

Annual Financial Report

Financial year ending
30 June 2023



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.

Barnardos Australia is here because every child needs a champion.

A children's charity for over 100 years, we listen, act and advocate for the safety of children at risk of abuse and neglect. Our family support programs and services empower children to reach their full potential. When it comes to protecting vulnerable children from abuse, we never give up.

Barnardos unites around the child, because they should never have to overcome their challenges alone. We are dedicated to the prevention of trauma in children. We support families to be the best parents and caregivers they can be. Barnardos helps children to recover and thrive, and where there is a risk of abuse, we find safe homes for them through foster care and open adoption.

Our values

We never give up

We speak up

We aim higher

We stand with you

We do what's right

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Directors' report

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 and as amended. 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 the Company meetings are reimbursed on a cost only basis.

Barnardos is a registered charity with the Australian Charities and Not-for-profits Commission (ACNC). Barnardos has Deductible Give Recipient status and is a public benevolent institution under Australian Tax law.

Barnardos conducts its operations in accordance with its Constitution, 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 incurred before they ceased to be a member and the costs of winding up of the Company in addition to the amount of unpaid membership fees.

During the year the Board met six times, with the various Board Committees meeting in accordance with their respective Charters.

CORPORATE GOVERNANCE STATEMENT

Barnardos Australia has specialist Committees established and reporting to the Board.

Governance Committee

The main objectives of the Governance Committee are to monitor the governance activities and performance of the organisation; communicate to the employees of Barnardos Australia the governance principles, policies and practices and give them opportunities to provide feedback on issues of concern; and to benchmark the governance performance of Barnardos Australia against appropriate good governance practice. It is also responsible to prepare and maintain the Board Governance Charter.

The Committee is empowered to examine any matter in relation to its objectives as it sees fit and has the right to obtain independent advice relating to their duties subject to prior consultation with of the Barnardos Australia Chair.

Finance and Audit Committee

The main objectives of the Finance & Audit Committee are to review the effectiveness of internal financial controls and the external audit program; ensure internal controls and financial risk management structures are appropriate; review and endorse the draft annual financial reports; review recommendations, if any, of the internal and external auditors and any changes in accounting practices or policies; and oversight of internal and external program compliance audits, including those conducted by regulators (and those material operational program audits as nominated by the Chair of the Finance and Audit Committee following consultation with the CEO as may be deemed appropriate from time to time).

The Committee is empowered to examine any matter in relation to its objectives as it sees fit and has the right to obtain independent advice relating to their duties subject to prior consultation with the Barnardos Australia Chair.

Risk Committee

The Risk Committee is to monitor and provide recommendations on all risks within Barnardos Australia, including the Risk Management Strategy and the Risk Management Framework and monitor the alignment of Barnardos risk profile and controls with its risk appetite (as may be defined in the Risk Appetite Statements that have been adopted by the Board).

The main objectives of the committee are to provide an independent and objective review, advice and assistance in developing Board policy; monitor activity within the risk area and make recommendations to the Board for resolution; and identify and ensure that sufficient resources are dedicated to risk management.

The Committee has authority to engage independent risk, actuarial, insurance or other consultants to advise it or assist in the conduct of risk related issues subject to prior consultation with the Barnardos Australia Chair.

Service Excellence and Safety Committee

The Service Excellence and Safety Committee was established to consider and provide strategic advice on the appropriateness of the organisation's continuous service quality improvement framework and system, including the promotion of practice excellence and child safety in children's social care.

The main objectives of the Committee are to ensure Barnardos maintains and enhances its commitment to evidence based and evidence informed practice, focussed on positive life outcomes for vulnerable children and young people; to drive Barnardos continuous service quality improvement framework and associated systems; promote and support an organisational learning and knowledge sharing culture in children's social care practice and receive reports on Barnardos Safeguarding system and mechanisms, including reportable conduct.

The Committee is empowered to examine any matter in relation to its objectives as it sees fit and has the right to obtain independent advice relating to their duties subject to prior consultation with the Barnardos Australia Chair.

Technology Advisory Council

The Technology Advisory Council is a specialist group established to support the Board and Executive Management by providing independent technical expertise to advise on key technical initiatives across the business.

The Council will provide independent review and advice at key stages of information technology projects to the Board. The Council can be engaged on an ad hoc basis by Board or Executive Management to support Barnardos in any initiative where the external technology advisory skills are deemed beneficial.

The main objectives of the Council are to provide strategic guidance on technology projects; provide detailed progress reports to the Board; assist with industry connections beneficial to Barnardos and advise on technological changes and opportunities which may be beneficial to Barnardos.

The Directors of Barnardos Australia (Barnardos) present their report together with the annual financial report for the year ending 30 June 2023.

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 Commissioner of the NSW Independent Planning Commission and was previously a Trustee of the NSW Responsible Gambling Fund and 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>
Responsibilities	Member of the Governance Committee.
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: 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>
Responsibilities	Member of the Governance Committee, Member of the Risk Committee, Board Visitor to Penrith Children's Family Centre.

Name	Particulars
<p>Julia-Anne Davenport</p> <p>Qualifications and experience</p> <p>Responsibilities</p>	<p>Director Director since May 2019</p> <p>Julia has served on boards and committees for not-for-profit and social impact agencies, private companies in the engineering, manufacturing, professional services and environmental sectors, local government and industry/ membership-based associations. With over 30 years' experience in strategy, marketing and brand management, business development and communications, Julia's executive and consulting career was 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 a former director of Lyndsay Dynan Consulting Engineers, ICON (the professional services marketing association of Australasia), and the Children's Book Council of Australia. She is a passionate champion for abused and neglected children and women.</p> <p>Qualifications: 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>Sam George Garland</p> <p>Qualifications and experience</p> <p>Responsibilities</p>	<p>Director Director since May 2017</p> <p>Sam has over 15 years' experience in financial reporting, risk management and governance as a company auditor and professional adviser. Sam is currently a partner and Banking and Capital Markets leader 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 Risk Committee</p>

Name	Particulars
<p>Wendy Glasgow</p> <p>Qualifications and experience</p> <p>Responsibilities</p>	<p>Director Director since March 2021</p> <p>Wendy has over 20 years' experience in product technology and data management development leading large, diverse, and international teams. Wendy has a keen interest in organisational transformation and has proven experience in developing business strategy and driving organisational commercial outcomes through delivering global products, platforms, and services. 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: 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>
<p>Racheal Kellaway</p> <p>Qualifications and experience</p> <p>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>Rick Macourt</p> <p>Qualifications and experience</p> <p>Responsibilities</p>	<p>Director Director since February 2022</p> <p>Rick is Associate Professor of Practice and Associate Dean, First Nations Strategy and Services in the Faculty of Medicine & Health at the University of Sydney. He is also the founder and Managing Director of First Nations Economics. Rick was previously Director, First Nations Expenditure and Outcomes at NSW Treasury having previously worked in Federal and local government as well as the private and NGO sectors. Rick is currently a Board Member of Black Rainbow and an Indigenous Advisory Committee Member at Siemens Australia. He has published a number of reports, articles and a children's book on First Nations matters and is committed to supporting the self-determination of First Nations peoples.</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> <p>Member of the Finance and Audit Committee, the Service Excellence and Safety Committee and Board Visitor to Western NSW.</p>

Name	Particulars
<p>Gillian McFee</p> <p>Qualifications and experience</p> <p>Responsibilities</p>	<p>Director Director since November 2020</p> <p>Gillian is Managing Director of Gillian McFee and Associates, providing consulting, advisory and mentoring services in a range of community service sectors. Gillian is currently with the Business Council of Co-operatives and Mutuals where she is the Program Director of the Care Together Program, a Commonwealth funded program to support the sustainability of social care services in regional, rural and remote areas through co-operative and mutual enterprises. Gillian's recent board roles include Child and Youth Mutual Ltd (trading as Kudos Services) (SA), Stride Mental Health Ltd, and as a Board adviser to Common Equity Housing, Victoria (CEHL). Prior to board roles, Gillian held CEO and senior executive roles in the non-government and public sectors including: UnitingCare NSW.ACT (now Uniting), 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: BSocStud (Sydney University), Diploma Urban and Regional Studies (Macquarie University) MBA (Exec) (UNSW), Graduate and Fellow of the Australian Institute of Company Directors.</p> <p>Member of Governance Committee, Member of the Service Excellence and Safety Committee, Board Visitor to Auburn Children's Family Centre.</p>
<p>Dr Stephen Mills</p> <p>Qualifications and experience</p> <p>Responsibilities</p>	<p>Director Director since September 2019</p> <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: 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> <p>Member of Finance and Audit Committee, Member of Risk Committee, Board Visitor to OOHACT (ACT Together).</p>

Name	Particulars
<p>Professor Emerita Frances Eileen Waugh</p>	<p>Director Director since May 2014</p>
<p>Qualifications and experience</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>Responsibilities</p>	<p>Chair of the Service Excellence and Safety Committee and Board Visitor to South Coast Children's Family Centre.</p>

The following person held the position of Company Secretary at the end of the financial year:

<p>Kerrie Forrester</p>	<p>Company Secretary Company Secretary September 2021 - July 2023</p>
<p>Qualifications and experience</p>	<p>Qualifications: 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>

MEETING ATTENDANCE

BOARD AND COMMITTEE ATTENDANCE

1 July 2022 – 30 June 2023

BOARD

	26/7/2022	11/10/2022	31/01/2023	14/2/2023	18/4/2023	20/6/2023	TALLY
Janett Milligan (Chair)	✓	✓	✓	✓	✓	✓	6/6
Fran Waugh	✓	✓	✓	✓	✓	✓	6/6
Sam Garland	✓	✓	x	✓	x	✓	4/6
Julia Davenport	✓	x	✓	✓	✓	✓	5/6
Stephen Mills	✓	✓	✓	✓	✓	✓	6/6
Gillian McFee	✓	✓	x	✓	✓	✓	5/6
Wendy Glasgow*	✓	✓	✓	✓	✓	✓	6/6
Racheal Kellaway	✓	x	✓	✓	x	✓	4/6
Andrew Bacon	✓	x	✓	✓	✓	x	4/6
Rick Macourt	✓	x	✓	✓	✓	✓	5/6
Amy Kilpatrick**	x	x	-	-	-	-	0/2

*Board Approved Leave of Absence 11 October 2022 for three months

**Resigned 22 November 2022

GOVERNANCE COMMITTEE

	18/7/2022	19/9/2022	23/3/2023	TALLY
Julia Davenport (Chair)	✓	✓	✓	3/3
Janett Milligan*	-	-	x	0/1
Gillian McFee	✓	x	✓	2/3
Andrew Bacon	x	✓	✓	2/3
Amy Kilpatrick**	x	x	-	0/2

*Appointed 11 October 2022

**Resigned effective 22 November 2022

FINANCE AND AUDIT COMMITTEE

	4/10/2022	15/11/2022	7/3/2023	30/5/2023	TALLY
Racheal Kellaway (Chair)	✓	✓	✓	✓	4/4
Stephen Mills	✓	✓	✓	✓	4/4
Rick Macourt	x	x	✓	✓	2/4

RISK COMMITTEE

	9/8/2022	18/10/2022	16/3/2023	8/6/2023	TALLY
Sam Garland (Chair)	✓	✓	✓	✓	4/4
Wendy Glasgow*	✓	x*	✓	✓	3/4
Stephen Mills	✓	✓	✓	✓	4/4
Andrew Bacon	✓	x	✓	x	2/4
Anita Paddock**	✓	✓	✓	✓	4/4
Gareth Chegwiddden**	✓	x	✓	✓	3/4

*Board Approved Leave of Absence

**External Members

SERVICE EXCELLENCE & SAFETY COMMITTEE

	19/7/2022	25/10/2022	07/02/2023	TALLY
Fran Waugh (Chair)	✓	✓	✓	3/3
Gillian McFee	✓	✓	✓	3/3
Rick Macourt	✓	✓	✓	3/3
Amy Kilpatrick*	-	✓	x	1/2

*Appointed 11 October 2022

KEY MANAGEMENT PERSONNEL

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

Name	Particulars
Deirdre Cheers	Chief Executive Officer 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.
Penny Hood	Executive Leader – Children & Families Penny Hood joined Barnardos in April 2018. She holds a Bachelor of Arts (University of NSW), Bachelor of Laws (University of NSW), Master of Policy Studies (University of NSW), Specialist Certificate, Implementation Science (University of Melbourne).
Melissa Bell	Executive Leader – Practice Quality Melissa Bell joined Barnardos in February 2012. She holds a Bachelor of Social Work (Hons) (University of NSW).

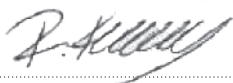
Name	Particulars
Sarah Spence	Executive Leader – Engagement & Giving Sarah Spence joined Barnardos in June 2018. She holds a Bachelor of Education (University of Technology), CIV Training and Assessment (TAFE NSW), Masters in Adult Education and Business (University of Technology), Graduate Diploma in Marketing and Communications (Charles Sturt University) and a Master of Business Management (Charles Sturt University).
Rita D'Arcy	Executive Leader – People & 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).
Oliver Parker	Executive Leader – Finance & 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.

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 30th day of October 2023.

Auditor's Independence Declaration



PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

755 Hunter Street, Newcastle West NSW 2302
Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245

Sydney T: +61 2 8346 6000 F: +61 2 8346 6099

info@pkf.com.au

www.pkf.com.au

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Barnardos Australia

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads 'PKF'.

PKF

A handwritten signature in blue ink, appearing to be 'Kym Reilly'.

KYM REILLY
PARTNER

30 OCTOBER 2023
SYDNEY, NSW

PKF(NS) Audit & Assurance Limited Partnership is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

CONTINUING OPERATIONS REVENUE	Notes	2023 \$000's	2022 \$000's
Fundraising revenue			
Fundraising	4	7,474	6,890
Government grants			
Federal		5,020	4,699
State – NSW		49,416	50,850
State – ACT		59,819	49,766
Local government and lead agencies		776	690
	4	115,031	106,005
Other social care revenue			
Other social care revenue		1,187	759
Recruitment services			
Recruitment services	15	4,774	4,459
Rental income		93	76
Investment income	5	245	289
Other gains and losses	6	359	949
Total revenue		129,163	119,427
Deduct expenditure			
Social care centres		(113,185)	(111,062)
Fundraising			
Fundraising – salaries and direct costs		(3,705)	(3,184)
Fundraising – administration and indirect costs		(884)	(117)
Property and administration			
Administration and governance		(167)	(131)
Communication		(1,766)	(1,198)
Investment properties		–	(70)
		(1,933)	(1,399)
Recruitment services		(5,047)	(3,943)
Finance costs	5	(172)	(341)
Total expenditure		(124,926)	(120,046)
Profit/(Deficit) for the year		4,237	(619)
Income tax expense		–	–
Profit/(Deficit) for the year		4,237	(619)
Other comprehensive income for the year		–	–
Total comprehensive income for the year		4,237	(619)

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2023

	Notes	2023 \$000's	2022 \$000's
Current assets			
Cash and cash equivalents	8	5,631	3,114
Trade and other receivables	9	4,485	1,914
Non-current assets held for sale	12	652	652
Other financial assets	10	4,556	4,337
Other assets	13	1,974	2,191
Total current assets		17,298	12,208
Non-current assets			
Property, plant and equipment	11	10,185	11,038
Investment properties	14	2,620	2,652
Right-of-use assets	15	4,139	9,864
Total non-current assets		16,944	23,554
Total assets		34,242	35,762
Current liabilities			
Trade and other payables	16	6,135	6,276
Contract liabilities	18	3,316	1,395
Provisions	17	6,274	8,661
Lease liabilities	15	168	2,311
Total current liabilities		15,893	18,643
Non-current liabilities			
Long-term provisions	17	2,423	1,784
Lease liabilities	15	5,251	8,756
Other liabilities – funds held in trust	19	–	141
Total non-current liabilities		7,674	10,681
Total liabilities		23,567	29,324
Net assets		10,675	6,438
Equity			
Reserves	20	73	73
Retained earnings		10,602	6,365
Total equity		10,675	6,438

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the financial year ended 30 June 2023

	Donor reserve \$000's	Retained earnings \$000's	Total equity \$000's
Balance at 1 July 2022	73	6,365	6,438
Profit for the year	–	4,237	4,237
Balance at 30 June 2023	73	10,602	10,675
Balance at 1 July 2021	73	6,984	7,057
Deficit for the year	–	(619)	(619)
Balance at 30 June 2022	73	6,365	6,438

The accompanying notes form part of these financial statements.

Statement of Cash flows for the financial year ended 30 June 2023

	Notes	2023 \$000's	2022 \$000's
Cash flows from operating activities			
Receipts from customers, donors and government		128,127	125,974
Payments to suppliers and employees		(124,502)	(127,102)
Interest received		245	289
Interest paid		(168)	1,965
Net cash provided by / (used in) by operating activities		3,702	1,126
Cash flows from investing activities			
Proceeds from sale of plant and equipment		835	470
Proceeds/ (payment) from disposal of other financial assets		(219)	2,399
Purchase of property, plant and equipment		(446)	(1,593)
Receipt / (payment) of trust funds		–	455
Net cash provided by / (used in) investing activities		170	1,731
Cash flows from financing activities			
Lease payments		(1,355)	(2,993)
Net cash provided by / (used in) financing activities		(1,355)	(2,993)
Net increase / (decrease) in cash and cash equivalents held		2,517	(136)
Cash and cash equivalents at the beginning of the financial year		3,114	3,543
Cash and cash at bank at the end of the financial year	8	5,631	3,407

The accompanying notes form part of these financial statements.

Notes to the financial statements for the financial year ended 30 June 2023

The financial report covers Barnardos Australia as an individual entity. Barnardos Australia is a not for profit Company, registered and domiciled in Australia.

The functional and presentation currency of Barnardos Australia is Australian dollars.

The financial report was authorised for issue by the Directors on 12 October 2023.

Comparatives are consistent with prior years, unless otherwise stated.

NOTE 1: GENERAL INFORMATION

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

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 statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. 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 2023 the number of members was 121 (2022: 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 2023 was \$1,210 (full amount) (2022: \$1,210 (full amount)).

Principal place of business and registered office:

60 64 Bay Street

Ultimo NSW 2007

Tel: (02) 9218 2300

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

a. Revenue recognition

The revenue recognition policies for the principal revenue streams of the Company are:

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.

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.

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.

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.

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.

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.

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 with most significant property holding a lease contract 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.

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand in banks and money-market investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

c. Employee benefits

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Defined contribution plans

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

d. Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments).

The Company holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

The Company's financial assets measured at FVTPL comprise investments in managed funds in the statement of financial position.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Financial instruments (continued)

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and lease liabilities.

e. Fundraising

Fundraising costs are charged when expenses are incurred.

f. Goods and Services Tax (GST)

Revenue, expenses, and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Impairment of Non-Financial 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.

h. Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at cost, including transaction costs. The property in Shellharbour was initially measured at cost, and subsequent to initial recognition, was measured at fair value.

i. Inventories

Inventories are measured at the lower of cost and net realisable value using the average cost method.

j. Income tax

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

k. Leases

At inception of a contract, the Company assesses whether a lease exists.

Lessee accounting

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 office properties.

i. Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

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.

ii. Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g., CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company as a 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.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e., leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Going concern basis

As at 30 June 2023, the Company's statement of financial position reported current assets greater than current liabilities (a net current asset position) of \$1,406k (2022: \$6,435k) which is an improvement of \$7.8m from 2022. 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;

- Included in current liabilities are employee provisions of \$4.5m (2022: \$6.8m), of this, it is anticipated that \$1.2m will not be disbursed in full in the next 12 months as it is recorded as it relates to long service leave.
- Included in current liabilities is income received in advance totalling \$2.4m (2022: \$1.4m), which 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;
- There are a number of non-current assets, including investment properties, that can be realised should the need arise.
- A significant portion 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 fully settled in December 2023.

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.

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.

Land and buildings

Plant and equipment

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2 % per annum, using straight line method
Plant and Equipment, including Computer Equipment	15% to 25% per annum, using straight line method.
Motor Vehicles	18.5% using the diminishing value method

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed asset class	Depreciation rate
Leasehold improvements	Is based on straight-line method. For lease term less than 10 years, the asset is depreciated for the duration of the lease. For the lease term equal to or greater than 10 years, the asset is depreciated on the basis of 10% per annum.

n. 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.

o. 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.

p. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

q. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance, or cash flow of the Company.

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.

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 3: OTHER JUDGEMENTS AND 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 party with little notice or 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.

NOTE 3: OTHER JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

c. Provision of Redress and Historical Claims 30 June 2023

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 4: REVENUE

REVENUE		2023	2022
Revenue from continuing operations	Notes	\$000's	\$000's
Government grants (i)	(a)	115,031	106,005
Fundraising revenue (ii)	(b)	7,474	6,890
Other social care revenue		1,187	759
Recruitment service revenue		4,774	4,459
Rental income		93	76
Investment income	5	245	289
Other gains and losses		359	949
Total revenue		129,163	119,427

a. Government grants		\$000's	\$000's
Government COVID-19 Support *		–	623
Other **		115,031	105,382
Total government grants		115,031	106,005

* 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.

b. Fundraising revenue		\$000's	\$000's
Donors and appeals		5,856	4,752
Bequests		1,387	1,965
Canberra branch		–	18
Peter Pan Committee		136	117
Peter Pan Opportunity P/L		95	38
Total fundraising revenue		7,474	6,890

NOTE 5: INVESTMENT REVENUE AND FINANCE COSTS

A. INVESTMENT REVENUE	2023 \$000's	2022 \$000's
<i>Interest on financial assets measured at amortised cost:</i>		
Interest – cash management / on call	23	3
Interest – term deposit / commercial bills	5	(1)
Total interest revenue	28	2
<i>Other investment revenue:</i>		
Distributions – Perpetual core fund	–	70
Distributions – Perpetual reserve fund	217	217
Total other investment revenue	217	287
Total investment revenue	245	289

B. FINANCE COSTS	\$000's	\$000's
<i>Interest on financial liabilities measured at amortised cost:</i>		
Interest on obligations under leases	73	266
Bank charges	155	55
Perpetual charges	17	20
Total finance costs (i)	245	341

I. FINANCE COSTS	\$000's	\$000's
Social care centres	2	311
Fundraising	15	10
Administration and governance	228	20
Total finance costs	245	341

NOTE 6: OTHER GAINS AND LOSSES

OTHER GAINS AND LOSSES	2023 \$000's	2022 \$000's
Gain/(Loss) on disposal of property, plant and equipment	294	224
Net gain (loss) on financial assets measured at fair value	65	(461)
Bad debt (expense)	–	(4)
Onerous contract (expense)/utilised	–	1,190
Total other gains and losses	359	949

NOTE 7: SEGMENT INFORMATION

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

NOTE 8: CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS	Notes	2023 \$000's	2022 \$000's
Cash and cash equivalents			
Cash on hand		52	97
Cash at bank		2,364	2,190
Cash at bank – "gift fund"		3,215	417
		5,631	2,704
Add: Cash held in trust – restricted cash (i)	(a)	0	410
		5,631	3,114

(a) Restricted cash

Restricted cash is made up \$0 (2022: \$410,157) relating to the ACT Together Consortium commitments.

NOTE 9: TRADE AND OTHER RECEIVABLES

TRADE AND OTHER RECEIVABLES	Notes	2023 \$000's	2022 \$000's
Current			
Receivables			
Trade receivables	(a)	2,601	986
Other receivables		1,884	928
		4,485	1,914
Trade receivables ageing analysis			
Current		14	5
30-60 days		761	478
60-90 days		1,586	56
90 days +		240	447
		2,601	986

Included in trade receivables is a balance owed by Barnardos UK and amounting to \$20,720 (2022: \$20,720).

NOTE 10: OTHER FINANCIAL ASSETS

OTHER FINANCIAL ASSETS	2023 \$000's	2022 \$000's
Current		
Financial assets at fair value through profit or loss		
Core fund - Perpetual Trustee Company Limited	2	2
Reserve fund - Perpetual Trustee Company Limited	4,259	4,042
	4,261	4,044
Financial assets measured at amortised cost		
Bank commercial bills, "gift fund"	295	293
Total other financial assets	4,556	4,337

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT	2023 \$000's	2022 \$000's
Freehold land:		
At cost	596	596
Buildings:		
At cost	4,504	4,508
Accumulated depreciation and impairment	(2,397)	(2,274)
	2,107	2,234
Plant and equipment:		
At cost	675	2,162
Accumulated depreciation	(456)	(1,812)
	219	350
Motor vehicles:		
At cost	7,764	8,520
Accumulated depreciation and impairment	(4,154)	(4,164)
	3,610	4,356
Leasehold improvements:		
At cost	5,857	6,057
Accumulated depreciation and impairment	(2,896)	(2,555)
	2,961	3,502
Next gen project:		
At cost	692	-
Total property, plant and equipment	10,185	11,038

a. Movement in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION	Land \$000's	Buildings \$000's	Plant & equipment \$000's	Motor vehicles \$000's	Leasehold Improvements \$000's	Next gen project \$000's	Total \$000's
Balance at the beginning of the year	596	2,234	350	4,356	3,502	-	11,038
Additions	-	-	-	414	33	692	1,139
Disposals	-	-	-	(349)	-	-	(349)
Depreciation expense	-	(127)	(131)	(811)	(574)	-	(1,643)
Balance at the end of the year	596	2,107	219	3,610	2,961	692	10,185

NOTE 12: NON-CURRENT ASSETS HELD FOR SALE

NON-CURRENT ASSETS HELD FOR SALE	2023 \$000's	2022 \$000's
CURRENT		
Non-current assets held for sale	652	652

The property at 18 Kerr Parade Auburn was reclassified as an asset held for sale at 30 June 2022. The company entered into a contract for sale of the property in December 2022 for a sales price of \$9 million, with an expected settlement date of December 2023. A deposit of \$900,000 was received during the year, classified as a contract liability at 30 June 2023.

NOTE 13: OTHER ASSETS

OTHER ASSETS	2023 \$000's	2022 \$000's
CURRENT		
Prepayments	1,974	2,191

NOTE 14: INVESTMENT PROPERTY

INVESTMENT PROPERTY	2023 \$000's	2022 \$000's
At cost		
Balance at beginning of the period	2,652	2,684
Depreciation expense	(32)	(32)
Balance at end of period	2,620	2,652

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 plan 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 15: RIGHT-OF-USE ASSETS**Company as a lessee**

The Company has leases over land and buildings. The leases are for commercial office spaces utilised for both service delivery staff and office based support staff, including Special Purpose Children's Social Care.

A. RIGHT-OF-USE ASSETS	Buildings \$000's	Total \$000's
Year ended 30 June 2023		
	9,864	9,864
Depreciation charge	(976)	(976)
Additions to right of use assets	257	257
Reductions in right of use assets due to changes in lease liability	(5,006)	(5,006)
Balance at end of year	4,139	4,139

B. LEASE LIABILITIES

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

2023	< 1 year \$000's	1 - 5 years \$000's	> 5 years \$000's	Total undiscounted lease liabilities \$000's	Lease liabilities included in this Statement Of Financial Position \$000's
Lease liabilities	1,386	4,052	2,369	7,807	5,419

C. SHORT-TERM LEASES

The amount expensed in the statement of profit or loss in relation to short-term and low-value leases was \$460,000 (2022: \$420,000).

NOTE 16: TRADE AND OTHER PAYABLES

TRADE AND OTHER PAYABLES	2023 \$000's	2022 \$000's
Current		
Trade payables	2,432	4,844
Sundry creditors and accrued expenses	3,703	1,394
Other creditors	-	38
	6,135	6,276

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

NOTE 17: PROVISIONS

PROVISIONS	2023 \$000's	2022 \$000's
Current		
Lease incentive	4	–
Employee Provision for annual leave	3,356	4,556
Employee Provision for long service leave	921	2,217
Employee Provision - Redundancies	250	204
Redress and Historical Claims	1,743	1,638
Employee Provision for personal leave	–	46
	6,274	8,661
Non-current		
Provision for long service leave	1,488	844
Provision for make good	935	935
	2,423	1,779

a. Movement in carrying amounts

	Redress & historical matters provision \$000's	Make good provision \$000's	Total \$000's
Opening balance at 1 July 2022	1,638	935	3,508
Additional provisions	105	–	105
Balance at 30 June 2023	1,743	935	3,613

b. 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.

c. Provision for redress and historical claims 30 June 2023

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 on 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 2023.

NOTE 17: PROVISIONS (Continued)

c. Provision for redress and historical claims 30 June 2023

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 \$1,743,000.

NOTE 18: CONTRACT LIABILITIES

CONTRACT LIABILITIES	2023 \$000's	2022 \$000's
Current		
Grants received in advance	2,416	1,395
Deposit received on Auburn property	900	–
	3,316	1,395

Grants 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 OOHC and ACT Together.

NOTE 19: OTHER FUNDS HELD IN TRUST

NON-CURRENT LIABILITIES	2023 \$000's	2022 \$000's
Other funds held in trust	–	141

This includes funds held in Trust on behalf of clients: \$NIL (2022: \$140,596).

NOTE 20: RESERVES

RESERVES	2023 \$000's	2022 \$000's
Donor reserves*	73	73

Represented by:

* The donor reserve is made up of a number of bequests with specific terms, Bank term deposit "gift fund" Note 7.

NOTE 21: FINANCIAL RISK MANAGEMENT

FINANCIAL ASSETS	2023 \$000's	2022 \$000's
Held at amortised cost		
Cash and cash equivalents	5,631	3,114
Trade and other receivables	4,485	1,914
Other financial assets	295	293
Fair value through profit or loss (FVTPL)		
Other financial assets	4,261	4,044
Total financial assets	14,672	9,365
Financial liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Trade and other payables	6,138	6,276
Leases	5,419	11,067
Total other financial assets	11,557	17,343

NOTE 22: AUDITOR'S REMUNERATION

FINANCIAL ASSETS	2023 \$000's	2022 \$000's
Remuneration of the auditor PKF		
• auditing or reviewing the financial statements	54,250	–
• fees for assurance services and agreed upon procedures not required by legislation to be provided by the auditor	8,500	–
	62,750	–
Remuneration of previous auditor Deloitte		
• auditing or reviewing the financial statements of subsidiaries	–	100,042
• fees for assurance services and agreed upon procedures not required by legislation to be provided by the auditor	–	43,000
	–	143,042

NOTE 23: CONTINGENCIES

In the opinion of the Directors, the Company as at 30 June 2023, the Commonwealth Bank has issued bank guarantees totalling \$596,796 (2022: \$686,832) to guarantee various commercial leases entered into by Barnardos. For Contingent liabilities in respect to Redress and legal claims please refer to note 12.

NOTE 24: KEY MANAGEMENT PERSONNEL DISCLOSURES

The remuneration paid to key management personnel of the Company is 1,509,122 (2022: 1,736,875).

NOTE 25: RELATED PARTIES

a. The Company's main related parties are as follows:

Key management personnel refer to Note 24.

No Director has received or become entitled to receive any remuneration from the company in their capacity as a Director (2022: \$Nil). Any goods purchased by the Directors were acquired at commercial rates.

b. Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 26: EVENTS AFTER THE END OF THE REPORTING PERIOD

The financial report was authorised for issue on 17 October 2023 by the Directors.

No matters or circumstances have arisen since the end of the financial year which 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 27: INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991	2023 \$000's	2022 \$000's
a. Details of aggregate gross income and total expenses of fundraising appeals		
Gross proceeds from fundraising appeals:		
Mail appeals	4,502	3,525
Other appeals	1,346	1,228
Bequests	1,387	1,965
Auxiliaries	239	172
Total gross proceeds from fundraising appeals	7,474	6,890
(Less): direct costs of fundraising appeals	(3,704)	(3,195)
Surplus obtained from fundraising appeals	3,770	3,695
(Less): administrative and indirect fundraising costs	(884)	(117)
Net surplus from fundraising	2,886	3,578

b. 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.

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

The net surplus from fundraising appeals was \$2,886,000 (2022: \$3,578,000)

This was applied to charitable purposes in the form of expenditure on direct social care services as set out in note 20 to the financial statements.

d. Fundraising appeals conducted during the financial year.

Mail appeals, other appeals, auxiliaries and special events.

e. Comparisons of certain monetary figures and percentages

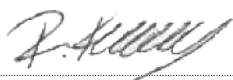
	2023 \$000's		2023 %	2022 \$000's		2022 %
	Direct cost	Gross income		Direct cost	Gross income	
Total direct cost of fundraising / gross income from fundraising	3,705	7,474	49.6%	3,195	6,890	46.4%
Surplus from fundraising / gross income from fundraising	3,769	7,474	50.4%	3,695	6,890	53.6%
Total cost of fundraising / gross income from fundraising	4,589	7,474	61.4%	3,755	6,890	54.5%
Net surplus from fundraising / gross income from fundraising	2,885	7,474	38.6%	3,578	6,890	51.9%
Total costs of services / total expenditure (excluding fundraising and merchandising expenditure)	113,185	120,337	94.1%	111,373	116,735	95.4%
Total costs of services / total expenditure (excluding fundraising and merchandising expenditure)	113,185	0	91%	111,373	116,577	95.5%

Responsible Person's Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not for profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not for profit Commission Regulation 2013*.



Racheal Kellaway

Director and Chair Finance and Audit Committee



Janett Milligan

Chair

Dated this 30th day of October 2023

Independent Audit Report

To The Members of Barnardos Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Barnardos Australia (the Company), which comprises the statement of financial position as at 30 June 2023, 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 Barnardos Australia, has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
 - ii. complying with Australian Accounting Standards – Simplified Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.
- b. the financial report agrees to the underlying financial records of Company, 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 2023;
- c. monies received by the Company, as a result of fundraising appeals conducted during the year ended 30 June 2023, 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 2023.

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

Independent Audit Report

Independence

We are independent of the Company 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, 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 accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information 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 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 Company 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, directors are responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

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 Company 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.

Independent Audit Report

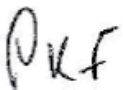
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Company'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 directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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 Company'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.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.



PKF



KYM REILLY
PARTNER

30 OCTOBER 2023
SYDNEY, NSW

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barnardos.org.au

Head Office | L1, 60-64 Bay Street, Ultimo NSW 2007
GPO Box 9996 in your Capital City
Tel: 02 9218 2300



Barnardos
Australia

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