



# Child & Family Services Ballarat Inc.

ABN 83 786 843 940

Financial Statements for the year ended 30 June 2024



# CHILD & FAMILY SERVICES BALLARAT INC.

ABN 83 786 843 940

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For the year ended 30 June 2024

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## CHILD & FAMILY SERVICES BALLARAT INC.

ABN 83 786 843 940

### Board of Governance's Report For the year ended 30 June 2024

The Board of Governance present their report, together with the financial statements of Child & Family Services Ballarat Inc. ("Cafs") for the year ended 30 June 2024.

#### Names and information on Board Members

The names of each person who has been a board member during the financial year are outlined below. Board members have been in office for the entire financial year unless otherwise stated.

<b>Tammy Fitzgerald</b>	
Role	Board Member, Chair (appointed 20 October 2022, retired October 2023)
Qualification	Master of Enterprise, Faculty of Business & Economics
<b>John White</b>	
Role	Deputy Chair and Treasurer (until October 2023), Chair (appointed October 2023)
Qualification	MAICD, MRICS, FFin, AAPI, BBus (Land Economy), Grad Dip. (App Fin Inv)
<b>Gary Hevey RFD, SC.</b>	
Role	Board member, Deputy Chair and Secretary (appointed October 2023)
Qualification	LL.B. (Hons), LL.M.
<b>Gabby Howlett</b>	
Role	Board member, Treasurer (appointed October 2023)
Qualification	Bachelor of Business (Accountancy), Member of Institute of Chartered Accountants, Registered Tax Agent
<b>Jayne Ferguson</b>	
Role	Board member
Qualification	BA Psychology & Sociology, Grad Dip (Counselling & Human Services), Certificate of Business Excellence
<b>Karen Heap OAM</b>	
Role	Board member
Qualification	Chief Executive Officer – Ballarat and District Aboriginal Cooperative (BADAC)
<b>Andrew Henwood</b>	
Role	Board member (appointed October 2023)
Qualification	MBA, Dip Business Accounting, Cert IV Community Services (Employment)
<b>Sharelle Knight</b>	
Role	Board member
Qualification	Bachelor of Arts, Bachelor of Social Work, Graduate Diploma Human Services Administration (Monash)
<b>Jeff Pulford</b>	
Role	Board member (appointed October 2023)
Qualification	Grad Dip. Public Policy, Member AICD
<b>Cherie Salmon</b>	
Role	Board member (appointed October 2023)
Qualification	BA Education, Grad Dip Special Ed, Grad Dip Social Science (Human Services – Counselling)
<b>Teresa Tija</b>	
Role	Board member
Qualification	BSC Hons (UWA), MSc (UWA)

## CHILD & FAMILY SERVICES BALLARAT INC.

ABN 83 786 843 940

### Board of Governance's Report For the year ended 30 June 2024

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Rob Croucher	
Role	Board member (retired October 2023)
Qualification	BA (Philosophy)

Ross Waddington	
Role	Board member (retired October 2023)
Qualification	Bachelor of Business, Graduate Diploma Quality Management in Health Care, Master of Health Administration

Michelle Wilson	
Role	Board member (retired October 2023)
Qualification	Master of Educational Leadership, Graduate Diploma Special Education, Diploma Teaching

#### Principal activities

During the year ended 30 June 2024, the principal activities of Cafs were to provide early intervention and prevention support services to children, young people, families and individuals.

These services include:

- out-of-home care for children and young people;
- family support programs;
- family violence services;
- housing and homelessness services;
- family counselling; and
- financial counselling and problem gambling support.

Cafs services the Central Highlands and Grampians regions of Victoria.

No significant changes in the nature of Cafs' principal activities occurred during the financial year.

#### Operating results

The operating surplus for the year of Cafs amounted to \$33,556 (2023: \$477,925).

## Board of Governance's Report

### For the year ended 30 June 2024

#### Meetings of Board Members

Attendances by each Board Member were as follows:

	Board meetings					
	Board of Governance		Audit & Risk Committee	Finance & Resources Committee	Quality, Safety, People & Culture Committee	Community Advisory Committee*
	Eligible	Attended	Attended/Eligible	Attended/Eligible	Attended/Eligible	Attended/Eligible
Tammy Fitzgerald	2	0	-	-	0/1	-
John White	7	7	4/4	5/5	-	-
Gary Hevey	7	6	3/4	-	-	-
Gabby Howlett	7	7	1/1	5/5	-	-
Rob Croucher	2	2	-	-	1/1	-
Jayne Ferguson	7	7	-	-	5/6	2/2
Karen Heap	7	5	-	-	-	1/2
Andrew Henwood	5	5	1/1	2/3	-	-
Sharelle Knight	7	6	-	5/5	5/6	-
Jeff Pulford	5	5	2/3	-	-	-
Cherie Salmon	5	5	-	-	4/4	-
Teresa Tija	7	6	-	4/5	-	-
Ross Waddington	2	2	2/2	½	-	-
Michelle Wilson	2	0	-	-	-	-

\* This meeting is also attended by a number of community representatives.

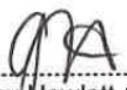
#### After balance date events


Refer note 8.5 for further information.

#### Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found immediately after this Board of Governance's report.

Signed in accordance with a resolution of the Board of Governance.

Board Member:   
 Gabby Howlett (Treasurer)

Board Member:   
 Jeff Pulford (Acting Chair)

Dated this 20<sup>th</sup> day of September 2024

## AUDITOR'S INDEPENDENCE DECLARATION

### RSM Australia Partners

12 Anderson Street West, Ballarat VIC 3350  
PO Box 685 Ballarat VIC 3353

T +61 (0) 3 5330 5800  
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[www.rsm.com.au](http://www.rsm.com.au)

As lead auditor for the audit of the financial report of Child & Family Services Ballarat Inc. for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

*RSM*

**RSM AUSTRALIA PARTNERS**

A handwritten signature in black ink that reads "John Findlay".

**JOHN FINDLAY**

Partner

Ballarat, Victoria

Dated this 20<sup>th</sup> day of September 2024

**THE POWER OF BEING UNDERSTOOD**  
ASSURANCE | TAX | CONSULTING

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CHILD & FAMILY SERVICES BALLARAT INC.

ABN 83 786 843 940

**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Revenue</b>			
Government revenue	2.1	33,036,547	32,234,991
Other income	2.2	1,537,158	1,342,180
<b>Total revenue</b>		<b>34,573,705</b>	<b>33,577,171</b>
<b>Expenses</b>			
Employee benefits expense	3.1	26,055,560	24,205,945
Other expenses	3.4	7,298,977	7,630,624
Depreciation and amortisation	4.3	1,070,165	1,118,463
Finance costs		115,447	144,214
<b>Total expenses</b>		<b>34,540,149</b>	<b>33,099,246</b>
<b>Operating surplus for the year</b>		<b>33,556</b>	<b>477,925</b>
Net gain on disposal of property, plant and equipment		34,493	970,850
Net loss on revaluation of buildings		(586,155)	-
<b>(Deficit)/surplus for the year</b>		<b>(518,106)</b>	<b>1,448,775</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of equity instruments at fair value through other comprehensive income		1,823,251	960,733
Gain on revaluation of land		1,395,280	-
<b>Other comprehensive income for the year</b>		<b>3,218,531</b>	<b>960,733</b>
<b>Total comprehensive income for the year</b>		<b>2,700,425</b>	<b>2,409,508</b>

# CHILD & FAMILY SERVICES BALLARAT INC.

ABN 83 786 843 940

## Statement of Financial Position

As at 30 June 2024

	Note	2024 \$	2023 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.1	2,033,616	615,638
Trade and other receivables	5.1	344,318	207,379
Investments and other financial assets	4.5	2,342,822	5,312,856
Other assets	5.2	375,757	360,314
<b>Total Current Assets</b>		<b>5,096,513</b>	<b>6,496,187</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	4.1	13,070,314	12,174,973
Right-of-use assets	4.2	1,745,974	1,866,513
Intangible assets	4.4	400,341	499,810
Investments and other financial assets	4.5	13,762,516	11,929,265
<b>Total Non-Current Assets</b>		<b>28,979,145</b>	<b>26,470,561</b>
<b>TOTAL ASSETS</b>		<b>34,075,658</b>	<b>32,966,748</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	5.3	2,218,435	3,185,350
Contract liabilities	5.4	823,370	370,225
Lease liabilities	6.2	197,510	202,602
Employee benefit provisions	3.2	1,635,964	2,003,767
Provisions	3.3	1,706,592	1,877,993
Other financial liabilities	6.3	466,478	835,959
<b>Total Current Liabilities</b>		<b>7,048,349</b>	<b>8,475,896</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	6.2	1,730,397	1,847,859
Employee benefit provisions	3.2	232,394	278,900
<b>Total Non-Current Liabilities</b>		<b>1,962,791</b>	<b>2,126,759</b>
<b>TOTAL LIABILITIES</b>		<b>9,011,140</b>	<b>10,602,655</b>
<b>NET ASSETS</b>		<b>25,064,518</b>	<b>22,364,093</b>
<b>EQUITY</b>			
Reserves	8.4	5,031,710	1,812,543
Retained surpluses		20,032,808	20,551,550
<b>TOTAL EQUITY</b>		<b>25,064,518</b>	<b>22,364,093</b>

The accompanying notes form part of these financial statements



CHILD & FAMILY SERVICES BALLARAT INC.

ABN 83 786 843 940

Statement of Changes in Equity  
For the year ended 30 June 2024

	Retained surpluses \$	Investment revaluation reserve \$	Specific purpose funds \$	Property revaluation reserve \$	Total \$
<b>2024</b>					
<b>Balance at 1 July 2023</b>	20,551,550	1,804,170	8,373	-	22,364,093
Deficit for the year	(518,106)	-	-	-	(518,106)
Other comprehensive income	-	1,823,251	-	1,395,280	3,218,531
Transfer from retained surpluses	(636)	-	636	-	-
<b>Balance at 30 June 2024</b>	<b>20,032,808</b>	<b>3,627,421</b>	<b>9,009</b>	<b>1,395,280</b>	<b>25,064,518</b>
<b>2023</b>					
<b>Balance at 1 July 2022</b>	19,037,896	908,316	8,373	-	19,954,585
Surplus for the year	1,448,775	-	-	-	1,448,775
Other comprehensive income	-	960,733	-	-	960,733
Disposal of shares held at FVOCI	64,879	(64,879)	-	-	-
<b>Balance at 30 June 2023</b>	<b>20,551,550</b>	<b>1,804,170</b>	<b>8,373</b>	<b>-</b>	<b>22,364,093</b>

The accompanying notes form part of these financial statements

## CHILD & FAMILY SERVICES BALLARAT INC.

ABN 83 786 843 940

### Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from government and community (including GST)		37,180,778	35,416,751
Payments to suppliers and employees (including GST)		(38,252,710)	(33,854,777)
Dividends received		419,648	564,540
Interest received		250,109	127,907
Interest paid		(115,447)	(144,214)
<b>Net cash (used in)/provided by operating activities</b>		<b>(517,622)</b>	<b>2,110,207</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		321,081	2,031,570
Purchase of intangible assets		(12,375)	-
Purchase of property, plant and equipment		(1,148,941)	(1,152,429)
Proceeds from sale of shares		-	324,736
Purchase of shares		(10,000)	(2,288,810)
Proceeds from redemption of term deposits		2,970,034	(3,752,049)
<b>Net cash provided by/(used in) investing activities</b>		<b>2,119,799</b>	<b>(4,836,982)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment for lease liabilities		(184,199)	(208,682)
<b>Net cash used in financing activities</b>		<b>(184,199)</b>	<b>(208,682)</b>
Net increase/(decrease) in cash and cash equivalents held		1,417,978	(2,935,457)
Cash and cash equivalents at beginning of financial year		615,638	3,551,095
<b>Cash and cash equivalents at end of financial year</b>	6.1	<b>2,033,616</b>	<b>615,638</b>

**Notes to the Financial Statements**

For the year ended 30 June 2024

**Note 1 Material Accounting Policy information**

The financial statements cover Child & Family Services Ballarat Inc. ("Cafs") as an individual entity. Cafs is an incorporated association incorporated in Victoria under the *Associations Incorporation Reform Act 2012*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

**New or amended Accounting Standards and Interpretations adopted**

Cafs has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – *Simplified Disclosures* of the Australian Accounting Standards Board (AASB), the *Associations Incorporation Reform Act 2012*, the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and associated regulations. Cafs is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The financial statements are prepared on a going concern basis.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Cafs' accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the relevant notes.

**a) Association details**

The registered office and principal place of business of the association is:

Child & Family Services Ballarat Inc.  
115 Lydiard Street North  
Ballarat VIC 3350

**b) Goods and services tax (GST)**

Revenues, 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 or 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

**c) Income tax**

No provision for income tax has been raised as Cafs is exempt from income tax pursuant to Division 50, section 50-10 of the *Income Tax Assessment Act 1997*.

**Notes to the Financial Statements**

**For the year ended 30 June 2024**

**Note 1 Material Accounting Policy information (cont.)**

**d) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in Cafs' normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in Cafs' normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**e) Comparative information**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## CHILD & FAMILY SERVICES BALLARAT INC.

ABN 83 786 843 940

### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 2 Funding Delivery of Our Services

Cafs' overall objective is to provide early intervention and prevention support services to children, young people, families and individuals in the Central Highlands and Grampians regions of Victoria. To enable Cafs to fulfil its objectives it receives income mainly from government funding. Cafs also receives income from the sale of goods and supply of services as outlined in the statement of profit or loss and other comprehensive income.

2.1: Government revenue

2.2: Other income

	2024	2023
	\$	\$
<b>Note 2.1: Government revenue</b>		
Provisions of community services via grant funding	33,036,547	32,234,991
<b>Total government revenue</b>	<b>33,036,547</b>	<b>32,234,991</b>
All of the above revenue is recognised from contracts within the geographical region of Australia.		
<b>Note 2.2: Other income</b>		
Business undertakings	108,822	79,084
Fundraising income	375,383	310,271
Other income	383,196	260,378
Interest	250,109	127,907
Dividends	419,648	564,540
<b>Total other income</b>	<b>1,537,158</b>	<b>1,342,180</b>
<b>Total revenue and other income</b>	<b>34,573,705</b>	<b>33,577,171</b>

#### Revenue recognition

All revenue is stated net of the amount of goods and services tax (GST).

##### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which Cafs is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, Cafs:

1. identifies the contract with a customer;
2. identifies the performance obligations in the contract;
3. determines the transaction price which takes into account estimates of variable consideration and the time value of money;
4. allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
5. recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

**Notes to the Financial Statements**

For the year ended 30 June 2024

**Note 2 Funding Delivery of Our Services (cont.)**

*Grant funding*

Grant revenue is recognised in profit or loss when Cafs satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before Cafs is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a contract liability until those conditions are satisfied.

If there are no specific performance obligations identified within the funding agreement, income is recognised on receipt.

Some revenue from government grants meets the necessary criteria to be accounted for as revenue from contracts with customers under AASB 15. Performance obligations arising from contracts for government grants are generally satisfied over time, as Cafs meets the relevant criteria to retain the associated funding. The methods used to measure Cafs' progress towards achieving its performance obligations arising from its contracts for government grants are either inputs or outputs based.

Where there is not an enforceable agreement or specific performance obligations, income is recognised under AASB 1058.

*Business undertakings*

Cafs receives income from room hire. Income is recognised when performance obligations are met, that is when the rooms which have been hired are utilised.

*Interest*

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

*Dividends*

Dividend revenue is recognised when the right to receive payment is established. Dividends represent the revenue arising from Cafs' investment in financial assets.

*Fundraising revenue*

Donations and bequests are recognised as revenue when received.

*Other income*

Other income is recognised when it is received or when the right to receive payment is established.

*Volunteer services*

Cafs has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

## Notes to the Financial Statements

For the year ended 30 June 2024

**Note 3 The Cost of Delivering Services**

This section provides an account of the expenses incurred by Cafs in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

- 3.1: Breakdown of employee benefits expenses
- 3.2: Provisions for employee benefits in the statement of financial position
- 3.3: Provisions
- 3.4: Breakdown of operating expenses

	2024	2023
	\$	\$
<b>Note 3.1: Breakdown of employee benefits expenses</b>		
Salaries and wages	23,189,419	21,490,000
Superannuation	2,296,149	2,026,416
Workcover	569,992	689,529
<b>Total employee benefits expenses</b>	<b><u>26,055,560</u></b>	<b><u>24,205,945</u></b>

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, and WorkCover premiums. Contributions are made by Cafs to an employee superannuation fund and are charged as expenses when incurred.

**Note 3.2: Provision for employee benefits in the statement of financial position***Current*

Provision for annual leave	1,450,175	1,620,982
Provision for time-in-lieu	11,178	12,901
Provision for long service leave	174,611	369,884
<b>Total current employee benefits provisions</b>	<b><u>1,635,964</u></b>	<b><u>2,003,767</u></b>

*Non-current*

Provision for long service leave	232,394	278,900
<b>Total non-current employee benefits provisions</b>	<b><u>232,394</u></b>	<b><u>278,900</u></b>
<b>Total employee benefits provisions</b>	<b><u>1,868,358</u></b>	<b><u>2,282,667</u></b>

**Employee benefits recognition**

Provision is made for the Cafs' liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Cafs' employees are entitled to take 13 weeks' long service leave after 10 years of continuous service. The portion of the provision relating to employees with 7 or more years of service is shown as a current liability.

Time-in-lieu is provided for based on additional hours worked.

Staff are entitled to leave loading at the rate of 17.5% in relation to their annual leave.

**Critical accounting estimates and judgments: Employee benefits**

As discussed above, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Notes to the Financial Statements**

For the year ended 30 June 2024

**Note 3 The Cost of Delivering Services (cont.)**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Note 3.3: Provisions</b>		
<i>Current</i>		
Civil claims and redress scheme provision	1,706,592	1,877,993
<b>Total provisions</b>	<b><u>1,706,592</u></b>	<b><u>1,877,993</u></b>

**Civil claims and redress scheme provision recognition**

Cafs has historically adopted the approach of providing for uninsured open civil claims at the end of the financial year.

The National Redress Scheme commenced operation on 1 July 2018 and will run for a period of 10 years. Cafs signed up to the National Redress Scheme in April 2019 which has resulted in a requirement to include a provision for future claims.

The provision for civil claims and national redress scheme is based on:

- the number of uninsured open civil claims; plus
- the estimated number of claims from the National Redress Scheme based on recorded incidents that meet the eligibility criteria.

**Note 3.4: Breakdown of operating expenses**

Advertising and promotion	151,170	147,026
Audit fees	35,904	56,000
Capital and equipment below capitalisation threshold	99,196	224,595
Civil claims and redress scheme expenses	1,005,792	885,839
Client costs	2,674,217	2,348,209
Engagement, management and retention costs	133,535	223,340
Motor vehicle expenses	175,065	161,538
Occupancy costs	190,898	276,029
Office costs	972,065	1,096,689
Organisation expenses	562,314	686,159
Other expenses	154,774	85,537
Professional development	233,031	211,508
Repairs and maintenance	451,550	557,635
Subcontractor expenses	459,466	670,520
<b>Total operating expenses</b>	<b><u>7,298,977</u></b>	<b><u>7,630,624</u></b>

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. Other operating expenses are recognised as an expense in the reporting period in which they are incurred.



## CHILD & FAMILY SERVICES BALLARAT INC.

ABN 83 786 843 940

### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 4 Key Assets to Support Service Delivery

Cafs controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources to be utilised for delivery of those outputs.

- 4.1: Property, plant and equipment
- 4.2: Right-of-use assets
- 4.3: Depreciation and amortisation
- 4.4: Intangible assets
- 4.5: Investments and other financial assets

	2024	2023
	\$	\$
<b>Note 4.1: Property, plant and equipment</b>		
<i>Non-current</i>		
<i>Land</i>		
Land at valuation (2024)	4,852,280	
Land at valuation (2020)	-	3,457,000
<b>Total land</b>	<b>4,852,280</b>	<b>3,457,000</b>
<i>Buildings</i>		
Buildings at valuation (2024)	6,112,720	-
Buildings at valuation (2020)	-	6,847,811
Less accumulated depreciation	-	(369,729)
<b>Total buildings</b>	<b>6,112,720</b>	<b>6,478,082</b>
Leasehold improvements at cost	344,087	344,087
Less accumulated depreciation	(233,348)	(191,095)
<b>Total leasehold improvements</b>	<b>110,739</b>	<b>152,992</b>
Capital work in progress	<b>130,558</b>	<b>389,310</b>
<i>Plant and equipment</i>		
Furniture, fittings and equipment at cost	949,656	871,248
Less accumulated depreciation	(683,269)	(600,750)
<b>Total plant and equipment</b>	<b>266,387</b>	<b>270,498</b>
Computer equipment at cost	2,618,219	2,505,326
Less accumulated depreciation	(2,237,287)	(1,934,931)
<b>Total computer equipment</b>	<b>380,932</b>	<b>570,395</b>
Motor vehicles at cost	1,552,561	1,288,849
Less accumulated depreciation	(335,863)	(432,153)
<b>Total motor vehicles</b>	<b>1,216,698</b>	<b>856,696</b>
<b>Total property, plant and equipment</b>	<b>13,070,314</b>	<b>12,174,973</b>

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Notes to the Financial Statements

For the year ended 30 June 2024

Note 4 Key Assets to Support Service Delivery (cont.)

Note 4.1: Property, plant and equipment (cont.)

i) Reconciliations of the carrying amounts of each class of asset

	Land (at valuation) \$	Buildings (at valuation) \$	Leasehold improvements \$	Capital works in progress \$	Furniture, fittings and equipment \$	Computer equipment \$	Motor vehicles \$	Total \$
<b>2024</b>								
<b>Balance at 1 July 2023</b>	3,457,000	6,478,082	152,992	389,310	270,498	570,395	856,696	12,174,973
Additions	-	-	-	147,872	70,407	112,893	817,770	1,148,942
Disposals	-	-	-	-	-	-	(286,589)	(286,589)
Depreciation expense	-	(125,543)	(42,253)	-	(82,518)	(302,356)	(171,179)	(723,849)
Revaluations	1,395,280	(586,155)	-	-	-	-	-	809,125
Transfers to intangible assets	-	346,336	-	(406,624)	8,000	-	-	(52,288)
<b>Balance at 30 June 2024</b>	<b>4,852,280</b>	<b>6,112,720</b>	<b>110,739</b>	<b>130,558</b>	<b>266,387</b>	<b>380,932</b>	<b>1,216,698</b>	<b>13,070,314</b>

**Notes to the Financial Statements**

For the year ended 30 June 2024

**Note 4 Key Assets to Support Service Delivery (cont.)**

**Note 4.1: Property, plant and equipment (cont.)**

**Property, plant and equipment recognition**

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

*Property*

Freehold land and buildings are shown at their fair value based on periodic, but at least every five years, valuations by external independent valuers, less subsequent depreciation for buildings. Valuations may occur more frequently if fair value assessments indicate material changes in values. An independent valuation of Cafs' land and buildings was performed by Preston Rowe Patterson with the effective date of 30 June 2024. Valuations are based on a direct comparison which is a level 2 input. The board members do not believe that there has been a material movement in fair value since the revaluation date.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in the statement of profit or loss and other comprehensive income and accumulated in the property asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of asset shall be recognised in the statement of profit or loss and other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of profit or loss and other comprehensive income. As the revalued buildings are depreciated the difference between depreciation recognised in the statement of profit and loss and other comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

*Plant and equipment*

Plant and equipment including leasehold improvements is measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount, and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Items of property, plant and equipment are recorded as capital work in progress until such a time that the asset is ready for use. Once the asset is deemed ready for use, the capital work in progress will be transferred to property, plant and equipment and depreciation will commence at that time.

**Impairment of assets**

At the end of each reporting period, Cafs reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when Cafs would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset. Where it is not possible to estimate the recoverable amount of an assets class, Cafs estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

## Notes to the Financial Statements

For the year ended 30 June 2024

## Note 4 Key Assets to Support Service Delivery (cont.)

## Note 4.1: Property, plant and equipment (cont.)

## Critical accounting estimates and judgments: Impairment of non-financial assets

Cafs assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to Cafs and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

	2024 \$	2023 \$
<b>Note 4.2: Right-of-use assets</b>		
<i>Non-current</i>		
Buildings	2,467,276	2,353,630
Less accumulated depreciation	(721,302)	(497,921)
<b>Total buildings right-of-use assets</b>	<b>1,745,974</b>	<b>1,855,709</b>
Office equipment	-	187,518
Less accumulated depreciation	-	(176,714)
<b>Total office equipment right-of-use assets</b>	<b>-</b>	<b>10,804</b>
<b>Total right-of-use assets</b>	<b>1,745,974</b>	<b>1,866,513</b>

## Reconciliations of the carrying amounts of each class of asset

	Buildings \$	Office equipment \$	Total \$
<b>Year ended 30 June 2024</b>			
Balance at the beginning of year	1,855,709	10,804	1,866,513
Remeasurement of right-of-use assets	72,449	-	72,449
Disposals	-	(10,804)	(10,804)
Depreciation	(182,184)	-	(182,184)
<b>Balance at the end of the year</b>	<b>1,745,974</b>	<b>-</b>	<b>1,745,974</b>

## Right-of-use asset recognition

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

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

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

**Notes to the Financial Statements**

For the year ended 30 June 2024

**Note 4 Key Assets to Support Service Delivery (cont.)**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Note 4.3: Depreciation and amortisation</b>		
Buildings	125,543	138,256
Leasehold improvements	42,253	41,367
Furniture, fittings and equipment	82,518	79,925
Motor vehicles	171,179	131,613
Computer equipment	302,356	300,871
Buildings right-of-use assets	182,184	217,399
Office equipment right-of-use assets	-	47,280
Software	164,132	161,752
<b>Total depreciation and amortisation</b>	<b><u>1,070,165</u></b>	<b><u>1,118,463</u></b>

**Depreciation recognition**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to Cafs commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation rates are consistent with the prior year.

All intangible assets other than goodwill have a finite useful life. Intangible assets with finite lives are amortised over the useful life. The amortisation period and estimated useful lives are reviewed at the end of each annual reporting period.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

The depreciation rates used for each class of depreciable assets are:

<b>Class of fixed asset</b>	<b>Method</b>	<b>Depreciation rate</b>
Buildings	Straight-line	2%
Leasehold improvements	Straight-line	20%
Furniture, fittings and equipment	Straight-line	15%
Motor vehicles	Diminishing value	18.75%
Computer equipment	Straight-line	30%
Buildings right-of-use assets	Straight-line	6% – 20%
Office equipment right-of-use assets	Straight-line	25%
Software	Straight-line	20%

**Critical accounting estimates and judgments: Estimation of useful lives of assets**

Cafs determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovation or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimates lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 4 Key Assets to Support Service Delivery (cont.)

	2024	2023
	\$	\$
<b>Note 4.4: Intangible assets</b>		
<i>Non-current</i>		
Software at cost	873,424	808,761
Less accumulated depreciation	(473,083)	(308,951)
<b>Total intangible assets</b>	<b>400,341</b>	<b>499,810</b>

*Reconciliations of the carrying amounts of each class of asset*

	Software	Total
	\$	\$
<b>Year ended 30 June 2024</b>		
Balance at the beginning of year	499,810	499,810
Additions	12,375	12,375
Transfers	52,288	52,288
Depreciation	(164,132)	(164,132)
<b>Balance at the end of the year</b>	<b>400,341</b>	<b>400,341</b>

#### Intangible assets recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

	2024	2023
	\$	\$
<b>Note 4.5: Investments and other financial assets</b>		
<i>Current</i>		
<i>At amortised cost</i>		
Term deposits	2,342,822	5,312,856
<i>Non-current</i>		
<i>At fair value through other comprehensive income</i>		
Listed shares and equities	13,762,516	11,929,265
<b>Total investments and other financial assets</b>	<b>16,105,338</b>	<b>17,242,121</b>

#### Investments recognition

JBWere currently manages the portfolio of investments on behalf of Cafs. Refer note 7 for further information of the investments and other financial assets recognition policies.

**Notes to the Financial Statements**

For the year ended 30 June 2024

**Note 5 Other Assets and Liabilities**

This section sets out those assets and liabilities that arose from Cafs' operations.

- 5.1: Trade and other receivables
- 5.2: Other assets
- 5.3: Trade and other payables
- 5.4: Contract liabilities

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Note 5.1: Trade and other receivables</b>		
<i>Current</i>		
Trade receivables	183,215	65,524
Accrued income	83,495	141,855
Contract asset	77,608	-
<b>Total trade and other receivables</b>	<b><u>344,318</u></b>	<b><u>207,379</u></b>

**Receivables recognition**

Receivables consist of debtors in relation to goods and services and accrued income.

Receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. Cafs holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Due to the short-term nature of current trade and other receivables, their carrying value is assumed to approximate their fair value. Details about the Cafs' impairment policies and its exposure to credit risk is set out in note 7.

**Contract assets recognition**

Contract assets are recognised when Caf's has transferred goods or services to the customer but where Caf's is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

**Note 5.2: Other assets***Current*

Prepayments	357,272	341,829
Bonds held on rental property	18,485	18,485
<b>Total other assets</b>	<b><u>375,757</u></b>	<b><u>360,314</u></b>

**Other assets recognition**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Bonds held on rental properties are also recorded as an asset until the point in which the lease expires and bonds are returned.

**Notes to the Financial Statements**

For the year ended 30 June 2024

**Note 5 Other Assets and Liabilities (cont.)**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Note 5.3: Trade and other payables</b>		
<i>Current</i>		
Trade payables	1,079,656	1,623,962
ATO liabilities	507,065	438,002
Accrued expenses	603,450	845,279
Other payables	28,264	278,107
<b>Total trade and other payables</b>	<b><u>2,218,435</u></b>	<b><u>3,185,350</u></b>

**Payables recognition**

Payables are classified as financial instruments and measured at amortised cost. Trade payables represent liabilities for goods and services provided to the Cafs prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**Note 5.4: Contract liabilities**

Income received in advance	823,370	370,225
<b>Total contract liabilities</b>	<b><u>823,370</u></b>	<b><u>370,225</u></b>

**Contract liabilities recognition**

Contract liabilities represent the Cafs' obligation to transfer services to a customer and are recognised when a customer pays consideration, or when Cafs recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before Cafs has transferred the services to the customer.



**Notes to the Financial Statements**

For the year ended 30 June 2024

**Note 6 How We Finance Our Operations**

This section provides information on the sources of finance utilised by Cafs during its operations, along with other information related to financing activities of Cafs.

This section includes disclosures of balances that are financial instruments.

- 6.1: Cash and cash equivalents
- 6.2: Lease liabilities
- 6.3: Other financial liabilities
- 6.4: Commitments for expenditure

	2024	2023
	\$	\$
<b>Note 6.1: Cash and cash equivalents</b>		
<i>Current</i>		
Cash at bank	1,363,318	533,307
Cash on hand	154,646	82,331
Term deposits with maturity <3 months	515,652	-
<b>Total cash and cash equivalents</b>	<b><u>2,033,616</u></b>	<b><u>615,638</u></b>

**Cash and cash equivalents recognition**

Cash and cash equivalents include cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

**Note 6.2: Lease liabilities***Current*

Lease liability	197,510	202,602
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*Non-current*

Lease liability	1,730,397	1,847,859
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**Total lease liabilities**

	<b><u>1,927,907</u></b>	<b><u>2,050,461</u></b>
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Maturity analysis of lease liabilities based on contractual undiscounted cash flows:

- not later than one year	278,055	288,461
- greater than 1 year but less than 5 years	1,227,897	982,972
- greater than 5 years	840,902	1,276,745
<b>Total undiscounted lease liabilities</b>	<b><u>2,346,854</u></b>	<b><u>2,548,178</u></b>

**Lease liabilities recognition**

Cafs currently hold leases in relation to buildings.

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

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

**Notes to the Financial Statements**

For the year ended 30 June 2024

**Note 6 How We Finance Our Operations (cont.)****Note 6.2: Lease liabilities (cont.)**

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following:

- future lease payments arising from a change in an index or a rate used;
- residual guarantee;
- lease term; and
- certainty of a purchase option and termination penalties.

When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Critical accounting estimates and judgments: 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 Cafs 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.

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Note 6.3: Other financial liabilities</b>		
<i>Current</i>		
Funds held in trust	466,478	835,959
<b>Total other financial liabilities</b>	<b>466,478</b>	<b>835,959</b>

**Other financial liabilities recognition**

Where Cafs receive grant funding on behalf of other organisations through auspice arrangements, the funding is recorded as funds held in trust at balance date where funds have not been expended in accordance with agreements.

**Note 6.4: Commitments for expenditure**

There are no other material commitments of expenditure for Cafs as at 30 June 2024 (2023: NIL).

**Notes to the Financial Statements**

For the year ended 30 June 2024

**Note 7 Risks, Contingencies and Valuation Uncertainties**

Cafs is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Cafs is related mainly to fair value determination.

- 7.1: Financial instruments
- 7.2: Contingent assets and contingent liabilities
- 7.3: Fair value measurement

**Note 7.1: Financial instruments**

Financial instruments arise out of agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Cafs applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

*Financial assets at amortised cost*

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the group to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

Cafs recognises the following assets in this category:

- cash and cash equivalents;
- receivables; and
- term deposits.

*Financial assets at fair value through other comprehensive income*

Cafs holds shares and equity in listed companies which is managed by JBWere. Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and Cafs has irrevocably elected at initial recognition to recognise in this category, which is the case. These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income.

Upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings.

*Financial liabilities at amortised cost*

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Cafs recognises the following liabilities in this category:

- payables;
- other financial liabilities; and
- lease liabilities.

**Notes to the Financial Statements**

For the year ended 30 June 2024

**Note 7 Risks, Contingencies and Valuation Uncertainties (cont.)**

**Note 7.1: Financial instruments (cont.)**

**Derecognition of financial assets and financial liabilities**

*Financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- Cafs retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Cafs has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where Cafs has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Cafs' continuing involvement in the asset.

*Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

**Reclassification of financial instruments**

Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through profit or loss, fair value through other comprehensive income and amortised cost when and only when the Cafs' business model for managing its financial assets has changes such that its previous model would no longer apply.

**Note 7.2: Contingent assets and contingent liabilities**

There are no known contingent assets or contingent liabilities for Cafs as at 30 June 2024 (2023: NIL).

**Note 7.3: Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that Cafs can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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### Notes to the Financial Statements

For the year ended 30 June 2024

#### Note 7 Risks, Contingencies and Valuation Uncertainties (cont.)

##### Note 7.3: Fair value measurement (cont.)

Cafs measures the following assets at fair value on a recurring basis:

- Land and buildings; and
- Listed shares and equities – FVOCI.

*Fair value hierarchy*

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2024</b>				
Property, plant and equipment				
Land and buildings		10,965,000	-	10,965,000
Investments and other financial assets				
Listed shares and equities – FVOCI	13,762,516	-	-	13,762,516
<b>Total assets</b>	<b>13,765,516</b>	<b>10,965,000</b>	<b>-</b>	<b>24,727,516</b>

Cafs engages external, independent and qualified valuers to determine the fair value of Cafs' land and buildings at least every five years. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Governance at each reporting date.

There were no transfers between levels during the financial year.

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature.

**Notes to the Financial Statements**

For the year ended 30 June 2024

**Note 8 Other Disclosures**

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

- 8.1: Related parties
- 8.2: Key management personnel
- 8.3: Remuneration of auditors
- 8.4: Reserves
- 8.5: Events occurring after balance sheet date

**Note 8.1: Related parties***Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of Cafs, directly or indirectly, including any board member (whether executive or otherwise) of Cafs is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 8.2.

*Transactions with related parties*

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

Board member Gabby Howlett is an Associate Partner of Findex in the Business Advisory division. On behalf of Cafs, Findex managed the share investment portfolio for a portion of the financial year. Gabby is independent of Findex's Wealth division that manages the share investment portfolio, with separate file systems and no access to activity. The investment portfolio management was transferred to JBWere on 1 January 2024. Further information surrounding the portfolio held is disclosed in Note 4.5.

Board member Sharelle Knight holds the position of Executive Manager, Family, Youth and Children's Services at the City of Ballarat. Cafs transacts with the City of Ballarat on normal commercial terms and conditions.

Board member Karen Heap holds the position of Chief Executive Officer at Ballarat and District Aboriginal Co-operative (BADAC). Cafs purchases service from BADAC on normal commercial terms and conditions.

The transactions with related parties during the current financial year totalled \$331,721 (2023: \$372,121).

*Receivable from and payable to related parties*

There were no material receivables from or payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 8.2: Key management personnel**

The total remuneration paid to key management personnel of Cafs is \$962,475 (2023: \$830,652).

**Note 8.3: Remuneration of auditors**

During the financial year the following fees were paid or payable for external audit services provided by RSM Australia, the auditor of the company:

	2024	2023
	\$	\$
Audit of the financial statements	25,160	22,880
Other accounting services	3,430	3,120
<b>Total remuneration of auditors</b>	<b>28,590</b>	<b>26,000</b>

## Notes to the Financial Statements

For the year ended 30 June 2024

## Note 8 Other Disclosures (cont.)

	2024	2023
	\$	\$
<b>Note 8.4: Reserves</b>		
<b>a) Investment revaluation reserve (FVOCI)</b>		
Opening balance	1,804,170	908,316
Revaluation of listed shares	1,823,251	960,733
Derecognition of assets held at FVOCI and transfer to retained surpluses	-	(64,879)
<b>Closing balance</b>	<b><u>3,627,421</u></b>	<b><u>1,804,170</u></b>
<b>b) Property revaluation reserve</b>		
Opening balance	-	-
Revaluation increment on land, net of tax	1,395,280	-
<b>Closing balance</b>	<b><u>1,395,280</u></b>	<b><u>-</u></b>

Cafs holds investments in listed shares and equity, all of which are classified as being held at FVOCI. At each reporting date, these assets are revalued to their market value, and in accordance with AASB 9, the movement is allocated to the investment revaluation reserve. The property reserve is used to recognise increments and decrements in the fair value of land and buildings.

Movements in these reserves are disclosed in the statement of changes in equity.

<b>c) Specific purpose funds</b>		
Opening balance	8,373	8,373
Transfers from retained surpluses	636	-
<b>Closing balance</b>	<b><u>9,009</u></b>	<b><u>8,373</u></b>

The specific purpose funds reserve is made up of amounts received from donors that request their funds be used for specific purposes. Cafs keeps these funds in separate equity accounts in order to honour the donors' requests. Movements in this reserve are disclosed in the statement of changes in equity.

<b>Total reserves</b>	<b><u>5,031,710</u></b>	<b><u>1,812,543</u></b>
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**Note 8.5: Events occurring after balance sheet date**

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of Cafs, or the results of those operations.

CHILD & FAMILY SERVICES BALLARAT INC.

ABN 83 786 843 940

**Statement by Members of the Board of Governance**  
**For the year ended 30 June 2024**

In the opinion of the Board of Governance:

- a. The attached financial statements and notes comply with Australian Accounting Standards – *Simplified Disclosures*, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Associations Incorporation Reform Act 2012* and associated regulations and other mandatory professional reporting requirements;
- b. The attached financial statements and notes give a true and fair view of Child & Family Services Ballarat Inc. the financial position as at 30 June 2024 and its performance for the financial year ended on that; and
- c. There are reasonable grounds to believe that Child & Family Services Ballarat Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2022* and a resolution of the Board of Governance.

Board Member:   
.....  
Gabby Howlett (Treasurer)

Board Member:   
.....  
Jeff Pulford (Acting Chair)

Dated this 20<sup>th</sup> day of September 2024



## INDEPENDENT AUDITOR'S REPORT To the Members of Child & Family Services Ballarat Inc.

**RSM Australia Partners**

12 Anderson Street West, Ballarat VIC 3350  
PO Box 685 Ballarat VIC 3353

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### Opinion

We have audited the financial report of Child & Family Services Ballarat Inc., which comprises the statement of financial position as at 30 June 2024, 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 material accounting policy information, and the directors' declaration.

In our opinion, the financial report of Child & Family Services Ballarat Inc. 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 30 June 2024 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – *Simplified Disclosures* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Child & Family Services Ballarat Inc. 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.

### Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Child & Family Services Ballarat Inc.'s annual report for the year ended 30 June 2024, 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.

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## 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 – *Simplified Disclosures* and the 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, the directors are responsible for assessing Child & Family Services Ballarat Inc.'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 management either intends to liquidate Child & Family Services Ballarat Inc. or to cease operations, or has no realistic alternative but to do so.

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

## 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/Home.aspx>. This description forms part of our auditor's report.

## Independence

We confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of Child & Family Services Ballarat Inc., would be in the same terms if given to the responsible entities as at the time of this auditor's report.

RSM

RSM AUSTRALIA PARTNERS



JOHN FINDLAY

Partner

Ballarat, Victoria

Dated this 20<sup>th</sup> day of September 2024