



children's food education  
FOUNDATION

Annual report  
30 June 2015  
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This financial report covers Children's Food Education Foundation as an individual entity. The financial report is presented in Australian currency. Children's Food Education Foundation is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is: 14 Elvina Avenue Avalon Beach NSW 2107. A description of the nature of the company's operations and its principal activities is included in the directors' report on page 2 - 4, which are not part of this financial report. The financial report was authorised for issue by the directors in June 2016. The company has the power to amend and re-issue the financial report.

## Directors' Report

The directors present their report together with the financial report of Children's Food Education Foundation for the year ended 30 June 2015 and the auditors' report thereon.

### Directors

The names of the directors in office at anytime during or since the end of the financial year are:

Kay Richardson (Chair)  
Mark Craig (Secretary)  
Julieann Breese  
Linda Tizard (resigned)  
Susie Mills (appointed)

### Information on directors

#### Director, Qualifications and Experience

**Kay Richardson** is a Chartered Accountant with an information technology speciality and experience within the children's charity sector. As a Master of Arts (Gastronomy) Kay's major studies focused on children's food education, literacy and health promotion.

**Mark Craig** is currently the General Manager, Corporate Services at Tourism Australia. Mark is an experienced finance executive who has held a number of senior roles with various government agencies.

**Julieann Breese** is a self employed Management Consultant working with a wide range of service based companies. Julieann's previous experience includes project and event management within the youth sector and strategic Board roles for children's charities.

**Susie Mills** is a Marketing and Management Consultant with extensive experience in marketing capability, insight and innovation, change management, master brand positioning and communications strategy to a range of diverse industries.

#### Meetings of directors

During the financial year, 2 meetings of directors were held. The number of meetings attended by each of the directors in the 12 month period ending 30 June 2015 were:

Name of Director	Number eligible	Number attended
Kay Richardson	2	2
Linda Tizard	0	0
Mark Craig	2	2
Julieann Breese	2	2
Susie Mills	2	2

#### Principal activities

The principal activity of the company during the financial year was as a charitable company promoting an understanding of food, health, nutrition and healthy food choices by children and young people. The main focus of our activities was directed toward those children and young people with chronic illness, disabilities, mental disorders and those who provide care for themselves or others.

#### Operating results

The operating loss for the year amounted to \$25,052 (2014: loss \$56,878).

#### Review of operations

The company was incorporated on 4 April 2004. The company has been granted the status of a charitable company and is entitled to collect money or goods for a charitable purpose.

**Significant changes in the state of affairs**

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review.

**Environmental regulation**

The company's operations are not subject to any environmental regulation under either Commonwealth or State legislation. The company's operations do not impact the environment in any significant manner.

**Matters subsequent to the end of the financial year**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material nature likely, in the opinion of the directors of Children's Food Education Foundation, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in subsequent financial years.

**Likely developments**

Children's Food Education Foundation will continue to pursue its charitable purposes to help children and young people during the next financial year.

**Indemnification**

Since the end of the financial year, the company paid a premium in respect of a contract insuring the directors of the company against any liability incurred as a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the value of the liability and the amount of the premium. The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified an officer or auditor of the company against a liability incurred as such an officer or auditor.

**Director's emoluments**

During the year ended 30 June 2015, the company paid no emoluments to any director.

**Auditors' independence declaration**

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4 which forms part of the Directors' report.

**Directors' benefits**

Other than as disclosed in Note 10, since the end of the previous financial year no director of the company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial report, or the fixed salary of a full-time employee of the company or of a related body corporate) by reason of a contract made by the company or a related body corporate with a director or with a firm of which the director is a member, or with an entity in which the director has a substantial financial interest.

Dated at Sydney this                      day of June 2016.  
Signed in accordance with a resolution of directors:

Kay M Richardson  
Executive Director

## Income Statement for the year ended 30 June 2015

	Notes	June 2015 (\$)	June 2014 (\$)
<b>Revenue from Ordinary Activities:</b>			
Donations	4	26,128	3,811
Grants & subsidies		29,836	114,920
<b>Total income from fundraising</b>		<u>55,964</u>	<u>118,731</u>
Consulting & auspice fees		22,123	9,128
Product / Merchandise Sales		6,653	1,690
Income from events		9,800	-
Interest		29	1,324
<b>Total Revenue</b>		<u>94,568</u>	<u>130,873</u>
<b>Project activities:</b>	5	75,569	170,560
<b>Expenses from ordinary activities:</b>			
Advertising, Marketing, Events & PR		1,110	2,584
Audit / Review Fees		-	-
Bank charges & fees		390	1,342
Community Consultation		-	260
Cost of Merchandise		11,765	3,142
Event Costs		24,146	3,586
Insurance		2,021	1,290
Lodgement fees		142	-
Travel		411	344
Office & Other expenses		2,223	1,737
Web site costs		1,843	2,906
<b>Total expenses from ordinary activities</b>		<u>44,052</u>	<u>17,191</u>
<b>Total expenses</b>		<u>119,620</u>	<u>187,752</u>
<b>Operating profit/(loss)</b>		<u>(25,052)</u>	<u>(56,878)</u>

*The above Income Statement should be read in conjunction with the accompanying notes.*

## Balance Sheet as at 30 June 2015

	Notes	June 2015 (\$)	June 2014 (\$)
<b>Assets</b>			
<b>Current assets</b>			
Cheque Account		14,373	5,904
Fundraising Account		3,309	43,851
Produce to the People Tasmania		-	1,994
The Big Feed		6,500	1,214
Total cash and cash equivalents		24,182	52,966
Other debtors		2,800	495
GST receivable		1,515	(3,671)
Prepayments		3,966	3,086
Total current assets		32,463	52,876
<b>Fixed Assets</b>			
Snack Habitat Van		69,064	69,064
Accumulated Depreciation		(35,222)	(20,719)
Total Fixed Assets		33,842	48,345
Total assets		66,305	101,221
<b>Liabilities</b>			
Trade creditors & accruals		11,085	9,029
Loan to Directors		-	100
Committed Grant Funds	11	-	11,820
Total liabilities		13,427	20,949
Net assets		55,220	80,272
<b>Equity</b>			
Retained profits		80,272	137,150
Current year profit		(25,052)	(56,878)
Total equity		55,220	80,272

*The above Balance Sheet should be read in conjunction with the accompanying notes.*

## Statement of Changes in Equity as at 30 June 2015

	June 2015 (\$)	June 2014 (\$)
Total equity at the beginning of the financial year	80,272	137,150
Profit for the year	(25,052)	(56,878)
Total equity at the end of the financial year	<u>55,220</u>	<u>80,272</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

## Cash Flow Statement for the year ended 30 June 2015

	June 2015 (\$)	June 2015 (\$)
<b>Cash flows from operating activities</b>	(Inclusive of GST)	
Donations received	19,965	6,395
Grants received	19,925	60,232
Interest received	29	1,324
GST refund received	-	15,172
Receipts from customers	42,434	11,900
Payments to suppliers	(86,938)	(201,503)
Payments to project employees	(22,015)	(23,013)
Interest and bank charges paid	-	-
<b>Net cash inflow from operating activities</b>	<u>(26,601)</u>	<u>(129,494)</u>
<b>Cash flows from investing activities</b>		
Acquisition of assets	(2,378)	(36,255)
<b>Net cash flow from investing activities</b>	<u>(2,378)</u>	<u>(36,255)</u>
<b>Cash flows from financing activities</b>		
Loan repayment	(100)	-
<b>Net cash flow from financing activities</b>	<u>(100)</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(29,079)</u>	<u>(165,749)</u>
Cash and cash equivalents at the beginning of the financial year	53,261	219,010
<b>Cash and cash equivalents at the end of the financial year</b>	<u>24,182</u>	<u>53,261</u>

*The above cash flow statement should be read in conjunction with the accompanying notes.*

## Reconciliation of operating loss to net cash flow from operating activities

	June 2015 (\$)	June 2014 (\$)
Operating loss	(25,052)	(56,878)
Adjustments for non-cash items:		
Depreciation	16,665	20,719
GST paid on acquisition of fixed assets	216	3,296
Decrease (Increase) in Receivables	(2,305)	2,584
(Decrease) / Increase in GST payable	(5,481)	15,321
Decrease (Increase) in prepayments	(880)	(3,086)
Increase (Decrease) in supplier payables	2,056	(46,270)
Increase (Decrease) in committed grant funds	(11,820)	(65,180)
<b>Net cash (outflow) inflow from operating activities</b>	<u>(26,601)</u>	<u>(129,494)</u>

*The above reconciliation should be read in conjunction with the accompanying notes.*

## Notes to the Financial Statements

### 1. Summary of significant accounting policies

#### (a) Basis of preparation of financial report

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

##### *Compliance with IFRS*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of the company complies with International Financial Reporting Standards (IFRS).

It is prepared in accordance with the historical cost convention and has been prepared on an accrual basis. The accounting policies have been consistently applied unless otherwise stated.

#### (b) Revenue recognition

Donation income is brought to account in respect of the period in which it was donated.

#### (c) Income tax

The Children's Food Education Foundation received on 1 July 2005 (effective 1 June 2004) from the Australian Taxation Office, an endorsement for the foundation to act as an income tax exempt charity in accordance with item 1.1 of subdivision 50-B of the Income Tax Assessment Act 1997. In addition, all donations to the foundation over \$2 are tax deductible.

#### (d) Cash

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts. The bank accounts at year end are bearing floating interest rates of 0.05% (2013: 0.05%).

#### (e) Inventories

Finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual terms of inventory on basis of weighed average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### (f) Trade payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.



**(g) Status of the Company**

The Children's Food Education Foundation is a company limited by guarantee, and as such has no share capital.

**(h) Charitable Fundraising Act 1991**

This Act and supporting Charitable Fundraising regulation prescribe the manner in which fundraising appeals are conducted, controlled and reported in NSW.

**(i) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority is included with other receivables or payables in the balance sheet.

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 taxation authority, are presented as operating cash flows.

**(j) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The company's assessment of the impact of these new standards and interpretations, have no material impact on the company's financial statements.

**2. Financial risk management**

The company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The directors carry out risk management.

The company is a not-for-profit organisation that is engaged in the promotion of an understanding of food, health, nutrition and healthy food choices by children and young people. The nature of the company and its activities do not expose it to significant financial risks. As such, systems and processes used to manage financial risk reflect the extent to which the company is exposed to such risk.

The company holds the following financial instruments:

	June 2015 (\$)	June 2014 (\$)
<b>Financial assets</b>		
Cash and cash equivalents	24,182	53,261
Other receivables	2,800	495
	26,982	53,756
<b>Financial liabilities</b>		
Trade and other payables	11,085	9,029
Committed Grant Funds	-	11,820
Director loans	-	100
	11,085	20,949

**(a) Market risk**

*Cash flow and fair value interest rate risk*

As the company has no significant interest-bearing assets, the company's income and operating cash flows are not materially exposed to changes in market interest rates.

Interest rates on finance leases are agreed to prior to committing to contract and are set for the period of finance. All excess funds are invested in term deposits to obtain the best possible interest rate from the company's banking provider.

**(b) Credit risk**

The company has no significant concentrations of credit risk. The company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions. The company has policies that limit the amount of credit exposure to any one financial institution.

The company does not have any material credit risk exposure to any single debtor or group of debtors covered by financial instruments.

**(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Management aims at maintaining flexibility in funding by keeping committed credit lines available.

**(d) Fair value estimation**

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values to their short-term nature. The fair value of financial liabilities for disclosure purposes is taken to be the carrying value of the liability, as the difference compared to the discounted future contractual cash flows is not expected to be material.

**3. Formation of the fund**

Children's Food Education Foundation was formed as an independent organisation dedicated to improving the health outcomes of Australian children and young people by promoting an understanding of food, health, nutrition and healthy food choices. Children's Food Education Foundation received an authority to fundraise from the NSW Department of Gaming and Racing in August 2004.

**4. Fundraising revenue**

Children's Food Education Foundation ensures 100% of all received donations are kept in a separate 'fundraising' bank account to be spent on Food Education activities as approved by the Directors and in accordance with the charitable purpose set out in the Constitution. Administrative expenses required to run the organisation are funded by proceeds of merchandise sales, membership revenue, auspice fees and one off pledges made by donors specifically to be used for administrative purposes.

**5. Expenditure on approved food education activities**

Expenditure on approved Food Education Projects in 2015 was \$78,519 (2013: \$170,561).

## 6. Comparison of certain monetary figures and percentages

	June 2014 (\$)	June 2013 (\$)
Gross income from fundraising	94,568	130,873
Total costs of fundraising	44,052	17,191
Total costs food education activities	75,569	170,560
Excess / (deficit) of total income from fundraising over funds disbursed	18,999	(39,687)
Total fundraising costs to income	46%	13%
Net excess to gross income from fundraising	17%	-30%
Total disbursements for projects to total income received	80%	130%

## 7. Employees

The members of the charity perform all work of Children's Food Education Foundation on a voluntary basis. Casual staff are employed to work on projects and in the 2015 year, 3 employees were engaged.

## 8. Auditors remuneration

The auditors remuneration for the audit of the financial statements was \$nil (2014: (\$nil)). The auditors did not provide any non-audit services to the company.

## 9. Contingent liabilities and contingent assets

There are no outstanding contingent liabilities and contingent assets as at 30 June 2015 (2014: \$NIL).

## 10. Key management personnel compensation

### (a) Directors

The following persons were directors of the company during the financial year and up to the date of this report: Kay Richardson, Mark Craig, Julieann Breese, Susie Mills.

### (b) Key management personnel compensation

Key management personnel compensation for the years ended 30 June 2015 and 2014 is set out below. The key management personnel of Children's Food Education Foundation includes the directors. Short-term employee benefits 2015: \$NIL (2014: \$NIL).

### (c) Other transactions with key management personnel or entities related to them

Kay Richardson, a director, is also a director of Young Gourmet Pty Limited, a food education company. Children's Food Education Foundation incurred the following amounts to Young Gourmet Pty Limited during 2015: \$6,895 (GST exclusive). All transactions with Young Gourmet are based on normal commercial terms and conditions. At the end of the financial year, The Children's Food Education Foundation owed Young Gourmet Pty Limited \$Nil (2013: \$691).

## 11. Committed Grant Funds

There were no committed grant funds as at 30 June 2015. During June 2014 \$11,820 was received from the Department of Premier and Cabinet Tasmania for a "Produce to the People Tasmania" project set to commence in the 2014/2015 financial year.

## 12. Member's guarantee

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$1 each toward meeting any outstanding obligations of the company. As at 30 June 2014 the number of members was 4 (2014: 4).

## Director's Declaration

In the directors' opinion:

- (a) the financial statements set out on pages 6 to 12 are in accordance with the *Corporations Act 2001* including:
- (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date;  
and
- (b) 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 the directors.



Kay M Richardson  
Executive Director

Sydney  
Date: 29 June 2016

## Independent Auditor's Review Report to the Members of the Children's Food Education Foundation

### Report on the Financial Report

We have reviewed the accompanying financial report of the Children's Food Education Foundation (CFEF), which comprises the balance sheet as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year ended 30 June 2015, selected explanatory notes and the directors' declaration. The financial statements of CFEF as at 30 June 2014 were reviewed by other auditors whose report dated 30 April 2015 expressed a qualified opinion similar to this year in respect to cash from donations and sale of merchandise.

### Directors' Responsibility for the Financial Report

The directors of CFEF are responsible for preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act, 2001* and for such internal control as the directors determine is necessary to enable preparation of the financial report that is free from material misstatement whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with the Australian Auditing Standard on Review Engagements ASRE2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act, 2001*, including giving a true and fair view of the entity's financial position as at 30 June 2015 and its performance for the year ended 30 June 2015. As the auditor of the Children's Food Education Foundation, ASRE2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act, 2001*.

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**Basis for Qualified Conclusion**

Cash from donations and sale of merchandise are a significant source of revenue for CFEF. CFEF has determined that it is impracticable to establish controls over the collection of revenue from those sources prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from cash donations and sale of merchandise was limited, our audit procedures with respect to revenue from these sources had to be restricted to the amounts recorded in CFEF's financial records. We are therefore unable to express an opinion as to whether revenue from cash donations and sale of merchandise is complete.

**Qualified Conclusion**

Except for the possible effects of the matter described in the basis for qualified conclusion paragraph, based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the Children's Food Education Foundation is not in accordance with the *Corporations Act, 2001*, including:

- a. Giving a true and fair view of the entity's financial position as at 30 June 2015 and of its performance for the year ended 30 June 2015; and
- b. Complying with Australian Accounting Standards and *Corporations Regulations, 2001*.

**Waterhouse Chartered Accountants**

*Waterhouse Chartered Accountants*



**Mark Waterhouse  
Director**

29 June 2016

MW/JED/237967