



CHILD WISE
creating child safe communities



2019
**ANNUAL
REPORT**

CONTENTS PAGE

| | |
|--|----|
| ABOUT CHILD WISE | 3 |
| LETTER FROM OUR EXECUTIVE DIRECTOR | 4 |
| 2019 BY NUMBERS | 5 |
| WHAT WE DO | 6 |
| CHILD WISE TRAINING PROGRAMS | 7 |
| CHILD WISE CONSULTING SERVICES | 8 |
| ACCREDITATION CASE STUDY | 9 |
| THE NATIONAL PRINCIPLES FOR CHILD SAFE ORGANISATIONS | 10 |
| CHILD WISE AND KPMG ALLIANCE | 11 |
| COMMUNITY OF PRACTICE | 12 |
| NATIONAL CHILD PROTECTION WEEK | 13 |
| BOARD MEMBER PROFILES | 14 |
| OUR TEAM | 15 |
| OUR SUPPORTERS | 16 |
| FINANCIAL SUMMARY | 17 |
| DIRECTORS' DECLARATION | 18 |
| INDEPENDENT AUDITOR'S REPORT | 19 |
| FINANCIAL RISK MANAGEMENT | 21 |
| INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME | 22 |
| STATEMENT OF FINANCIAL POSITION | 23 |

ABOUT CHILD WISE

Child Wise is committed to the safety and wellbeing of all children. We are uncompromising in our purpose to protect children and young people from harm.

Established in 1991, Child Wise has nearly 30 years of pioneering experience in keeping children and young people safe from harm, specialising in building the capacity of organisations and communities to prevent, recognise and respond to child abuse. We work with organisations of all sizes, across a range of different industries to achieve our mission.

In December 2017, Child Wise became a social enterprise of Save the Children Australia, joining forces to achieve a common goal. The partnership was proposed to drive systemic change through working with organisations to develop child safeguarding practices, policies and culture to keep children and young people safe from harm.

Our Vision

Our vision is a society in which children and young people can grow up free from harm. Anything less is unacceptable.

Our Mission

Our mission is to strengthen the capacity of organisations, communities and families to keep children and young people safe from harm.

Our Values



QUALITY FOCUSED:

we keep children and young people safe by emphasizing best practice in everything we do.



CHILD-CENTRED:

we make sure that children are empowered and that their voices are heard.



COMMITTED:

we are uncompromising and determined in our efforts to prevent harm to children and young people.

LETTER FROM OUR EXECUTIVE DIRECTOR



Dear Child Wise partners, clients and supporters,

The endorsement of the National Principles for Child Safe Organisations (Principles) by the Council of Australian Governments, as well as the introduction of the Commonwealth Child Safe Framework marked 2019 as the year of a strong national focus on child safety and collective responsibility for the protection of children. Child Wise has been on the fore front of building the capacity of organisations where children and young people spend time to become child safe environments.

One of the ways we have done this is through our strategic alliance with KPMG. This alliance has seen us working together to assist organisations in making sure they meet the Principles and other relevant state and territory legislation, and most importantly to foster a culture where the safety of children is prioritised.

We know that children are more likely to feel valued and speak up in environments where they are empowered and are taken seriously. To this end, we are working on a unique, Australian first child-led conference, 'I'm a Teacher, You're a Teacher' in partnership with House of Muchness which will take place on 6 August 2020.

2019 has seen Child Wise expand rapidly with State Managers and staff now located in all states and territories across Australia. This investment in place-based service delivery will reduce costs for our training and consulting clients and provide expertise at a state/territory specific local level.

I am particularly proud of our Child Safeguarding Community of Practice (COP) that we launched in March 2019. The cornerstone of the COP is the Child Wise webinar series which has brought together experts in child safeguarding to record a series of webinars that our members can access as needed. Webinar presenters in the series in 2019 included Commissioner Robert Fitzgerald (Royal Commission into Institutional Responses to Child Sexual Abuse) and Kathryn Mandla, Head of the National Office for Child Safety among others.

This year has also seen Child Wise invest in upgrading our training programs and consulting and coaching methodologies, as well as our internal systems and processes resulting in an enhanced and stream-lined experience for our training and consulting clients. We have been supported in this by Save the Children.

We look forward to this and other projects in 2020 that will help us further our mission to empower children and to ensure their safety and wellbeing by supporting organisations where they spend time.

Yours Sincerely,

A handwritten signature in black ink that reads "Jane French". The signature is fluid and cursive, with the first name "Jane" and last name "French" clearly distinguishable.

Jane French
Child Wise Executive Director

2019 BY NUMBERS



PUBLIC TRAINING

377 public training participants

Representatives from **217** organisations attended our public training



COMMUNITY OF PRACTICE

226 members

572 webinar registrants



IN-HOUSE TRAINING

94 client organisations trained

5102 people attended in-house training



CONSULTING

We supported **43** organisations through our consulting services

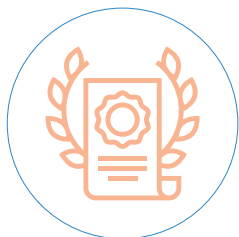


ACCREDITATION

15 active Accreditation clients in 2019

WHAT WE DO

We are proud to be delivering our services nationally and contributing to the safety of children and young people in all states and territories across Australia. We are holistic, rigorous and child-focused in our approach, and always aim to deliver tailored support which facilitates lasting change.



Accreditation

We offer Child Wise Accreditation to organisations that work with children and young people and can demonstrate that their policies, processes and culture are consistently child safe. Child Wise accredits against a child safe organisations framework that is strongly based on the National Principles for Child Safe Organisations.



Consulting

We provide tailored consulting services designed to help organisations strengthen their child safety practice. This may include undertaking an organisation-wide child safety review to identify gaps and strengths, supporting the development of an improvement plan, or policy review and development.



Coaching

We offer a ten-session Child Wise coaching program that works alongside leadership teams and/or child safety officers to enable them to build the child safety capacity of their organisations. Each session explores a particular element of the National Principles for Child Safe Organisations and provides participants with the opportunity to work with their Child Wise coach to develop improvement strategies.



Child Safety Training

We deliver child safety training programs to leadership teams, staff and volunteers that work or engage with children and young people in their workplace. Our programs range in length from 2 hours to 2 days and provide different levels of engagement for participants based on their needs.



Community of Practice

We provide ongoing support to Child Safety Officers or anyone with a child safeguarding portfolio in your organisation via webinars, policy updates, networking opportunities with peers, consultation with our expert advisors, and more.

CHILD WISE TRAINING PROGRAMS

Child Wise delivers child safety training programs to leadership teams, staff and volunteers that work or engage with children and young people in their workplace. We deliver public training at a range of locations throughout Australia, as well as provide in-house training for organisations that need to train groups of staff and volunteers.

In 2019, Child Wise delivered child safety training in every state and territory across Australia.

Child safety training programs delivered in 2019:

| | | | |
|---------------------------------|-------------------------------------|---|-----------------------------------|
| Speak Up | Introduction to Child Safe Practice | Listen Up: Hearing the Voice of the Child | Creating Child Safe Organisations |
| Creating Child Safety Champions | Leading a Child Safe Organisation | Personal Safety | Wise Parent |

"Very well delivered and easy to follow. Good amount of sensitivity surrounding the topic while still being real"

"I would 100% recommend that all workplaces should participate in this training"

"I know a lot about this area but found the training interesting and informative. It was well delivered with a balance between policy/legislative changes and storytelling to illustrate practical examples. Thank you!"

CHILD WISE CONSULTING SERVICES

Child Wise provides tailored consulting services designed to help organisations strengthen their child safety practice based on their specific needs, depending on their size and context. For some organisations, this may include undertaking an organisation-wide child safety review to identify gaps and strengths and supporting the development of an improvement plan. For others, it may involve the development and implementation of child safe policies, procedures and processes.

Consulting Case Studies

Throughout 2019, Child Wise and the Sisters of the Good Samaritan worked together to assess and improve the child safeguarding documentation and safeguarding capacity of the Congregation. The review considered existing policies, procedure, internal reviews and the extent to which the Congregation was working in line with the National Catholic Safeguarding Standards. Child Wise provided the Sisters with a road map to build on existing child safeguarding practices, strengthening their capacity to meet the requirements.



"The Sisters of the Good Samaritan highly valued working with Child Wise on this project. We appreciated their expertise in the area of Child Safeguarding and their capacity to listen and respond to the unique attributes and needs of our organisation. We have been delighted with their professional approach both in terms of their work processes and delivered outcomes."

- Sisters of the Good Samaritan

"The Western Bulldogs are greatly appreciative of the support shown by Child Wise in the review and improvement of our practice to ensure we meet the National Principles for Child Safe Organisations. Child Wise consultants have provided our organisation with amazing support through consultation, review and redevelopment of our policies and procedures. Through an improvement process that has centred around staff training and a continual improvement process, we are confident that we are continuing on the right track to ensure a child safe environment across our Club."

- Western Bulldogs Community Foundation





ACCREDITATION CASE STUDY

EBL Disability Services is a not-for-profit organisation and a registered NDIS provider operating in South Australia that provides a range of support services aimed to help those with intellectual disabilities to live meaningful lives. Their range of services include short stays, accommodation, assisted holidays, learning and lifestyle programs, social and community participation programs, plan management and support coordination.

Aware that many young people with disability experience abuse in care, the leadership team at EBL was determined to introduce a strong safeguarding culture across the organisation. EBL disability services engaged Child Wise with the intent of implementing a child safeguarding framework aimed to lead an in-depth cultural shift in the organisation.

Being a child safe organisation is about how we remove the risk, investigate and take action. It's ok to speak up

"I have seen the difference that a safeguarding environment can create, and it is down to the culture. Here at EBL, everyone knows to pick up the phone and ask questions if they are unsure about what to do. Being a child safe organisation is about how we remove the risk, investigate and take action. It's ok to speak up" said Wendy Warren, Chief Executive Officer

EBL became a Child Wise Accredited Organisation in May 2019. As part of the accreditation process, EBL undertook an organisation-wide child safety needs assessment and strengthened their internal capacity to successfully implement the recommendations from the improvement plan developed with Child Wise.

EBL's board and staff were involved in the development of a child safe policy, a code of conduct, and various procedures related to recruitment and selection, and feedback and complaints, in addition to other activities that contributed towards building a child safe environment and culture in line with the National Principles for Child Safe Organisations.

EBL's board, staff and volunteers also attended comprehensive child safety training to equip them with the appropriate skills and knowledge to be able to identify risks to children and respond to concerns and allegations of harm based on their needs. The nominated Child Safety Champions at EBL were trained to lead and implement child safety reforms in the organisation through our Child Safety Champions program, formerly known as Train the Trainer.

"Engaging all of our staff, even those working across the adult services to understand what safety for the vulnerable is all about was really important to create an organisation wide culture of child safety. Helping people understand through the process of learning is paramount."

"The accreditation process was demanding and it took time, but it was completely worth it. We are very proud of our Child Wise accreditation."

THE NATIONAL PRINCIPLES FOR CHILD SAFE ORGANISATIONS

On February 19, 2019 the Council of Australian Governments (COAG) unanimously endorsed 10 National Principles for Child Safe Organisations in line with the recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse (Royal Commission).

The national endorsement of child safety principles means that every organisation in Australia that works or engages with children in any way, will have to ensure they provide a safe environment, where children are protected from harm.

The Royal Commission demonstrated that historically organisations have failed to keep children and young people safe in their care. Throughout the five years of the Royal Commission more than 8,000 adults shared their story of the abuse they endured as children in the 'care' of institutions.

The National Principles for Child Safe Organisations were developed by the National Children's Commissioner and reflect the ten child safe standards recommended by the Royal Commission, with a broader scope that goes beyond sexual abuse to cover other forms of potential harm.

The National Principles for Child Safe Organisations and Child Wise

The Child Wise approach to child safeguarding is strongly based on the National Principles for Child Safe Organisations (Principles), as the founding pillars of a nation-wide approach to child safety. The Principles are embedded in everything we do, including our training programs, consulting and coaching services.

Child Wise accredits organisations against a child safe organisations framework that is strongly based on the Principles, and we are a leading voice in advocating for the empowerment and participation of children.



CHILD WISE AND KPMG ALLIANCE



Since the endorsement of the National Principles for Child Safe Organisations, KPMG and Child Wise formed a strategic alliance to better respond to the growing demand across the wide spectrum of organisations that have a responsibility to ensure the safety of children. Together, KPMG and Child Wise are able to provide large organisations with assurance they are meeting their child safeguarding obligations through a focus on risk management and empowerment of staff, children and stakeholders.

The KPMG and Child Wise alliance provides access to subject matter expertise and experience in promoting, building and fostering safeguarding cultures and practices. Between KPMG and Child Wise, organisations have access to a passionate and multidisciplinary team, who bring expertise in many fields to provide an end-to-end service, with a deep understanding of child safeguarding. KPMG and Child Wise have worked on large scale child safety projects and bring learnings, insights and leading practices.

Our joint specialist team brings leaders in child safety including unmatched expertise in audit, risk and compliance as well as child safety capacity building and training. This means we have combined experience to help organisations understand both how they measure compliance and strengthen capability and capacity. Together we bring a unique skillset in the market with expertise across all sectors.



COMMUNITY OF PRACTICE

The Child Wise Community of Practice was launched in March 2019 as a hub of information and knowledge aimed to support Child Safety Officers or anyone whose role includes a focus on child safety within their organisation, anywhere in Australia.

We heard from 5 incredibly engaging experts in child safeguarding as part of the Community of Practice webinar series:

1. **The New National Principles for Child Safe Organisations** presented by Robert Fitzgerald AM, former Commissioner of the Royal Commission into Institutional Responses to Child Sexual Abuse
2. **How to facilitate the engagement and participation of children in organisations to promote their safety** presented by Associate Professor Tim Moore from the Australian Centre for Child Protection
3. **Impacts of childhood trauma, including abuse and its manifestations** presented by Dr. Cathy Kezelman AM, President of Blue Knot Foundation - National Centre of Excellence for Complex Trauma
4. **Child safety policies and codes of conduct** presented by Kathryn Mandla, Head of the National Office for Child Safety
5. **Child safety in Aboriginal organisations** presented by Muriel Bamblett AO, CEO of the Victorian Aboriginal Child Care Agency (VACCA) and Chairperson of the Secretariat of National Aboriginal and Islander Child Care (SNAICC)

In its first year, the Community of Practice has had over 200 individual members across the nation - a network of child safeguarding officers and other professionals tasked with keeping children and young people safe in their organisation. We are proud to have supported them in their crucial work via the resources and tools provided in the online Community of Practice portal.

"Great content, examples and practical ways to embed a child safety approach in our organisation."

"Thank you. The webinar promoted a lot of discussion and change to our agency. We will definitely be joining future webinars."

"It is clear that this form of knowledge sharing is important and essential to learning."



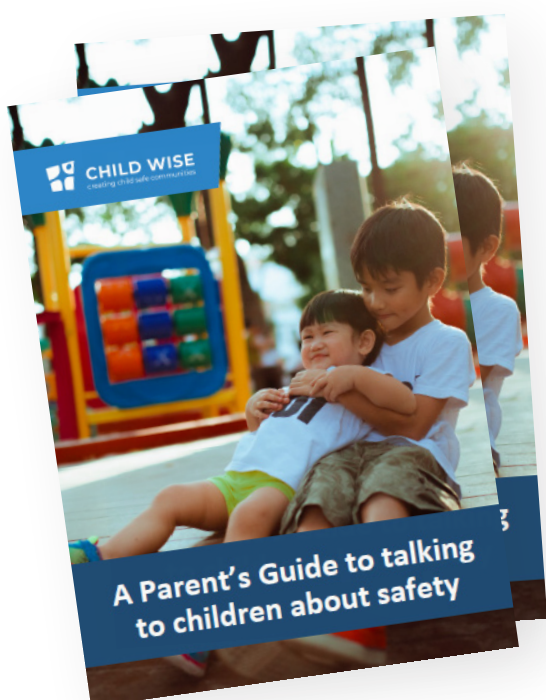
NATIONAL CHILD PROTECTION WEEK

A number of recent inquiries in Australia have identified that child safety cannot be taken for granted, and a concerted focus by all communities and organisations that engage with children and young people is necessary to ensure children's rights and wellbeing is protected.

National Child Protection Week is a significant time of year for children's rights and wellbeing, as it places the spotlight on child protection and the ongoing need to keep the safety of children front of mind.

"...anybody who thinks that the abuse of children in organisations is a thing of the past is sadly very mistaken." – Liana Buchanan, Principal Commissioner for Children and Young People in Victoria

This year, we had the honour of interviewing Liana Buchanan, Principal Commissioner for Children and Young People in Victoria who shared with us her expertise and insight into Victoria's implementation of the Child Safe Standards. A video mini-series was aired on our social media channels during Child Protection Week to share key insights from the Principal Commissioner's interview with professionals who work or engage with children and young people, including the importance of hearing children's voices in organisations and the myths around child abuse.



Jane French, Child Wise Executive Director (left) and Liana Buchanan, Principal Commissioner for Children and Young People (right)

In line with this year's Child Protection Week theme, "Parenting is like navigating waters", we recorded a podcast titled "Is my child safe here?" to help empower parents to ensure the safety of children and young people in the organisations where they spend time. In addition, we provided a free "Parent's Guide to talking to children about safety" aimed to support parents and carers in how to talk to young children about personal safety and to arm children with the knowledge to identify unsafe situations and to speak up if they ever have concerns.

BOARD MEMBER PROFILES

The Board of Child Wise consists of Peter Hodgson, Michelle Somerville and Paul Ronalds in their capacities as directors and Chief Executive Officer respectively of Save the Children Australia.



Peter Hodgson

Peter Hodgson is currently a director of several public companies and, until late 2016, was the Chief Executive Officer of The Myer Family Company. Peter has been a director of Save the Children since May 2012 and became Chairman in June 2012. He became a Child Wise board member with the Save the Children merger in December 2017.



Michelle Somerville

Michelle Somerville was an audit partner at KPMG and has 26 years of experience in financial accounting, audit, risk management and compliance across a range of industries including the not-for-profit sector, in both Australia and the United States. Michelle has been a director of Save the Children since December 2012 and a Child Wise board member since December 2017.



Paul Ronalds

Paul Ronalds joined Save the Children Australia as Chief Executive Officer in July 2013 and led the merger with Child Wise in December 2017. Prior to joining Save the Children, Paul was First Assistant Secretary responsible for the Office of Work and Family in the Department of Prime Minister and Cabinet.



OUR TEAM

Staff

Our team of passionate professionals come from a range of backgrounds and bring expertise in many fields surrounding the protection of children. This expertise spans disciplines including social work, marketing, event planning, psychology, education and most significantly, child protection.



Student placements

A big thank you to our volunteers who have contributed their time and skills to assisting and supporting the work of Child Wise.

Marianne Sackson (Mazz)

Mazz Sackson completed a student placement at Child Wise as part of her Master of International Development at RMIT University. Mazz has a passion for promoting youth agency and inspiring action through community participation. Her project at Child Wise focused on meaningful inclusion of young people within organisations and working on youth participation strategies.

Sadhna Sharma

Sadhna Sharma joined Child Wise for a 3-month student field education placement as part of her Master of Social Work degree.

She was an excellent addition to the team, working with key team members to fine tune consulting processes and making a valuable contribution to key projects.

OUR SUPPORTERS

Child Wise is grateful for the incredible generosity of our Corporate, Not-for-profit, Government, Trust and Foundation Partners, as well as our individual donors that support the work that we do to protect children and young people from harm.



FINANCIAL SUMMARY

Child Wise financial statements for the year end 31 Dec 2019 were approved and authorised for issue by the Board on 27 March 2020.

In 2019, our total income was \$1.727 million, an increase of 53% from 2018. This was primarily due to growth in consulting (288%), donations (40%) and training (12%) as we gradually expand nationally. We engaged State Managers in QLD, NSW, SA & WA to increase brand awareness and bring local state knowledge into the mix.

As a result of our expansion, the percentage of overall consulting activities grew by 156% from 2018. Our investment in consulting is critical to ensuring our impact in helping build child safe communities and a society in which children and young people can grow up free from harm.

The proportion of spend on training activities has also increased (+59%) due to our continued focus on growing this part of the organisation. The proportion of spend program has reduced by 52% in 2019, partly due to the increase spend on consulting activities and partly due to a reduction in program costs. By listening to our clients, we were able to streamline our programs ensuring we delivered what our clients needed and providing value add.



DIRECTORS' DECLARATION

For the year ended 31 December 2019

In the directors' opinion:

- a. the Company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in Note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and associated regulations requirements to prepare and distribute the financial statements to the members of Child Wise Limited;
- b. the financial statements and notes set out on pages 5 to 21 are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:
 - i complying with Accounting Standards as described in Note 1 to the financial statements, the ACNC Regulations 2013 and any other mandatory professional reporting requirements, and
 - ii giving a true and fair view of the Company's financial position as at 31 December 2019 and its performance and cash flows for the year ended on that date, and
- c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.



Peter Hodgson
Chairman

Melbourne:
27 March 2020

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT

To the Members of Child Wise Limited

Opinion

We have audited the financial report of Child Wise Limited ("the registered entity") which comprises the statement of financial position as at 31 December 2019, the income statement and the statement of 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 Child Wise Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2019 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 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 Child Wise Limited in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have 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.

Emphasis of Matter

We draw attention to Note 14 of the financial report, which describes the effects on the operations of the registered entity of the COVID-19 virus. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Child Wise Limited to meet the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Other Information

The directors of the registered entity are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 31 December 2019, but does not include the financial report and the 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 Management and Those Charged with Governance for the Financial Report

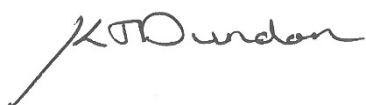
The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the 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.

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

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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

**RSM AUSTRALIA PARTNERS****K J DUNDON**

Partner

Dated: 30 March 2020
Melbourne, Victoria

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk.

The Company's overall risk management strategy & framework recognises the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance and future financial security of the Company.

The Company's principal financial instruments comprise of cash and short-term deposits, receivables and payables.

The Company holds the following financial instruments:

| | As at 31 December 2019 \$000 | As at 31 December 2018 \$000 |
|-------------------------------|------------------------------------|------------------------------------|
| FINANCIAL ASSETS | | |
| Cash and cash equivalents | 69 | 370 |
| Trade and other receivables | 338 | 34 |
| Other current assets | 10 | 92 |
| TOTAL FINANCIAL ASSETS | 417 | 496 |

| | | |
|------------------------------------|------------|------------|
| FINANCIAL ASSETS | | |
| Trade and other payables | 40 | 406 |
| Deferred income | 380 | 121 |
| TOTAL FINANCIAL LIABILITIES | 420 | 527 |

(a) Interest rate risk

The Company has no significant concentrations of interest rate risk.

(b) Credit risk

The Company has no significant concentrations of credit risk.

(c) Liquidity risk

Liquidity risk arises from the financial liabilities of the Company and its ability to meet its obligations to repay these liabilities as and when they fall due. The Company manages this liquidity risk by monitoring total cash inflows and outflows expected on a monthly basis and maintaining sufficient cash and liquid investments to meet its operating requirements.

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

| | 2019 | 2018 |
|----------------------|--------------|--------------|
| | \$'000 | \$'000 |
| REVENUE | | |
| Training | 460 | 412 |
| Grant Income | 269 | 273 |
| Consulting | 520 | 134 |
| Donations and gifts | 426 | 304 |
| Other income | 52 | 9 |
| TOTAL REVENUE | 1,727 | 1,132 |

| | | |
|------------------------------------|--------------|--------------|
| EXPENDITURE | | |
| Consulting expenses | 517 | 202 |
| Training expenses | 338 | 212 |
| Program expenses | 92 | 192 |
| Administration expenses | 448 | 310 |
| Travel expenses | 68 | 19 |
| Printing and publications expenses | - | 1 |
| Rent and outgoings expenses | 60 | 42 |
| Other expenses | 158 | 29 |
| TOTAL EXPENDITURE | 1,681 | 1,007 |
| Net surplus | 46 | 125 |

| | | |
|---|-----------|------------|
| OTHER COMPREHENSIVE INCOME | | |
| Items that may be reclassified subsequent to Profit or Loss | - | - |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 46 | 125 |

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

| | 2019 | 2018 |
|----------------------------------|------------|-------------|
| Assets | \$'000 | \$'000 |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 69 | 370 |
| Trade and other receivables | 338 | 34 |
| Other current assets | 10 | 91 |
| TOTAL CURRENT ASSETS | 417 | 495 |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 17 | 12 |
| Total non-current assets | 17 | 12 |
| TOTAL ASSETS | 434 | 507 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 40 | 418 |
| Deferred income | 380 | 121 |
| TOTAL CURRENT LIABILITIES | 420 | 539 |
| TOTAL LIABILITIES | 420 | 539 |
| NET ASSETS | 14 | (32) |
| EQUITY | | |
| Accumulated surplus | 14 | (32) |
| TOTAL EQUITY | 14 | (32) |



CHILD WISE

creating child safe communities

1300 CHILD WISE (1300 244 539)

info@childwise.org.au | www.childwise.org.au

#bechildwise