report agrees to the underlying financial records of Entity, that have been maintained, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations for the year ended 30 June 2022;
- c) monies received by the Entity, as a result of fundraising appeals conducted during the year ended 30 June 2022, have been utilised for and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations.

We have obtained all the necessary information required in connection with our audit in respect of the financial year ended 30 June 2022.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report and Compliance with Specific Requirements of the Charitable Fundraising Act 1991 section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the "Code") that are relevant to our audit of the financial report and compliance with specific requirements of the Charitable Fundraising Act 1991 in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' Report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report, for compliance with the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view, in accordance with the *Australian Accounting Standards – Simplified Disclosures* and the *ACNC Act* and for compliance with the *Charitable Fundraising Act 1991*. The directors responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error and to enable compliance with the *Charitable Fundraising Act 1991*.

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

Auditor's Responsibilities for the Audit of the Financial Report and Compliance with the Specific Requirements of the Charitable Fundraising Act 1991

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and the Entity complied, in all material respects, with specific requirements of the *Charitable Fundraising Act 1991*, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the *Australian Auditing Standards* will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of non-compliance with the specific requirements of the *Charitable Fundraising Act 1991* and 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.



- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's 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 Entity'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 Entity to cease to continue as a going concern.
- 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.

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error, or non-compliance with the *Charitable Fundraising Act 1991* may occur and not be detected. An audit is not designed to detect all weaknesses in Entity's compliance with the *Charitable Fundraising Act 1991* as an audit is not performed continuously throughout the period and the tests are performed on a sample basis.

Any projection of the evaluation of the compliance procedures to future periods is subject to the risk that the procedures, may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We communicate with the directors 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.



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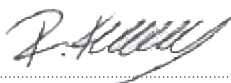
Gaile Timperley
Partner
Chartered Accountants
Sydney, 1 November 2022

Charitable Fundraising Act Declaration

I, Racheal Kellaway, Director and Chair of the Finance and Audit Committee of Barnardos, declare that in my opinion:

- a. The financial statements and notes thereto give a true and fair view of all income and expenditure of Barnardos with respect to fundraising appeals and licensing and event activities;
- b. The attached financial statements are in compliance with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Regulations 2001 (Cth);
- c. The statement of financial position, statement of profit or loss and other comprehensive Income and notes thereto give a true and fair view of the state of affairs with respect to fundraising appeals and licensing and event activities;
- d. The provisions of the Charitable Fundraising Act 1991 (NSW) and its regulations, the Charitable Collections Act 1946 (WA) and the Charitable Collections Regulations 1947 (WA) and the conditions attached to the authority have been complied with; and
- e. The internal controls exercised by Barnardos are appropriate and effective in accounting for all income received and applied by the Company from all of its fundraising appeals.

On behalf of the Directors



Racheal Kellaway
Director and Chair Finance and Audit Committee

Dated on this 1st day of November 2022.


Directors' Declaration

The Directors declare that:

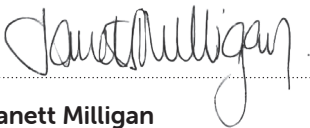
- a. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- b. In the Directors' opinion, the attached Financial Statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (Cth) and in compliance with the Charitable Fundraising Act 1991 (NSW), including compliance with Australian Accounting Standards – Simplified Disclosure Requirement and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the Directors made pursuant to s.60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013 (Cth).

On behalf of the Directors



Racheal Kellaway
Director and Chair Finance and Audit Committee



Janett Milligan
Chair

Dated at Sydney this 1st day of November 2022.

Statement of profit or loss and other comprehensive income for the financial year ended 30 June 2022

CONTINUING OPERATIONS REVENUE	Notes	2022 \$000's	2021 \$000's
Fundraising revenue			
Fundraising	5	6,890	6,544
Government grants			
Federal		4,699	4,683
State – NSW		50,850	46,682
State – ACT		49,766	48,914
Local government and lead agencies		690	500
	5	106,005	100,779
Other social care revenue			
User contributions		759	923
Social care products		–	(30)
		759	893
Recruitment services		4,459	4,634
Other revenue	8	76	860
Investment revenue	6	289	141
Other gains and losses	7	949	627
Total revenue		119,427	114,478
Deduct expenditure			
Social care centres		111,062	106,878
Fundraising			
Fundraising – salaries and direct costs		3,184	2,174
Fundraising – administration and indirect costs		117	920
		3,301	3,094
Property and administration			
Administration and governance		131	212
Communication		1,198	1,450
Investment properties		70	82
		1,399	1,744
Recruitment services		3,943	4,311
Finance costs	6	341	328
Total expenditure		120,046	116,355
Profit/(Loss) for the year representing total comprehensive income / (loss) for the year		(619)	(1,877)

Notes to the financial statements are included on pages 22-47.

Statement of financial position as at 30 June 2022

	Notes	2022 \$000's	2021 \$000's
Current assets			
Cash and cash equivalents	9	3,114	3,253
Trade and other receivables	10	1,914	1,619
Held for sale – property **	12	652	–
Other financial assets	11	4,337	6,733
Prepayments	15	2,191	1,864
Total current assets		12,208	13,469
Non-current assets			
Property, plant and equipment	12	11,038	12,063
Right of use assets	14	9,864	11,361
Investment property	13	2,652	2,684
Total non-current assets		23,554	26,108
Total assets		35,762	39,577
Current liabilities			
Trade and other payables	16	6,276	3,351
Income received in advance	19	1,395	4,629
Provisions	18	8,661	9,275
Lease liabilities	17	2,311	2,350
Other – funds held in trust	27	–	373
Total current liabilities		18,643	19,978
Non-current liabilities			
Provisions	18	1,784	2,062
Lease liabilities	16	8,756	10,257
Other – funds held in trust	27	141	223
Total non-current liabilities		10,681	12,542
Total liabilities		29,324	32,520
Net assets		6,438	7,057
Equity			
Reserves	20	73	73
Retained earnings		6,365	6,984
Total equity		6,438	7,057

** Assets held for sale relate to a property at Auburn.

A heads of agreement was signed with a purchaser post year end

Notes to the financial statements are included on pages 22-47.

Statement of changes in equity for the financial year ended 30 June 2022

	Donor reserve \$000's	Retained earnings \$000's	Total equity \$000's
Balance at 1 July 2020	73	8,861	8,934
Loss for the year	–	(1,877)	(1,877)
Other comprehensive income	–	–	–
Total comprehensive Income / (loss) for the year		(1,877)	(1,877)
Balance at 30 June 2021	73	6,984	7,057
Loss for the year	–	(619)	(619)
Other comprehensive income	–	–	–
Total comprehensive Income / (loss) for the year		(619)	(619)
Balance at 30 June 2022	73	6,365	6,438

Notes to the financial statements are included on pages 22-47.

Statement of cash flows for the financial year ended 30 June 2022

	Notes	2022 \$000's	2021 \$000's
Cash flows from operating activities			
Receipts from customers, donors and government		125,974	121,795
Bequests		1,965	1,742
Interest received		289	141
Payments to suppliers and employees		(127,102)	(126,664)
Net cash provided / (used in) by operating activities	21	1,126	(2,986)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,593)	(3,017)
Receipt / (payment) of trust funds		455	1,530
Proceeds from disposal of available for sale investments		–	–
Proceeds from sale of property, plant and equipment		470	873
Proceeds/ (payment) from disposal of other financial assets		2,399	(478)
Net cash provided by / (used in) investing activities		1,731	(1,092)
Cash flows from financing activities			
Lease payments		(2,993)	(3,487)
Net cash provided by / (used in) financing activities		(2,993)	(3,487)
Net increase / (decrease) in cash and cash equivalents		(136)	(7,565)
Cash and cash equivalents at the beginning of the financial year		3,543	11,108
Cash and cash at bank at the end of the financial year	21	3,407	3,543

Notes to the financial statements are included on pages 22-47.

Notes to the financial statements for the financial year ended 30 June 2022

NOTE 1: GENERAL INFORMATION

Basis of preparation

These general-purpose financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and comply with other requirements of the law.

The financial statements comprise the financial statements of the Barnardos Australia (the "Company"). For the purposes of preparing the financial statements, the Company is a not-for-profit entity.

Statement of compliance

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

The financial report has been prepared on the basis of historical cost, other than financial investments which are measured at fair value. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are in Australian dollars, unless otherwise indicated.

Currency and rounding of amounts

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency. The Company is a company to which ASIC Corporation Instrument 2016 / 191 applies. Under the option available to the Company under that Instrument, all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

Information about the Company

Barnardos is a not-for-profit company incorporated in Australia under the Corporations Act 2001. It is a company, limited by guarantee, operating as a Charity within Australia. Liability of each member in the event of winding up is \$10.00 (full amount). As at 30 June 2022 the number of members was 121 (2021: 121). The amount that is eligible to be called up in the event of and for the purpose of a winding up at 30 June 2022 was \$1,210 (full amount) (2021: \$1,210 (full amount)).

Principal place of business and registered office:

60-64 Bay Street
Ultimo NSW 2007
Tel: (02) 9218 2300

NOTE 2: CHANGES IN ACCOUNTING POLICIES AND CHANGES IN ESTIMATES

Barnardos previously prepared general purpose financial statements under Tier 2 – Reduced Disclosure Requirements. There were no material transition adjustments other than change in the disclosure requirements on the adoption of Australian Accounting Standards – Simplified Disclosures.

Adoption of new and revised Accounting Standards

Standards and Interpretations issued adopted from 1 July 2021

Effective from 1 July 2021, the Company has adopted these new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current annual reporting period.

- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. Effective from 1 July 2021
- 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities. Effective from 1 July 2021
- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform Phase 2 [AASB 4, AASB 7, AASB 9, AASB 16 and AASB 139]
- AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments [AASB 1060].

Standards and Interpretations issued not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:

Standard/Interpretation	Effective for annual reporting periods beginning on or after
• AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as current or non-current	1 July 2023
• AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 July 2023
• AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 July 2023
• AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Accounting Standards	1 July 2022
• AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 July 2022
• AASB 2022-3: Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15	1 July 2022

None of these are expected to have a material effect on the financial statements of the Company.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a. Revenue recognition

- i. **Bequests** – Bequests received are credited to income in the period in which they are received.

Bequests and gifts received in the form of properties or investments are taken into account when received at their market value if they are listed shares or trusts and otherwise at cost, which is deemed to be their probate value. As the majority of bequests do not meet the enforceability and the 'sufficiently specific' criteria under AASB 15, they are recognised once the company controls the relevant asset.

- ii. **Donations** – Donations received are credited to income in the period in which they are received as they do not meet the enforceability and 'sufficiently specific' criteria under AASB 1058.

- iii. **Gifts in kind** – Gifts in kind including professional pro-bono services that can be reasonably valued are brought to account as revenue when the benefit of the service or control of the asset transfers to Barnardos.

The value of volunteer hours, including the time of the Board of Directors, volunteer mentors and fundraisers has not been brought into account because the fair value cannot be reliably determined. Donated goods that are distributed directly to clients have also not been brought into account as revenue and expenditure of the company.

Pro-bono services from professional firms might have readily observable market prices. Such pro-bono services that would have been purchased if they were not donated are readily identifiable from the company's operational requirements. In such circumstances, the pro-bono service is measured and reported at fair value.

- iv. **Government funding agreements** – Government funding agreements are contracted agreements with the Government to provide a variety of Social Care program services in the community. They are received in the form of transfers of resources to the company in return for past or future compliance with certain conditions relating to the operating activities of the company. Revenue from a contract to provide Social Care services is recognised over time.

- v. **Sale of goods and disposal of assets** – Revenue from the sale of goods and disposal of other assets is recognised when the company has transferred the significant risks and rewards of ownership of the goods or other assets to the buyer.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (continued)

- vi. Interest income** – Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- vii. Rental income** – Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. The company properties held for rental purposes, are expected to generate rental yields of 0.1 % (2021: 0.1%) on an ongoing basis. All of the properties held have committed tenants for the next 3 years with a further 3 year option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.
- viii. Recruitment services income** – The company receives recruitment fees for staff placements and hire of specialist care workers. At contract inception, the company assessed the services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer that is distinct or a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer.

b. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and money market investments readily convertible to cash.

c. Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required, and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

d. Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-derivative financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The company's financial assets include trade receivables measured at amortised cost, investments in units of funds classified as financial assets at fair value through profit or loss, term deposits and cash and cash equivalents.

Derecognition of financial asset

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another company. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Classification of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The company's financial liabilities include trade payables measured at amortised cost.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

e. Fundraising

Fundraising costs are charged when expenses are incurred.

f. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except:

- i. Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. For receivables and payables, which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

g. Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When the future economic benefits of the asset are not primarily dependent on the assets ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is the depreciated replacement cost of an asset. If the recoverable amount of an asset (cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at cost. At the date of transition to IFRS, the fair value of the properties was deemed to be its cost at that date.

i. Inventories

Inventories are valued at the lower of cost or net realisable value using the average cost method.

j. Income tax

Confirmation of endorsement as an income tax exempt charitable company under Subdivision 50-B of the Income Tax Assessment Act 1997 was received on 8th July 2005.

k. Leasing

From 1 July 2019, AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

At inception of a contract, the company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

The company has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Short – term leases comprise mainly residential properties and some office properties.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated company's incremental borrowing rate.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Company as lessor

The Company enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

l. Going concern basis

As at 30 June 2022, the Company's statement of financial position reported current liabilities greater than current assets (a net current liability position) of \$6,435k (2021: \$6,509k).

In assessing the Company's going concern, the Directors are satisfied that the Company will be able to pay its debts as and when they fall due, after considering the following;

- The adoption of Accounting Standard AASB 16 has brought to account a current lease liability of \$2.311m (2021: \$2.35m) which is funded by government contracts currently in place;
- Included in current liabilities are employee provisions of \$6.8m (2021: \$6.2m), of this, it is anticipated that \$2.2m will not be disbursed in full in the next 12 months;
- Included in current liabilities is income received in advance totalling \$1.4m (2021: \$4.6m), of which \$0.8m relates to future contractual commitments that will be expended gradually over the next 12 months in a planned process;
- There are budgeted cash flows from future fundraising activities that will generate additional cash flows;
- Included in current liabilities is a provision of \$1.6m (2021: \$1.6m) for future redress and historical claims, which is classified as current, however it is unlikely that the majority of these will be settled in the next twelve months; and
- There are a number of non-current assets, including investment properties, that can be realised should the need arise.
- The Provision for Onerous Contract was fully utilised during the year ended 30 June 2022, in line with the new A Step Up for Our Kids – Continuum of Care contract effective 01 July 2022, which includes a full cost recovery on the loss-making Residential Care activity being the reason for the onerous contract provision.
- As a result of the new agreement regarding Residential Care in the ACT the FY22/23 Annual Budget process approved by the Board forecasts significant cashflow and trading improvements from prior year.
- A significant parcel of land and buildings owned by Barnardos Australia at 18-24 Kerr Parade Auburn is recognised this year as being held for sale and will result in a cash improvement once settled.

The financial report has been prepared on the basis that the Company is a going concern which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Property, plant and equipment

Land and buildings, plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition. Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land and investment properties. Depreciation is calculated on a straight line or diminishing value basis so as to write off the net cost of each asset over its expected useful life.

- i. **Depreciation of Buildings** has been provided on the basis of 2% per annum, using the straight-line method.
- ii. **Depreciation and Amortisation of Leasehold Improvements, Partitions and Furnishings** is based on straight-line method. For lease term less than 10 years, the asset is depreciated for the duration of the lease. For lease term equal to or greater than 10 years, the asset is depreciated on the basis of 10% per annum.
- iii. **Depreciation of Plant and Equipment, including Computer Equipment** has been provided on the basis of 15% to 25% per annum, using the straight-line method.
- iv. **Depreciation of Motor Vehicles** has been provided on the basis of 18.5% per annum, using the diminishing value method.

n. Right-of-use assets and lease liabilities

Right-of-use asset representing the company's right to use the underlying leased asset and a lease liability representing its obligations to make lease payments for all leases with a term of more than 12 months are recognised, unless the underlying asset is of low value. Details of the accounting policies adopted and its financial impact are outlined above.

o. Software research and development expenditure

Expenditure on software research and development activities is recognised as an expense in the period in which it is incurred.

p. Payables

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

q. Provisions

Provisions are recognised when the company has a present obligation for a future sacrifice of economic benefits, that sacrifice is probable, and the amount of the sacrifice can be measured reliably.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received if the Company settles the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

r. Statement of profit or loss presentation

Expenses in the statement of profit or loss are classified based on their function within the company. Barnardos' policy is to allocate corporate costs including administrative support to all functions of the agency, including the provision of Social Care programs and fundraising.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (Continued)

s. Comparative figures

Prior year figures have been adjusted or reclassified where appropriate to conform to changes in presentation for the current financial year and enhance comparability.

t. Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

u. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an annual basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

i. Leave provisions

Annual leave provisions as at balance sheet date for the majority of staff is expected to be used within 12 months of balance date.

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases have been taken into account.

ii. Estimate of property, plant and equipment, residual values and depreciation method

Property, plant and equipment are depreciated over their useful lives taking into account residual values. Future market conditions determine residual values. Depreciation and amortisation are calculated on either a straight line or diminishing value basis which may not represent the actual usage of the asset.

NOTE 4: JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a. Onerous contract provision

An onerous contract provision has been utilised as at 30 June 2022 in relation to the A Step Up for Our Kids – Continuum of Care contract with the ACT Government.

b. Residential leases

The Company has a number of short-term residential leases, which are taken out to support residential accommodation for clients. The terms of the leases are short-term and can be broken down by either parties with little notice and no significant penalty. The Directors have considered the agreements and consider they do not meet the definition of a lease for the purposes of AASB 16.

c. Provision of Redress and Historical Claims

A provision has been recognised for estimated claims for and payments of redress relating to instances of harm experienced by past clients, including those received through the National Redress Scheme. This estimate requires the Company to make several key assumptions as explained further in note 18 .

d. Revenue recognition

To determine if a grant contract should be accounted for under AASB 1058 the company has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the company has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans) and holding discussions with relevant parties. Income recognition from grants received by Barnardos has been appropriately accounted for under AASB 1058 based on the assessment performed.

NOTE 5: REVENUE

REVENUE	2022 \$000's	2021 \$000's
Government grants (i)	106,005	100,779
Fundraising revenue (ii)	6,890	6,544
Other social care revenue	759	893
Recruitment service revenue	4,459	4,634
Other revenue	76	860
Investment revenue	289	141
Other gains and losses	949	627
Total revenue	119,427	114,478

i. Government grants	\$000's	\$000's
Government COVID-19 Support *	623	65
Other **	105,382	100,714
Total government grants	106,005	100,779

* To assist caseworkers delivering services to families with connectivity issues such as mobile credits and internet access.

** Provision of services to children, youth and families in NSW and ACT OOHC (Out of Home Care) or at risk of falling into OOHC.

ii. Fundraising Revenue	\$000's	\$000's
Donors and appeals	4,752	4,558
Bequests	1,965	1,742
Bequests received in the form of property	–	–
Pro-bono contributions	–	49
Canberra branch	18	13
Peter Pan Committee	117	110
Peter Pan Opportunity P/L	38	72
Total fundraising revenue	6,890	6,544

NOTE 6: INVESTMENT REVENUE AND FINANCE COSTS

	2022 \$000's	2021 \$000's
INVESTMENT REVENUE		
<i>Interest on financial assets measured at amortised cost:</i>		
Interest revenue – general	–	(1)
Interest – cash management / on call	3	15
Interest – term deposit / commercial bills	(1)	(4)
Interest – Perpetual accounts	–	1
Total interest revenue	2	11
<i>Other investment revenue:</i>		
Dividends received from equity investments designed at fair value through other comprehensive revenue	–	1
Distributions – Perpetual core fund	70	33
Distributions – Perpetual reserve fund	217	96
Total other investment revenue	287	130
Total investment revenue	289	141
	\$000's	\$000's
<i>Interest on financial liabilities measured at amortised cost:</i>		
Interest on obligations under leases	266	256
Bank charges	55	47
Perpetual charges	20	25
Total finance costs (i)	341	328
	\$000's	\$000's
i. Finance Costs		
Social care centres	311	297
Fundraising	10	6
Communication	–	–
Recruitment services	–	–
Administration and governance	20	25
Total finance costs	341	328

NOTE 7: OTHER GAINS AND LOSSES

	2022 \$000's	2021 \$000's
OTHER GAINS AND LOSSES		
Gain/(Loss) on disposal of property, plant and equipment	224	306
Net gain (loss) on financial assets measured at fair value	(461)	373
Bad debt (expense)	(4)	(4)
Onerous contract (expense)/utilised	1,190	(48)
Total other gains and losses	949	627

NOTE 8: OTHER REVENUE

OTHER REVENUE	2022 \$000's	2021 \$000's
Sundry revenue (i)	–	780
Rental revenue	76	80
Total other revenue	76	860

i. Included in Sundry Revenue was \$NIL (2021: \$778,000) in respect of JobKeeper.

NOTE 9: CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS	2022 \$000's	2021 \$000's
Cash and cash equivalents		
Cash on hand	97	99
Cash at bank	2,190	1,826
Cash at bank – "gift fund"	417	563
	2,704	2,488
Add: Cash held in trust – restricted cash (i)	410	765
	3,114	3,253

i. Cash at Bank YE 2022 includes \$410,000 (2021: \$765,000) as "restricted cash".

This is made up of \$NIL (2021: \$354,560) held in Trust on behalf of Barnardos UK in an interest-bearing account, including accrued interest of \$NIL (2021: \$21,000). A further amount of \$410,157 (2021: \$410,157) relates to the ACT Together Consortium commitments.

NOTE 10: TRADE AND OTHER RECEIVABLES

TRADE AND OTHER RECEIVABLES	2022 \$000's	2021 \$000's
Receivables		
Trade receivables	986	1,013
Other receivables	928	606
	1,914	1,619
Trade receivables		
Current (i)	5	42
30-60 days	478	757
60-90 days	56	63
90 days +	447	151
	986	1,013
i. Trade receivable – current		
Due from other parties	5	42
Trade receivables at amortised cost	5	42

NOTE 11: OTHER FINANCIAL ASSETS

OTHER FINANCIAL ASSETS	2022 \$000's	2021 \$000's
Current		
Financial assets measured at amortised cost		
Bank commercial bills, "gift fund"	293	290
	293	290
Financial assets at fair value through profit or loss		
Core fund – Perpetual Trustee Company Limited	2	2,197
Reserve fund - Perpetual Trustee Company Limited	4,042	4,246
	4,044	6,443
Total other financial assets	4,337	6,733

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT	2022 \$000's	2021 \$000's
Carrying amounts		
Freehold land:		
At cost	785	785
Accumulated depreciation and impairment	–	–
	785	785
Buildings:		
At cost	4,972	4,972
Accumulated depreciation and impairment	(2,274)	(2,145)
	2,698	2,827
Leasehold improvements, partitions and furnishings:		
At cost	6,223	5,623
Accumulated depreciation and impairment	(2,721)	(2,052)
	3,502	3,571
Plant and equipment:		
At cost	2,162	1,994
Accumulated depreciation and impairment	(1,812)	(1,699)
	350	295
Motor vehicles:		
At cost	12,064	11,358
Accumulated depreciation and impairment	(7,709)	(6,773)
	4,355	4,585
Total property, plant and equipment	11,690	12,063

Movement in Carrying amounts**PROPERTY, PLANT AND EQUIPMENT**

DESCRIPTION	Freehold land at cost \$000's	Buildings at cost \$000's	Leasehold improvements partitions & furnishings at cost \$000's	Plant & equip at cost \$000's	Motor vehicles at cost \$000's	Total \$000's
Balance at 1 July 2021	785	2,827	3,571	295	4,585	12,063
Additions	–	–	472	168	953	1,593
Disposals					(247)	(247)
Depreciation	–	(129)	(541)	(113)	(936)	(1,719)
Balance at 30 June 2022	785	2,698	3,502	350	4,355	11,690

NOTE 13: INVESTMENT PROPERTY

INVESTMENT PROPERTY	2022 \$000's	2021 \$000's
At cost		
Opening balance at 1 July 2021	2,684	2,716
Depreciation expense	(32)	(32)
Closing balance at 30 June 2022	2,652	2,684

Barnardos currently holds two investment properties:

- There are two properties located in Shellharbour, NSW. One property is currently an income producing retail outlet, and the other property is held for capital appreciation and is currently being used as a Respite Accommodation facility for clients. The rent receivable for the retail outlet is at market rate and there is a six-month clause within the contract to end the agreement.
- A three-bedroom house in Canberra, bequeathed in the 2019 year and initially classified as an investment, is now being utilised by the ACT Together Consortium, and was reclassified as Property plant and equipment in prior years (\$465,000).

Based on the latest valuation on investment properties, the market value of the properties was above the net carrying value. No impairment loss is recognised.

NOTE 14: RIGHT-OF-USE ASSETS

RIGHT-OF-USE ASSETS	2022 \$000's	2021 \$000's
Net carrying amounts		
Buildings (i)	9,864	11,361
	9,864	11,361
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Movement during the period		
Balance at 1 July 2021	11,361	11,130
Additions	1,140	3,000
Depreciation	(2,415)	(2,666)
Disposals	(222)	(103)
Balance at 30 June 2022	9,864	11,361
Right-of-use assets		
Right-of-use assets	17,421	16,503
Accumulated amortisation	(7,557)	(5,142)
	9,864	11,361

i. The company's leases predominantly consist of office leases

The amount expensed in the statement of profit or loss in relation to short-term and low-value leases was \$420,000 (2021: \$765,000).

NOTE 15: PREPAYMENT (OTHER ASSETS)

PREPAYMENT (OTHER ASSETS)	2022 \$000's	2021 \$000's
Current		
Prepayments	2,191	1,864
	2,191	1,864

NOTE 16: TRADE AND OTHER PAYABLES

TRADE AND OTHER PAYABLES	2022 \$000's	2021 \$000's
Trade creditors	4,844	1,753
Sundry creditors and accrued expenses	1,394	1,579
Other creditors	38	19
	6,276	3,351

Note: The average credit period on purchases is 30 days. No interest is charged on trade creditors.

NOTE 17A: LEASE LIABILITIES

LEASE LIABILITIES	2022 \$000's	2021 \$000's
Current		
Lease liabilities	2,311	2,350
	2,311	2,350
Non-current		
Lease liabilities	8,756	10,257
	8,756	10,257
Total lease liabilities	11,067	12,607

These leases are for commercial office spaces utilised for both service delivery staff and office-based support staff.

NOTE 17B: CAPITAL AND LEASING COMMITMENTS

CAPITAL AND LEASING COMMITMENTS	2022 \$000's	2021 \$000's
a. Rentals charged to operating expenses	420	765
b. Lease commitments		
Non-cancellable leases:		
Less than one year	2,311	2,350
Between one year and five years	7,693	8,641
More than five years	1,063	1,616
	11,067	12,607

The non-cancellable leases are mostly for Special Purpose Children's Social Care and the head office of Barnardos located at Bay Street, Ultimo.

NOTE 18: PROVISIONS

PROVISIONS	2022 \$000's	2021 \$000's
Current		
Employee provision – Annual Leave	4,556	4,152
Employee provision – Personal Leave	46	46
Employee provision – Long Service Leave	2,217	2,045
Employee provision – Redundancies	204	204
Redress and historical claims (iii)	1,638	1,638
Onerous contract (ii)	–	1,190
	8,661	9,275
Non-current		
Employee provision – long service leave	845	1,083
Provision for make good (i)	935	979
Lease incentive	4	–
	1,784	2,062

Movements in provisions

	Employee benefits – annual leave \$000's	Employee benefits – personal leave \$000's	Employee benefits – long service leave (current & non-current) \$000's	Employee benefits – Redundancies \$000's	Redress & historical matters provision \$000's	Onerous contract provision \$000's	Make good provision \$000's	Leave incentives provision \$000's	Total \$000's
Carrying amount as at 1 July 2021	4,152	46	3,129	204	1,638	1,190	979	0	11,338
Additions	404							4	408
Amounts charged			(67)						(67)
Unused amounts reversed							(44)		(44)
Onerous contract write back						(1,190)			(1,190)
Carrying amount as at 30 June 2022	4,556	46	3,062	204	1,638	0	935	4	10,445

i. Provision for make good

The provision for make good represents the present value of the Directors' best estimate of the future sacrifice of economic benefits that will be required to remove leasehold improvements from leased property.

ii. Provision for onerous contract

The Provision for Onerous Contract was fully utilised during the year ended 30 June 2022, in line with the new A Step Up for Our Kids – Continuum of Care contract effective 01 July 2022, which includes a full cost recovery on the loss-making Residential Care activity being the reason for the onerous contract provision.

iii. Provision for redress and historical claims 30 June 2022

The Provision for Redress and Historical Claims represents an estimate of future payments to past clients. Barnardos (initially as a branch of Barnardos UK and, since July 1996 as Barnardos Australia) has operated a large number of residential and non-residential services over a long period of time caring for vulnerable children and young people.

Barnardos accepts that there are cases where clients may have experienced harm and that the possibility of future claims from past clients for compensation exists. This includes the potential for claims to be made through the National Redress Scheme that was established in response to the Royal Commission into Institutional Responses to Child Sexual Abuse.

Barnardos, together with Barnardos UK, were accepted into the scheme in December 2019. The Redress Scheme allows for redress of up to \$150,000 for each individual claim.

Where claims have been received by Barnardos, these have been assessed for their likely outcome and provision made as required. In addition, an estimate has been made of possible future claims payable both under the Redress Scheme and as legal settlements where a present obligation exists at 30 June 2022.

The Provision for Redress and Historical Claims is estimated by taking into account the following matters in determining the key assumptions,

- An acknowledgement by Barnardos and Barnardos UK, that despite the best intentions, there are instances where past practices have resulted in significant damage to clients,
- The guidelines of the Redress Scheme,
- The agreement between Barnardos UK and Barnardos, that Barnardos UK will meet any liability for matters prior to 1975. There is a contingent liability to Barnardos should Barnardos UK be unable to meet these claims,
- The total number of past clients and prior settlements,
- The various insurances against such matters maintained since the early 1970's which would be likely to offset a significant amount of any potential liability.

Based on the above assumptions, the provision for Barnardos' Historical Claims is \$1,638,000.

NOTE 19: INCOME RECEIVED IN ADVANCE

	2022 \$000's	2021 \$000's
INCOME RECEIVED IN ADVANCE		
Current		
Income received in advance	1,395	4,629

Income received in advance is a current liability. It is income that Barnardos Australia received from Grant providers with future obligations to provide the service across NSW OOH and ACT Together.

NOTE 20: RESERVES

RESERVES	2022 \$000's	2021 \$000's
Donor reserves*	73	73
	73	73

Represented By:

* The donor reserve is made up of a number of bequests with specific terms, Bank term deposit – “gift fund” Note 9.

NOTE 21: NOTES TO THE STATEMENT OF CASH FLOWS

Notes to the statement of cash flows	2022 \$000's	2021 \$000's
Profit / (loss) for the year	(619)	(1,877)
Depreciation and amortisation – property, plant and equipment	1,719	1,621
Amortisation of right-of-use assets	2,415	2,666
Depreciation and amortisation – investment property	32	32
Net (gain)/loss on disposal of property, equipment and motor vehicles	(224)	306
Net (gain)/loss on perpetual investments	461	(373)
Bequest distribution received as investment available for sale	–	–
Interest received on funds held in trust	(82)	(61)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(293)	2,349
Decrease/(increase) in prepayments	(327)	(171)
Increase/(decrease) in income received in advance	(3,233)	(3,079)
(Decrease)/increase in provisions	(779)	(315)
Increase/(decrease) in trade and other payables	2,056	(4,084)
Net cash provided / (used in) operating activities	1,126	(2,986)
Reconciliation of cash and cash at bank		
Cash balance comprises:		
Cash at-call (note 9)	3,114	3,253
Bank commercial bills – “gift fund” (note 11)	293	290
Cash balance as per cash flow statement	3,407	3,543

NOTE 22: RELATED PARTIES**Transactions with related parties**

No related party transactions

The Directors of Barnardos who held office during the financial year were:

Janett Milligan	(non-executive)	Gillian McFee	(non-executive)
Stephen Mills	(non-executive)	Jane Paskin (resigned 23 Nov 2021)	(non-executive)
Racheal Kellaway (appointed 28 Oct 2021)	(non-executive)	John Pittard (resigned 21 Jan 2022)	(non-executive)
Sam Garland	(non-executive)	Andrew Bacon (appointed 18 Feb 2022)	(non-executive)
Emerita Frances Waugh	(non-executive)	Julia-Anne Davenport	(non-executive)
Rick Macourt (appointed 18 Feb 2022)	(non-executive)	Wendy Glasgow (appointed 16 Mar 2021)	(non-executive)
Amy Kilpatrick	(non-executive)		

No Director has received or become entitled to receive any remuneration from the company in their capacity as a Director (2021: \$Nil). Any goods purchased by the Directors were acquired at commercial rates.

Other Key Management Personnel of Barnardos during the financial year were:

Deirdre Cheers – Chief Executive Officer

Scott Graham – Company Secretary (resigned 28 September 2021)

Kerrie Forrester – Company Secretary (appointed 28 September 2021)

Executive Leaders

Elizabeth Cox – Executive Leader, Practice Quality

Penny Hood – Executive Leader, Children and Families

Sarah Spence – Executive Leader, Engagement and Giving

James Barry – Executive Leader, Finance and Corporate (resigned 26 January 2022)

Oliver Parker – Executive Leader, Finance and Corporate (appointed 2 May 2022)

Rita D'Arcy – Executive Leader, People and Culture

As at 30 June 2022 there were seven Key Management Personnel (2021: seven).

Key Management Personnel Remuneration

	2022	2021
The aggregate compensation of the key Management personnel of the company	1,736,875	1,748,017
	1,736,875	1,748,017

NOTE 23: CONTINGENT LIABILITIES

As at 30 June 2022, the Commonwealth Bank has issued bank guarantees totalling \$686,832 (2021: \$682,918) to guarantee various commercial leases entered into by Barnardos. For Contingent liabilities in respect to Redress and legal claims please refer to note 17.

NOTE 24: SUBSEQUENT EVENTS

Barnardos operations have been impacted by the Covid 19 pandemic, both in relation to the way we provide support within the community, and how we manage our dispersed workforce. The use of technology has provided greater flexibility in how we communicate, and we have continued to visit our client base while maintaining appropriate safe practices within the community. Our financial sustainability continues to be sound; we are confident that we will be able to manage the fluctuations and continue to provide support to the community.

There has not been any matter or circumstance, other than referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state-of-affairs of the company in future financial years.

NOTE 25: AUTHORISATION OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 31st October 2022.

NOTE 26: REMUNERATION OF AUDITORS

REMUNERATION OF AUDITORS	2022 \$000's	2021 \$000's
Deloitte and related network firms *		
Audit of the financial report	100,042	43,000
Pro-bono audit fee	–	49,000
Consulting (accounting standards)	–	6,000
Total audit fee – Deloitte	100,042	98,000
Talbot and their related network firms		
Other assurance and agree-upon procedures under other legislation or contractual arrangements	43,000	24,000
Total audit fee – Talbot	43,000	24,000

* The auditor of Barnardos Australia is Deloitte Touche Tohmatsu.

NOTE 27: OTHER FUNDS HELD IN TRUST

OTHER FUNDS HELD IN TRUST	2022 \$000's	2021 \$000's
Current liabilities		
Other – funds held in trust	–	373
Non-current liabilities		
Other – funds held in trust ^a	141	223

a. Other for FY2022 – includes funds held in Trust on behalf of Barnardos UK: \$NIL (2021: \$373,097) and an estate held on behalf of clients: \$140,596 (2021: \$222,651)

NOTE 28: INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991	2022 \$000's	2021 \$000's
i. Details of aggregate gross income and total expenses of fundraising appeals		
Gross proceeds from fundraising appeals:		
Mail appeals	3,525	3,261
Other appeals	1,228	1,297
Bequests	1,965	1,742
Auxiliaries	172	195
Pro-bono contributions	–	49
Total gross proceeds from fundraising appeals	6,890	6,544
(Less): direct costs of fundraising appeals	(3,195)	(2,180)
Surplus obtained from fundraising appeals	3,695	4,364
(Less): administrative and indirect fundraising costs	(117)	(920)
Net surplus from fundraising	3,578	3,444

ii. Accounting principles and methods adopted in the financial statements

The accounting principles and methods adopted in the preparation of the Financial Statements are set out in Note 2 of the notes to the Financial Statements.

iii. Statement showing how funds received were applied to charitable purposes

1. Net surplus from fundraising appeals	3,578	3,444
Total net surplus	3,578	3,444

2. This was applied to charitable purposes in the form of expenditure on direct social care services as set out in note 27 to the financial statements.

iv. Fundraising appeals conducted during the financial year.

Mail appeals, other appeals, auxiliaries and special events.

v. Comparisons of certain monetary figures and percentages

	2022 \$000's		2022 %	2021 \$000's		2021 %
	Direct cost	Gross income		Direct cost	Gross income	
Total direct cost of fundraising / gross income from fundraising	3,195	6,890	46.4%	2,180	6,544	33.3%
Surplus from fundraising / gross income from fundraising	3,695	6,890	53.6%	4,364	6,544	66.7%
Total cost of fundraising / gross income from fundraising	3,311	6,890	48.1%	3,100	6,544	47.4%
Net surplus from fundraising / gross income from fundraising	3,578	6,890	51.9%	3,444	6,544	52.6%
Total costs of services / total expenditure (excluding fundraising and merchandising expenditure)	111,373	116,735	95.4%	107,175	113,255	94.6%
Total costs of services / total income received (net of fundraising and merchandising expenditure)	111,373	116,577	95.5%	107,175	111,005	96.5%

vi. The Charitable Fundraising Act Declaration is included on Page 16.

NOTE 29: SEGMENT INFORMATION

Barnardos is a charity working for the social care of children and young people in New South Wales and the Australian Capital Territory, Australia.

Directory

CHAIR

Janett Milligan, B Social Science (Hons) (UNE), MBA (Sydney), GAICD

OTHER DIRECTORS

Julia-Anne Davenport, B.A (Information Science) (University of Technology), GAICD.

Sam Garland, CA, B.A. (Business Economics), (University of Leeds), Registered External Auditor (ASIC).

Amy Kilpatrick, B of Law (Hons) (ANU), B.A (Politics and Sociology) USA, Grad Dip in Politics (University of Melbourne), GAICD.

Dr Stephen Mills BA (Hons) (Melbourne), MPA (Harvard), PhD (Sydney)

Jane Paskin (until 23 November 2021), LLB (Hons) (UTS), GAICD, ASFA Accredited Investment Fiduciary.

John Pittard (until 20 January 2022), BSc. MAICD.

Professor Emerita Fran Waugh, GradCertTeaching (HE)(Sydney), BSW (UNSW), PhD (Sydney).

Wendy Glasgow, B of Law (QUT) GradCertLaw, IP and Internet Law (QUT), B of Info Tech(QUT). GAICD.

Gillian McFee, BSocStud (Sydney). Dip Urban and Reg Studies (Macquarie) MBA (Exec) (UNSW), FAICD.

Racheal Kellaway (since 28 October 2021), B of Commerce, CPA Australia, GAICD.

Andrew Bacon (since 18 February 2022), B of Comm (Murdoch University), Master of B.A (UWA), Lead Internal/External Auditor Certificate (Australian Organisation for Quality), Observership Program (AICD).

Rick Macourt (since 18 February 2022), B of Laws (Bond University), Grad Dip. in Legal Practice (ANU), Indigenous Human Rights Program (Columbia University, NY USA). Admitted to the Supreme Court of NSW 2015.

EXECUTIVE OFFICERS

CHIEF EXECUTIVE

Deirdre Cheers joined Barnardos as CEO in July 2015. She has a Bachelor of Social Studies Honours (University of Sydney), Graduate Diploma in Counselling (Charles Sturt University), Master of Social Work Research (University of Sydney), Master of Public Administration (University of Sydney), and is a Member Australian Association of Social Workers and a Graduate Australian Institute of Company Directors.

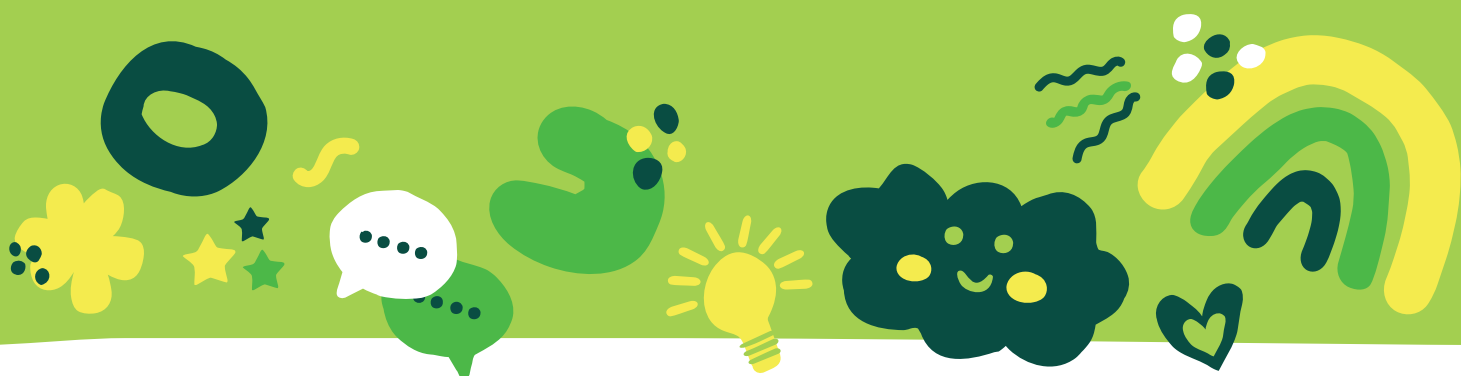
COMPANY SECRETARY

Scott Graham ceased to be Company Secretary on 28 September 2021. Scott holds a Bachelor of Arts (Charles Sturt University), Diploma in Law (Legal Practitioners Admissions Board NSW), and a Graduate Diploma in Applied Corporate Governance (Governance Institute of Australia).

Kerrie Forrester became Company Secretary on 28 September 2021. She holds a Bachelor of Business (University of Technology Sydney), a Graduate Diploma in Law (University of Technology Sydney) and is a Fellow of the Governance Institute of Australia (FGIA) and a Fellow of the Chartered Governance Institute (FGC) (UK).

EXECUTIVE LEADERS

Children and families	Penny Hood joined Barnardos in April 2018. She holds a Bachelor of Arts (University of NSW), Bachelor of Laws (University of NSW), Masters of Policy Studies (University of NSW), Specialist Certificate, Implementation Science (University of Melbourne).
Practice quality	Elizabeth Cox joined Barnardos March 1989. She holds a Bachelor of Social Science (Waikato University) and a Masters of Business Administration (Newcastle University).
Engagement and giving	Sarah Spence joined Barnardos in June 2018. She holds a Bachelor of Education (University of Technology), CIV Training and Assessment (TAFE NSW), Masters in Adult Education and Business (University of Technology), Graduate Diploma in Marketing and Communications (Charles Sturt University) and a Master of Business Management (Charles Sturt University).
People and culture	Rita D'Arcy (CFAHRI, FCIPD), joined Barnardos in August 2020. She holds a Bachelor of Commerce (Western Sydney University), Master of Organisational Development and Strategic Human Resources Management (University of New England), Master of Leadership (University of New England), Graduate Australian Institute of Company Directors and Certificate IV Training, Assessment and Evaluation (TAFE NSW).
Finance and corporate	Oliver Parker joined Barnardos in May 2022. He holds a Bachelor of Business (University of Technology Sydney) and is a Member of the Institute of Chartered Accountants.



barnardos.org.au

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Barnardos
Australia