

Australian Research Alliance for Children & Youth Limited

ABN : 68 100 902 921

Financial Statements

For the Year Ended 30 June 2021

Australian Research Alliance for Children & Youth Limited

ABN : 68 100 902 921

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For the Year Ended 30 June 2021

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Australian Research Alliance for Children & Youth Limited

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Directors' Report For the Year Ended 30 June 2021

The directors present their report on Australian Research Alliance for Children & Youth Limited for the financial year ended 30 June 2021.

General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names

Professor Gervase Chaney

Professor Kristy Muir

Mr Tim Goodwin (Retired November 2020)

Dr Norman Swan

Emeritus Professor Stephen Zubrick

Professor Ngiare Brown

Ms Anne Cregan (Appointed to fill casual vacancy February 2021)

Adjunct Associate Professor Shamal Dass
(Appointed to fill casual vacancy February 2021)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of operations

The surplus of the Company amounted to \$ 149,059. (Year ended 30 June 2020: deficit \$68,048).

Principal activity

The Australian Research Alliance for Children & Youth Limited (ARACY) is a company limited by guarantee.

ARACY was established for the charitable purpose of facilitating, coordinating and supporting the development of knowledge through research and advocacy for the implementation of evidence based policies within Australia in order to improve the wellbeing and life chances of Australia's children and young people. ARACY does this through a national action agenda and measurement framework, *The Nest*.

No significant change in the nature of these activities occurred during the year.

Objectives

- To Catalyse change by bringing people and knowledge together for the benefit of children and young people in Australia through our four pillars of action:
 1. Putting knowledge to work
 2. Growing capability
 3. Influencing decision making
 4. Catalysing collective action

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Directors' Report For the Year Ended 30 June 2021

General information (Continued)

Objectives (Continued)

- To build organisational improvement, resilience and sustainability through our enabling activities of:
 1. Securing our financial sustainability
 2. Strengthening our engagement with Aboriginal and Torres Strait Islander peoples, communities and organisations
 3. Enhancing employee wellbeing
 4. Strengthening our reputation and relationships
 5. Measuring our impact
 6. Continuous improving our processes, systems and infrastructure.

Strategy for achieving the objectives

- **Strategy 1:** Generate opportunities and align action to improve the daily lives of children and young people.
- **Strategy 2:** Develop resources that improve decision making and practice
- **Strategy 3:** Strengthen and use ARACY's voice to improve the wellbeing of children and young people
- **Strategy 4:** Provide a space and support for cross-sectoral collective leadership that improves systems through the unifying vision for the Nest.

Significant Events after the reporting date

No matters or circumstances have arisen since the end of the financial period 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.

Likely Developments and Expected Results

ARACY's Strategic Goals for the three years from 2020-21 to 2023-24 are that:

- The voices of children and young people across Australia are captured and used to refresh the Nest; the National Wellbeing Framework and Children and Young People.
- Early Childhood Development will be the focus of increased collective action and advocacy including a shared visions and plan to redress the systemic barriers; problems and gaps that are inhibiting Australian children from thriving in the first 1000 days and beyond.
- Policy, research and practice discussions about the wellbeing of children and young people will be influenced and informed by reliable data and evidence.

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Directors' Report For the Year Ended 30 June 2021

General information (Continued)

Likely Developments and Expected Results (Continued)

- All people in Australia working with and on behalf of children, young people and their families are highly skilled in the science of brain development
- The 'middle years' will be elevated in the national discourse as an important period of a young person's development and a new collective will be convened to progress a national policy response.

The enabling activities that support our aspiration and intent are:

- Securing our financial sustainability
- Strengthening our engagement with Aboriginal and Torres Islander peoples, communities and organisations
- Enhancing employee wellbeing
- Strengthening our reputation and relationships
- Measuring our impact
- Continuously improving our processes, systems and infrastructure

During the financial year 2021-22, ARACY will continue to provide the services, advocacy and training opportunities for which we are well known. We will maintain our respected communications channels, evidence-based advocacy, research support and stakeholder engagement.

The planned activities under our strategies are:

Strategy 1: Generate opportunities and aligned actions to improve the daily lives of children and young people.

1. Lead the creation of dynamic sources of reliable data and policy direction that track progress and mitigate the impacts of the global pandemic on the wellbeing of children and young people including the Australian Children and Young People's Knowledge Acceleration Hub and the Australian Index of Child and Youth Wellbeing with UNICEF Australia .
2. Advance the development of a research partnership and proposal that synthesises sustained nurse home visiting, concurrent planning, and family mentoring into a new program to support children under five entering care.
3. Auspice the Thriving Queensland Kids Partnership to showcase and amplify the power of joined-up, cross-sectoral activity as a means of creating systemic changes that improve outcomes for children.

Strategy 2: Develop resources that improve decision making and practice

1. Lead the Brain Builders Alliance with a focus on the creation of an Australian-specific *Brain Story* certification resource for all people working with children, young people and their families.
2. Support the expansion of the EI Pulse real-time wellbeing check-in app and embed the Common Approach in the Australian school system as a means of supporting wellbeing.
3. Make online training in the Common Approach accessible and affordable.

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Directors' Report For the Year Ended 30 June 2021

General information (Continued)

Likely Developments and Expected Results (Continued)

Strategy 3: Strengthen and use ARACY's voice to improve the wellbeing of children and young people

1. Expand ARACY's program of knowledge dissemination through the utilisation of technology-based innovations including website redesign.
2. Lead and participate in better joined-up and aligned advocacy activities and campaigns (for example, the Thrive by Five early years education campaign, the Raise The Rate anti-poverty campaign).

Strategy 4: Provide a space and support for cross-sectoral collective leadership that improves systems through the unifying vision of the Nest

1. Provide strategic support and alignment for collective leadership initiatives in the early years including through the Early Childhood Impact Alliance.
2. Spearhead critical field development activity for child wellbeing by leading high level, cross-sector undertakings, starting with securing funding for a whole-of-system mapping exercise for the early years.
3. Create and lead a new cross-sector coalition to create a shared vision and agenda for investment in the crucial 'middle years'.

Environmental matters

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Information on directors

Professor Gervase Chaney

Qualifications

Experience

MBBS FRACP FAIM

Gervase Chaney has been on the Board of ARACY since 2013 and Chair since 2019. Gervase is the National Head of School, School of Medicine, The University of Notre Dame Australia, and a general paediatrician at Perth Children's Hospital. He was previously the Executive Director of Perth Children's Hospital (responsible for commissioning) in the Child and Adolescent Health Service (CAHS) in Western Australia from 2016-2017. He was Executive Director of Princess Margaret Hospital (PMH) in CAHS from 2015-2016; Chairman of the PMH Paediatric Medicine Clinical Care Unit 2011-2014; and Co-Lead of the Child and Youth Health Network for WA Health from 2005-2010. He was on the Board of Kidsafe WA from 2004-2015. He is a past President of the Paediatrics and Child Health Division of the Royal Australasian College of Physicians (RACP) 2010-2012 and he was on the Board of the RACP from 2008-2012. He is a foundation member of the Academy of Child and Adolescent Health (ACAH) and is on the Board of the Stan Perron Charitable Foundation.

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Directors' Report For the Year Ended 30 June 2021

Information on directors (Continued)

Professor Kristy Muir

Qualifications

PhD

Experience

Kristy Muir is the CEO of the Centre for Social Impact (CSI) and a Professor of Social Policy at UNSW Sydney Business School. She is an elected member of UNSW Sydney's Council, Chair of Allan & Gill Gray Philanthropy Australasia, a Director of ARACY, and a Director of the Community Council for Australia.

Kristy has worked for almost three decades with for purpose organisations. She is driven to help understand and find solutions to complex social problems and measure whether and where they are making a difference. She has partnered with dozens of not for profit, corporate and philanthropic organisations, and government departments on more than 90 projects to help increase social impact. Her research and capacity building projects have attracted over \$31m. She teaches non executive directors, facilitates strategic workshops, gives invited keynotes and has published widely in academic journals and popular media.

Kristy was formerly CSI's Research Director, the Associate Dean (Research) for the Faculty of Arts and Social Sciences and the Director of the Disability Studies and Research Centre at UNSW Sydney. She has a PhD in social history, is a graduate of the AICD and previously worked in the not for profit sector.

Mr Tim Goodwin (Retired
November 2020)

Qualifications

LL.M BA and Law (Hons)

Experience

Tim Goodwin is a member of the Yuin nation, an Aboriginal nation that occupies the southeast coast of NSW. Tim is currently a barrister in Melbourne. He graduated with bachelor's degrees in Arts and Law (with Honours) from the Australian National University in 2007 and with a Master of Laws from Harvard Law School in 2012. Tim was the Associate to The Hon Justice AM North of the Federal Court of Australia from 2008 to 2009 and to the Hon Justice M Bromberg of the Federal Court of Australia from 2009 to 2010. Tim is currently a trustee of the Sharing Stories Foundation, and a Board Member of Museums Victoria and Human Rights Law Centre.

Dr Norman Swan

Qualifications

MD (Hon Causa)

Experience

Norman hosts RN's Health Report and since the COVID-19 pandemic, co-hosted Coronacast, a daily podcast on the coronavirus. Norman is also a reporter and commentator on the ABC's 7.30, Midday, News Breakfast and Four Corners and a guest host on RN Breakfast. He is a past winner of the Gold Walkley and has won other Walkleys including one in 2020. He created Invisible Enemies, on pandemics and civilisation for Channel 4 UK and broadcast in 27 countries.

Norman was awarded the medal of the Australian Academy of Science and has an honorary MD from the University of Sydney. Norman trained in medicine and paediatrics in Aberdeen, London and Sydney before joining the ABC.

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Directors' Report For the Year Ended 30 June 2021

Information on directors (Continued)

Emeritus Professor Stephen
Zubrick

Qualifications

MSc MA PhD FASSA FAAMHS

Experience

Stephen Zubrick currently holds a professorial appointment in the Centre for Child Health Research at the University of Western Australia and is also a Senior Honorary Research Fellow at the Telethon Kids Institute. From 2002 to 2018 he Chaired the Consortium Advisory Group for the National Longitudinal Study of Australian Children. He is currently a Member of the Steering Committee for the Longitudinal Study of Indigenous Children. From 2014-2020 he was the Deputy Director of the Australian Research Council Centre of Excellence for Children and Families Across the Lifecourse. In 2010 he received a Western Australian Citizen of the Year Award for lifetime contributions to children and young people. Stephen holds several national and international competitive research grants and his research interests include the study of the social determinants of health and mental health in children, studies of the genetic and environmental determinants of language development, and large scale psychosocial survey work in non Indigenous and Indigenous populations. Over the past 20 years he has been instrumental in designing and implementing the leading Australian studies (national and state) of child and adolescent mental health.

Professor Ngiare Brown

Qualifications

BMed, MPHTM, FRACGP

Experience

Ngiare Brown is a Yuin nation woman from the south coast of NSW. She is a senior Aboriginal medical practitioner with qualifications in medicine, public health and primary care, and has studied bioethics, medical law and human rights. She was the first identified Aboriginal medical graduate from NSW and is one of the first Aboriginal doctors in Australia. Her work is focused on reclaiming positive cultural practices, and breaking the intergenerational cycles of disparity. Over the past three decades she has made extensive contributions to Aboriginal and Torres Strait Islander health, research process, bioethics, policy, translation and practice, and has developed extensive national and international networks in Indigenous health and social justice, including engagement with the UN system. Ngiare is a founding member and Foundation CEO of the Australian Indigenous Doctors' Association (AIDA); is a founding member of the Pacific Region Indigenous Doctors' Congress (PRIDoC); and is Chair of the Health, Rights and Sovereignty committee of PRIDoC. Ngiare currently runs a not for profit, Ngaoara, dedicated to Aboriginal child and adolescent wellbeing, delivering outreach for children affected by trauma, and supporting communities to develop child centric, strength based, trauma informed initiatives. She has also established a comprehensive primary care service – Djanaba Wellbeing - providing multidisciplinary care for child and adolescent health and social & emotional wellbeing.

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Directors' Report For the Year Ended 30 June 2021

Information on directors (Continued)

Ms Anne Cregan (Appointed to fill casual vacancy February 2021)

Qualifications

MCrim(Hons 1) LLB and BA

Experience

Anne Cregan is a partner in Gilbert + Tobins pro bono practice. She has over 25 years experience acting for Aboriginal and Torres Strait Islander people, people with disabilities and refugees and asylum seekers and the organisations working with those communities. Anne has acted in public interest and test case litigation in relation to judicial independence, discrimination, the capacity of people with cognitive impairment or mental illness to participate in proceedings affecting them, consumer law and imprisonment without conviction. Anne has been an active contributor to the development of pro bono practice in Australia and is recognised for her expertise in making the law accessible, particularly for hard to reach communities. Anne has a long-standing interest in the law as it affects people with cognitive impairment and/or mental illness and has presented and consulted widely and been actively engaged in law reform on the issues. She also has an interest in working with Aboriginal and Torres Strait Islander communities to develop legal structures in support of self-determination. Currently Anne is on the steering committee of the Gilbert + Tobin Centre for Public Law, the Board of Kingsford Legal Centre at the University of NSW, the Indigenous Issues Committee of the Law Society of NSW, and is a founding member of Justice Reinvestment Inc.

Adjunct Associate Professor Shamal Dass (Appointed to fill casual vacancy February 2021)

Qualifications

BEC (Hons) F FIN

Experience

Shamal is Head of Family Advisory and Philanthropic Services, JBWere. Under his leadership the team provide tailored advice to for-purpose organisations and private clients in areas ranging from governance, leadership, capacity building, structuring, sustainability and strategy. Shamal is also an Adjunct Associate Professor at the Centre for Social Impact, University of NSW Business School. He co-created and co-teaches the Governance for Social Impact course at the Australian Graduate School of Management (AGSM). Shamal's research, writing and teaching is focussed on the development of frameworks that enable all participants in the social impact ecosystem (for-purpose organisations, philanthropists, governments and corporates) to deliver better outcomes for beneficiaries. Shamal serves on the Boards of Earthwatch Australia and Two Good Foundation and is the independent chair of The Constellation Project Governance Group. Shamal is also a member of the Centre for Social Impact Advisory Committee and JBWere Charitable Endowment Fund Investment Committee. Shamal was born in Lautoka, Fiji and his family migrated to Australia when he was 8. He grew up in South West Sydney and has been blessed with two lovely children – Samuel and Camille.

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Directors' Report For the Year Ended 30 June 2021

Meetings of directors

During the financial year, 4 meetings of directors were held. Attendances by each director during the year were as follows:

Directors' Meetings	
Number eligible to attend	Number attended
Professor Gervase Chaney	4
Professor Kristy Muir	4
Mr Tim Goodwin	2
Dr Norman Swan	4
Emeritus Professor Stephen Zubrick	4
Professor Ngiare Brown	4
Ms Anne Cregan	2
Adjunct Associate Professor Shamal Dass	2

Liability of members and dividends

ARACY is a company limited by guarantee and the liability of members is limited to an amount not exceeding \$1. Accordingly, no dividends were paid or options over shares granted.

Remuneration Report

The Directors do not receive any remuneration or other benefits as the positions are honorary in nature.

Indemnification and insurance of officers and auditors

Premiums have been paid for a Community Organisations Insurance portfolio including Protector/Association Liability, Personal Accident and General and Products Liability cover.

No person has applied for leave of Court to bring proceedings on behalf of ARACY or intervene in any proceedings to which ARACY is a party for the purpose of taking responsibility on behalf on the entity for all or part of those proceedings.

ARACY was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on the following page of the financial statements.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Director: 

Dated 24 September 2021

Australian Research Alliance for Children & Youth Limited

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Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of Australian Research Alliance for Children & Youth Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hardwicks
Chartered Accountants

Bhaumik Bumia CA
Partner

Canberra

Australian Research Alliance for Children & Youth Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue			
Revenue from contracts with customers	4	1,933,391	2,333,806
Interest revenue		2,257	13,190
Other income		166,432	152,500
Total revenue		2,102,080	2,499,496
Expenses			
Communications expense		(17,247)	(26,353)
Conference and events expense		-	(162,274)
Depreciation and amortisation expense		(135,637)	(133,549)
Employee benefit expenses		(1,173,111)	(1,041,327)
General expense		(19,112)	(9,400)
Information technology expenses		(58,634)	(54,060)
Insurance expense		(14,269)	(11,912)
Premises expenses		(53,470)	(29,790)
Professional fees expense		(257,558)	(173,482)
Research partners expense		(193,516)	(886,833)
Travel expense		(30,467)	(38,564)
Total expenses		(1,953,021)	(2,567,544)
Surplus/(Deficit) before income tax		149,059	(68,048)
Income tax expense	2(e)	-	-
Surplus/(Deficit) for the year		149,059	(68,048)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		149,059	(68,048)

The accompanying notes form part of these financial statements.

Australian Research Alliance for Children & Youth Limited

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Statement of Financial Position

As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,216,151	1,406,797
Trade and other receivables	6	56,455	19,804
Other financial assets	7	275,290	311,238
Other assets	8	27,660	77,398
TOTAL CURRENT ASSETS		<u>1,575,556</u>	<u>1,815,237</u>
NON-CURRENT ASSETS			
Plant and equipment	9	33,445	6,478
Right-of-use assets	10	676,248	116,621
TOTAL NON-CURRENT ASSETS		<u>709,693</u>	<u>123,099</u>
TOTAL ASSETS		<u>2,285,249</u>	<u>1,938,336</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	205,029	439,657
Employee benefits	14	74,970	49,031
Contract liabilities	12	461,697	617,711
Lease liabilities	13	44,143	111,861
TOTAL CURRENT LIABILITIES		<u>785,839</u>	<u>1,218,260</u>
NON-CURRENT LIABILITIES			
Employee benefits	14	18,676	12,678
Lease liabilities	13	655,773	31,496
TOTAL NON-CURRENT LIABILITIES		<u>674,449</u>	<u>44,174</u>
TOTAL LIABILITIES		<u>1,460,288</u>	<u>1,262,434</u>
NET ASSETS		<u>824,961</u>	<u>675,902</u>
EQUITY			
Retained earnings		<u>824,961</u>	<u>675,902</u>
TOTAL EQUITY		<u>824,961</u>	<u>675,902</u>

The accompanying notes form part of these financial statements.

Australian Research Alliance for Children & Youth Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2020	675,902	675,902
Profit for the year	149,059	149,059
Balance at 30 June 2021	824,961	824,961

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2019	743,950	743,950
(Deficit) for the year	(68,048)	(68,048)
Balance at 30 June 2020	675,902	675,902

The accompanying notes form part of these financial statements.

Australian Research Alliance for Children & Youth Limited

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Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,084,704	2,891,065
Payments to suppliers and employees	(2,138,389)	(2,456,123)
Interest received	2,897	17,532
Net cash (used in)/provided by operating activities	<u>(50,788)</u>	<u>452,474</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	9(a) (35,916)	(399)
Proceeds from maturity of investments	35,948	300,000
Net cash provided by investing activities	<u>32</u>	<u>299,601</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(139,890)	(162,237)
Net cash (used in) financing activities	<u>(139,890)</u>	<u>(162,237)</u>
Net (decrease)/increase in cash and cash equivalents held	(190,646)	589,838
Cash and cash equivalents at beginning of year	1,406,797	816,959
Cash and cash equivalents at end of financial year	5 <u>1,216,151</u>	<u>1,406,797</u>

The accompanying notes form part of these financial statements.

Australian Research Alliance for Children & Youth Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

The financial report covers Australian Research Alliance for Children & Youth Limited as an individual entity. Australian Research Alliance for Children & Youth Limited is a Company, incorporated and domiciled in Australia.

The functional and presentation currency of Australian Research Alliance for Children & Youth Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (Continued)

(a) Revenue and other income (Continued)

Grants

Grant revenue is generated from both government and private agreements for the delivery of specific projects. Performance obligations are identified within individual contracts which then drive the basis for revenue recognition (i.e. either 'over time' or 'point in time'). When the performance obligation/s identified within the contract is/are satisfied revenue is recognised. Payments are generally received in line with payment or milestone schedules on a 30-day term, upon presentation of an invoice. Payments are normally received in advance of meeting performance obligations, therefore, revenue is initially deferred as a contract liability.

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements. There may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Membership Subscriptions

At a meeting of Directors on 8 May 2021, the Board decided to end financial membership and move to a free, more inclusive membership model. All subscribers to the weekly ebuletin will automatically become non-financial members of ARACY.

Training

Training revenue is generated from the rendering of training services. Payments are normally received in advance of providing the services, therefore revenue is initially deferred as a contract liability. The performance obligation is satisfied and revenue recognised when the services are provided.

Conferences and events

Conference and event revenue is generated from the rendering of conference or event services. Payments are normally received in advance of providing the services, therefore revenue is initially deferred as a contract liability. The performance obligation is satisfied and revenue recognised when the services are provided.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(b) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (Continued)

(c) Trade and other receivables

Trade receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(d) Term Deposits

Term deposits in the statement of financial position comprise term deposits with an original maturity of more than three months, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(f) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(g) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

Plant and equipment is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (Continued)

(g) Plant and equipment (Continued)

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

Fixed asset class	Depreciation rate
Plant and Equipment	20%-33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the entity prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days or recognition.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee 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. Changes in the measurement of the liability are recognised in profit or loss.

(j) Leases

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

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 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (Continued)

(j) Leases (Continued)

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.

(k) 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
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

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

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (Continued)

(k) Financial instruments (Continued)

Financial assets (Continued)

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

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

Fair value through other comprehensive income

Equity instruments

The Company has no investments in listed and unlisted entities.

Financial assets through profit or loss

The Company has no investments that fall under this category.

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 significantly 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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (Continued)

(k) Financial instruments (Continued)

Financial assets (Continued)

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.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key judgments - COVID-19

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Company based on known information. The consideration extends to the nature of the services offered, customers, supply chain and staffing. Other than as addressed in specific notes, there does not currently appear to be either significant impact on the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Australian Research Alliance for Children & Youth Limited

ABN : 68 100 902 921

Notes to the Financial Statements For the Year Ended 30 June 2021

3 Critical Accounting Estimates and Judgments (Continued)

Key judgements - incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

4 Revenue and Other Income

	2021	2020
	\$	\$
- Grants	1,823,876	1,699,408
- Member subscriptions	-	64,770
- Training	94,165	169,398
- Conference and events	-	400,230
- Donations	15,350	-
Total Revenue	1,933,391	2,333,806

5 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	1,190,683	1,406,797
Short-term deposits	25,468	-
	1,216,151	1,406,797

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represent fair value.

Short-term deposits are made for varying periods of between one and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

6 Trade and other receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	56,455	19,763
Other receivables	-	41
	56,455	19,804

7 Other Financial Assets

	2021	2020
	\$	\$
CURRENT		
Term deposits	275,290	311,238

Australian Research Alliance for Children & Youth Limited

ABN : 68 100 902 921

Notes to the Financial Statements For the Year Ended 30 June 2021

8 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	25,986	34,224
Accrued income	1,674	43,174
	<u>27,660</u>	<u>77,398</u>

9 Plant and equipment

	2021	2020
	\$	\$
Plant and equipment		
At cost	48,960	39,267
Accumulated depreciation	(15,515)	(32,789)
Total plant and equipment	<u>33,445</u>	<u>6,478</u>

(a) Movements in Carrying Amounts

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

	Plant and Equipment	Total
	\$	\$
Year ended 30 June 2021		
Balance at the beginning of year	6,478	6,478
Additions	35,916	35,916
Disposals	(26,223)	(26,223)
Depreciation writeback	26,084	26,084
Depreciation expense	(8,810)	(8,810)
Balance at the end of the year	<u>33,445</u>	<u>33,445</u>

Australian Research Alliance for Children & Youth Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

10 Right-of-use assets

	Buildings \$	Printer \$	Total \$
Year ended 30 June 2021			
Right of use asset	686,454	52,654	739,108
Accumulated Depreciation	(40,043)	(22,817)	(62,860)
Balance at end of year	646,411	29,837	676,248
	Buildings \$	Printer \$	Total \$
Year ended 30 June 2020			
Right of use asset	247,823	52,654	300,477
Accumulated Depreciation	(171,570)	(12,286)	(183,856)
Balance at end of year	76,253	40,368	116,621

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2021 \$	2020 \$
Finance cost	24,269	10,284
Depreciation of right-of-use assets	126,827	124,911
	151,096	135,195

Statement of Cash Flows

	2021 \$	2020 \$
Total cash outflow for leases - lease repayments	(139,890)	(162,237)

11 Trade and Other Payables

	2021 \$	2020 \$
CURRENT		
Trade payables	22,896	71,979
GST payable	24,702	19,443
Accrued expense	134,093	317,819
PAYG tax payable	19,100	16,628
FBT payable	3,321	3,876
Other payables	917	9,912
	205,029	439,657

Australian Research Alliance for Children & Youth Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

11 Trade and Other Payables (Continued)

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.

12 Contract Liabilities

	2021	2020
	\$	\$
CURRENT		
Amounts received in advance	461,697	617,711

13 Lease Liability

	2021	2020
	\$	\$
CURRENT		
Lease liabilities	44,143	111,861

	2021	2020
	\$	\$
NON-CURRENT		
Lease liabilities	655,773	31,496

14 Employee Benefits

	2021	2020
	\$	\$
Current liabilities		
Long service leave	8,901	-
Provision for employee benefits	66,069	49,031

	2021	2020
	\$	\$
Non-current liabilities		
Long service leave	18,676	12,678

15 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstandings and obligations of the Company.

Australian Research Alliance for Children & Youth Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Australian Research Alliance for Children & Youth Limited during the year are as follows:

The total remuneration paid to key management personnel of the Company is \$ 396,565 (2020: \$ 398,552).

17 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2021 (30 June 2020:None).

18 Events after the end of the Reporting Period

The financial report was authorised for issue on 24 September 2021 by those charged with governance.

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.

19 Statutory Information

The registered office and principal place of business of the is:
Australian Research Alliance for Children & Youth Limited
Suite 9.1, 15 London Circuit
Canberra ACT 2601

Australian Research Alliance for Children & Youth Limited


ABN : 68 100 902 921

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 25, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date.
2. 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.

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

Director

Director

Dated 24 September 2021

Australian Research Alliance for Children & Youth Limited

Independent Audit Report to the members of Australian Research Alliance for Children & Youth Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Research Alliance for Children & Youth Limited, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss 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 the directors' declaration.

In our opinion the financial report of Australian Research Alliance for Children & Youth Limited 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 Registered Entity's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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* section of our report. We are independent of the Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have 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.

Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons are responsible for assessing the Registered Entity'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 responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

Australian Research Alliance for Children & Youth Limited

Independent Audit Report to the members of Australian Research Alliance for Children & Youth Limited

Auditor's Responsibilities for the Audit of the Financial Report

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 to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error 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 the 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 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered 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 Registered 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.

We communicate with those charged with governance 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.

Hardwickes
Chartered Accountants

Australian Research Alliance for Children & Youth Limited

**Independent Audit Report to the members of Australian Research Alliance
for Children & Youth Limited**

Bhaumik Bumia CA
Partner

Canberra