



fka Children's Services Inc.
(An incorporated association in Victoria)
ABN 90 217 244 399

Annual financial report
For the year ended 31 December 2022

fka Children's Services Inc
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fka Children's Services Inc.

ABN 90 217 244 399

Financial report

For the year ended 31 December 2022

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fka Children's Services Inc.

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Income			
Government revenue	2	2,634,112	1,397,329
Philanthropic income		37,751	64,868
Membership fees		61,491	67,975
Fee for service	3	572,749	671,627
Interest and dividends		28,049	13,013
Other income		1,620	1,846
Total income		3,335,772	2,216,658
Expenditure			
Staffing expenses	4	1,151,318	1,091,966
Depreciation and amortisation	5	108,033	103,636
Program / project costs	6	1,693,778	836,186
Motor vehicle expenses		5,080	1,752
Occupancy costs		19,033	12,634
Equipment and ICT expenses		35,656	40,945
Administrative and other expenses		84,043	49,129
Finance costs		5,211	5,117
Total expenditure		3,102,152	2,141,365
Net surplus for the year		233,620	75,293
Other comprehensive income (expense)			
Net change in fair value of financial assets		9,667	5,687
Total other comprehensive income (expense)		9,667	5,687
Total comprehensive income for the year		243,287	80,980

The accompanying notes form part of these financial statements.

fka Children's Services Inc.
Statement of financial position
As at 31 December 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	7	1,948,545	2,186,879
Receivables	8	488,146	533,455
Prepayments		24,415	21,956
Investments	9	143,216	126,467
Total current assets		2,604,322	2,868,757
Non-current assets			
Security deposits		23,980	21,312
Property, plant and equipment	10	27,956	48,869
Intangible assets	11	6,971	10,611
Right-of-use assets	12	219,613	45,834
Total non-current assets		278,520	126,626
Total assets		2,882,842	2,995,383
Liabilities			
Current liabilities			
Payables	13	111,224	166,762
Lease liabilities	12	77,716	53,371
Provisions	14	114,645	102,508
Income received in advance	15	1,276,489	1,749,291
Total current liabilities		1,580,074	2,071,932
Non-current liabilities			
Lease liabilities	12	144,607	-
Provisions	14	12,034	20,611
Total non-current liabilities		156,641	20,611
Total liabilities		1,736,715	2,092,543
Net assets		1,146,127	902,840
Equity			
Reserves		527,760	518,093
Retained surplus		618,367	384,747
Total equity	16	1,146,127	902,840

The accompanying notes form part of these financial statements.

fka Children's Services Inc.
Statement of changes in equity
For the year ended 31 December 2022

	Note	Reserves \$	Retained surplus \$	TOTAL \$
Balance at 1 January 2021		512,406	309,454	821,860
Net surplus for the year			75,293	75,293
Total other comprehensive income (expense) for the year		5,687	-	5,687
Balance at 31 December 2021		518,093	384,747	902,840
Net surplus for the year			233,620	233,620
Total other comprehensive income (expense) for the year		9,667	-	9,667
Balance at 31 December 2022	16	527,760	618,367	1,146,127

The accompanying notes form part of these financial statements.

fka Children's Services Inc.
Statement of cash flows
For the year ended 31 December 2022

	Note	2022	2021
		\$	\$
Cash flows from operating activities			
Government grants and service agreements (inclusive of GST)		2,471,883	2,138,370
Other grants and contributions		70	59,024
Fees and other trading receipts (inclusive of GST)		692,428	832,701
Payments to suppliers and employees (inclusive of GST)		(3,241,690)	(2,075,578)
Interest and dividends received		21,580	16,993
Interest paid		(5,211)	(5,117)
Net GST paid to ATO		(89,087)	(190,611)
Net cash (used in) generated from operating activities	17	(150,027)	775,782
Cash flows from investing activities			
Payments for property, plant and equipment		(10,195)	(8,104)
Payments for intangible assets		-	(3,432)
Net cash used in investing activities		(10,195)	(11,536)
Cash flow from financing activities			
Principal portion of lease payments		(78,112)	(74,986)
Net cash used in financing activities		(78,112)	(74,986)
Net (decrease) increase in cash held		(238,334)	689,260
Cash and cash equivalents at beginning of period		2,186,879	1,497,619
Cash and cash equivalents at end of period	7	1,948,545	2,186,879

The accompanying notes form part of these financial statements.

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2022

Note 1. Statement of significant accounting policies

The financial statements cover fka Children's Services Inc. ("fkaCS") as an individual entity. fkaCS is an association incorporated and domiciled in Victoria, operating under the *Associations Incorporation Reform Act 2012 (Victoria)*, and a registered charity with the Australian Charities and Not-for-profits Commission (ACNC).

Basis of preparation

The board of fkaCS has determined that the association is not a reporting entity because there are no users who rely on general purpose financial statements for financial information about the entity. These financial statements are therefore special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012 (Victoria)* and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the Australian Accounting Standards applicable to a 'tier three association' under the *Associations Incorporation Reform Act 2012* and a 'large registered entity' under the *Australian Charities and Not-for-profits Commission Act 2012*. fkaCS is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, apart from cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated.

Accounting policies

The following material accounting policies have been applied in preparing the financial statements for the year ended 31 December 2022 and the comparative information for the year ended 31 December 2021, unless otherwise stated.

(a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the association and is measured at the fair value of the consideration received or receivable. Specific revenues are recognised as follows:

Where grant contracts are enforceable and have sufficiently specific performance obligations, revenue is deferred and first recognised as a liability in the statement of financial position (income received in advance) until such obligations are met, then recognised as revenue in the statement of comprehensive income as performance occurs in accordance with grant requirements. Grants are otherwise recognised as revenue when control of the underlying assets received or receivable has been obtained and it is probable that the economic benefits will flow to the entity.

Donations are recognised as revenue when control of the cash or other assets has been obtained.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer, and where delivery is in progress, by reference to the percentage stage of completion of the transaction.

Revenue from the sale of goods is recognised when the significant rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and there is no continuing involvement in the goods.

Membership fees are recognised as revenue upon receipt.

Interest revenue is recognised on a proportional basis as it accrues, taking into account the effective yield on the financial asset.

Dividend revenue is recognised when the right to a receive a dividend has been established.

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

(b) Cash and cash equivalents

Cash and cash equivalents comprises at-call and short term deposits held with financial institutions and cash on hand.

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2022

(c) Receivables

Receivables comprise trade and other short-term amounts owing to the association. Receivables are recognised and carried at the nominal amounts due for settlement less any impairment losses.

(d) Investments

Investments comprise available-for-sale financial assets. Investments are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised as other comprehensive income through an equity reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised is reclassified into profit or loss.

Investments may be classified as current or non-current assets based on the association's intention at the end of the reporting period with respect to the timing of disposal of the assets.

(e) Property, plant and equipment

Each class of fixed asset is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of physical assets is reviewed annually to ensure it is not materially in excess of the recoverable amount from these assets.

Depreciation

Fixed assets are capitalised and depreciated on a straight-line basis over their useful lives commencing from the time assets are held ready for use.

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

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Leasehold improvements	33%
Library assets	10%
Motor vehicles	19-23%
Furniture and equipment	10-33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

(f) Intangible assets

Intangible assets are carried at cost or fair value less any accumulated amortisation and impairment losses.

Amortisation

Intangible assets are amortised on a straight-line basis over the estimated useful lives of the assets from the date they are available for use.

The amortisation rate used for each class of intangible assets are:

<u>Class of intangible asset</u>	<u>Useful life</u>
Database management system	33%
Website	33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2022

(g) Leases

At inception of a contract, the association assesses if the contract is, or contains, a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the association. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less), or leases of low value assets, are recognised as operating expenses on a straight-line basis over the term of the lease.

Where a lease is present, the lease liability is initially measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the association uses its incremental borrowing rate, being the estimated rate it would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(h) Impairment of assets

The association assesses the carrying amounts of its tangible and intangible assets at the end of each reporting period for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated at the higher of the asset's fair value less costs to sell and value in use, and compared against its carrying amount. Any excess of the asset's carrying value over its recoverable amount is recognised as an impairment loss in the statement of profit or loss and other comprehensive income.

(i) Payables

Payables represent trade and other short-term liabilities for goods and services provided to the association prior to the end of the financial year which are unpaid. Payables are stated at cost.

(j) Provisions

Provisions are made when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. The amounts recognised represent an estimate of the obligations as at the end of the reporting period.

(k) Income received in advance

Income received in advance represents liabilities for amounts received by the association in advance of the related delivery of goods or services, on which conditions are attached. Refer also Note 1 (a).

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2022

(l) Employee benefits

The association recognises liabilities for short-term and long-term employee benefits in respect of services rendered by employees up to the end of the reporting period. These benefits include salaries and wages, annual and long-service leave entitlements and superannuation. The liabilities for annual and long-service leave are recognised in the provision for employee benefits. All other employee benefit obligations are presented as payables.

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, including related on-costs. 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 plus related on-costs.

Superannuation Guarantee Contributions are made by the entity to employee-nominated superannuation funds and are charged as expenses as they become payable.

(m) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for investing and financing activities, the GST component of which is disclosed as part of operating cash flow.

(n) Income Tax

fkaCS is endorsed as an income tax exempt charity under Division 50 (Subdivision 50-B) of the Income Tax Assessment Act 1997.

(o) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(p) Accounting judgments and estimates

The preparation of the association's financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. Estimates and assumptions are based on historical experience, best available current information and reasonable expectations of future events. Actual results may differ from estimates.

Estimates and assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised in the period or periods affected by the revision.

(q) New and revised accounting standards

The association has applied Australian Accounting Standards that are relevant to and mandatory for the association's financial statements for the current reporting period. There are no new or amended standards which became effective during the period that have a significant impact on the association's financial statements.

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2022

Note 2. Government revenue

	2022	2021
	\$	\$
Government grants and service agreements:		
Department of Education (Victoria)		
- Community Development and Assistance Program	283,431	283,431
- Early Childhood Language Program: Quality Support Program	676,151	344,409
- Early Childhood Teacher End-to-End Career Supports and Early Years Learning Networks	1,572,044	769,489
- Cultural Inclusion Support	100,000	-
Department of Jobs, Precincts and Regions (Victoria)		
- Ventilation Grants / Rebates	2,486	-
Total government revenue	2,634,112	1,397,329

Note 3. Fee for service

	2022	2021
	\$	\$
Cultural inclusion support, training and consultancy	431,072	284,915
Sub-contracted service delivery	140,932	384,819
Other fees and charges	745	1,893
Total fee for service	572,749	671,627

Note 4. Staffing expenses

	2022	2021
	\$	\$
Salaries and wages	1,013,245	952,802
Superannuation	100,794	92,061
Changes to leave entitlements	3,561	16,688
Portable long service leave levy	10,546	9,906
Workers compensation insurance	12,134	8,036
Professional development	9,772	11,387
Other benefits	1,266	1,086
Total staffing expenses	1,151,318	1,091,966

Note 5. Depreciation and amortisation

	2022	2021
	\$	\$
Leasehold improvements	16,683	19,351
Furniture and equipment	14,425	15,224
Intangible assets	3,640	309
Right-of-use assets	73,285	68,752
Total depreciation and amortisation	108,033	103,636

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2022

Note 6. Program / project costs

	2022	2021
	\$	\$
Consultants / contractors	1,540,097	705,691
Resources and publications	85,899	103,684
Marketing and communications	7,009	17,288
Conference, event and workshop costs	30,697	-
Travel costs	26,908	9,523
Other program / project costs	3,168	-
Total program / project costs	1,693,778	836,186

Note 7. Cash and cash equivalents

Total cash and cash equivalents as stated in the statement of financial position and statement of cash flows:

	2022	2021
	\$	\$
Cash in at-call bank accounts	1,179,538	1,419,942
Cash in short term deposits	768,497	766,753
Cash on hand	510	184
Total cash and cash equivalents	1,948,545	2,186,879

Note 8. Receivables

	2022	2021
	\$	\$
Trade debtors	486,700	512,670
Accrued income	1,446	20,785
Total receivables	488,146	533,455

Note 9. Investments

	2022	2021
	\$	\$
Investments at fair value through other comprehensive income:		
Shares in listed corporations	143,216	126,467
Total investments	143,216	126,467
Movements in investments:		
Opening balance	126,467	120,779
Additions -- in specie dividend received	7,082	-
Unrealised gains	9,667	5,688
Closing balance	143,216	126,467

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2022

Note 10. Property, plant and equipment

	2022	2021
	\$	\$
Leasehold improvements:		
At cost	58,053	58,053
Accumulated depreciation	(55,982)	(39,299)
Net carrying value	2,071	18,754
Library:		
At cost	50,218	50,218
Accumulated depreciation	(50,218)	(50,218)
Net carrying value	-	-
Motor vehicles:		
At cost	22,633	22,633
Accumulated depreciation	(22,633)	(22,633)
Net carrying value	-	-
Furniture and equipment:		
At cost	121,350	113,393
Accumulated depreciation	(95,465)	(83,278)
Net carrying value	25,885	30,115
Total property, plant and equipment	27,956	48,869

Movements in carrying amounts

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

	Leasehold improvements	Library	Motor vehicles	Furniture & equipment	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2021	38,105	-	-	37,235	75,340
Additions	-	-	-	8,104	8,104
Depreciation expense	(19,351)	-	-	(15,224)	(34,575)
Balance at 31 December 2021	18,754	-	-	30,115	48,869
Additions	-	-	-	10,195	10,195
Depreciation expense	(16,683)	-	-	(14,425)	(31,108)
Balance at 31 December 2022	2,071	-	-	25,885	27,956

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2022

Note 11. Intangible assets

	2022	2021
	\$	\$
Database management system:		
At cost	32,397	32,397
Accumulated amortisation	(25,426)	(21,786)
Net carrying value	6,971	10,611
Website:		
At cost	17,915	17,915
Accumulated amortisation	(17,915)	(17,915)
Net carrying value	-	-
Total intangible assets	6,971	10,611

Movements in carrying amounts

Movement in carrying amounts for each class of intangible asset:

	Database	Website	Total
	\$	\$	\$
Balance at 1 January 2021	7,488	-	7,488
Additions	3,432	-	3,432
Amortisation charge	(309)	-	(309)
Balance at 31 December 2021	10,611	-	10,611
Amortisation charge	(3,640)	-	(3,640)
Balance at 31 December 2022	6,971	-	6,971

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2022

Note 12. Leases

In November 2022, the association renewed its lease for its current business premises for a three-year period, from September 2022 to August 2025. The previous lease expired in August 2022. The lease has been measured in accordance with the association's accounting policy as outlined in Note 1 (g). The impact of the lease on the financial statements is as follows:

(a) Amounts recognised in the statement of financial position

	2022	2021
	\$	\$
Right-of-use assets:		
Leased building	247,064	206,255
Accumulated depreciation	(27,451)	(160,421)
Net carrying amount	219,613	45,834
Movements in carrying amounts:		
Opening balance	45,834	114,586
Additions (upon lease renewal)	247,064	-
Depreciation expense	(73,285)	(68,752)
Net carrying amount	219,613	45,834
Lease liabilities:		
Current	77,716	53,371
Non-current	144,607	-
Total lease liabilities	222,323	53,371

(b) Amounts recognised in the statement of profit or loss

	2022	2021
	\$	\$
Depreciation charge related to right-of-use assets	73,285	68,752
Interest expense on lease liabilities (under <i>finance costs</i>)	5,211	5,117
Total operating expenses	78,496	73,869

(c) Amounts recognised in the statement of cash flows

	2022	2021
	\$	\$
Cash outflow for principal portion of lease payments (under <i>financing</i> activities)	78,112	74,986
Cash outflow for interest portion of lease payments (under <i>operating</i> activities)	5,211	5,117
Total cash outflows	83,323	80,103

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2022

Note 13. Payables

	2022	2021
	\$	\$
Trade creditors	2,312	54,577
Accrued expenses	11,165	10,907
Goods and services tax payable	48,051	43,136
Payroll liabilities	49,696	58,142
Total payables	111,224	166,762

Note 14. Provisions

	2022	2021
	\$	\$
Current		
Employee benefits		
-- Annual leave entitlements	89,190	81,670
-- Long-service leave entitlements	25,455	20,838
Total current	114,645	102,508
Non-current		
Employee benefits		
-- Long-service leave entitlements	12,034	20,611
Total non-current	12,034	20,611
Total provisions	126,679	123,119

Note 15. Income received in advance

	2022	2021
	\$	\$
Government and other funding received in advance	1,271,126	1,734,420
Fee income in advance	5,363	14,871
Total income received in advance	1,276,489	1,749,291

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2022

Note 16. Reserves and retained surplus

Movements in equity

Movement in balances for reserves and retained surplus:

	Capital reserve \$	Financial assets at FVTOCI reserve \$	Retained surplus \$	Total equity \$
Balance at 1 January 2021	500,000	12,406	309,454	821,860
Increase (decrease) for year	-	5,687	75,293	80,980
Balance at 31 December 2021	500,000	18,093	384,747	902,840
Increase (decrease) for year	-	9,667	233,620	243,287
Balance at 31 December 2022	500,000	27,760	618,367	1,146,127

Nature and purpose of reserves

Capital reserve

The purpose of this fund is to preserve a base level of capital which can be invested for generating ongoing income, with only the resultant income available for operating use.

Financial assets at fair value through other comprehensive income (FVTOCI) reserve

This reserve records the cumulative net changes in the fair value of available-for-sale investments through other comprehensive income. Where a revalued investment is derecognised, that portion of the reserve that relates to the investment is reclassified into profit or loss.

Retained surplus

This represents the level of unrestricted funds available for general use.

The board of fkaCS reviews reserves on a regular basis and has discretion to alter the nature and purpose of reserves with reference to the entity's operating requirements.

Note 17. Cash flow information

	2022 \$	2021 \$
Reconciliation of net result from statement of profit or loss and other comprehensive income to cash flow from operating activities		
Net surplus	233,620	75,293
Non-cash flows in net result		
Depreciation	108,033	103,636
Income from in specie dividend received	(7,082)	-
Changes in operating assets and liabilities		
(Increase) decrease in receivables	45,309	(493,179)
(Increase) decrease in prepayments	(2,459)	(1,550)
(Increase) decrease in security deposits	(2,668)	(137)
Increase (decrease) in payables	(55,538)	64,261
Increase (decrease) in provisions	3,560	16,689
Increase (decrease) in income received in advance	(472,802)	1,010,769
Net cash (used in) generated from operating activities	(150,027)	775,782

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2022

Note 18. Auditors' remuneration

	2022	2021
	\$	\$
Remuneration of the auditors of the association, Anderson & Associates, for:		
-- Audit of the annual financial report	4,000	3,850
Total auditors' remuneration	4,000	3,850

Note 19. Events after the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of fkaCS, the results of those operations, or the state of affairs of fkaCS in subsequent financial years.

fka Children's Services Inc.
Declaration by members of the board
For the year ended 31 December 2022

In accordance with a resolution of the members of the board of fka Children's Services Inc. ("fkaCS"), the board declares that:

In the opinion of the board:

1. The financial statements and notes, as set out on pages 1 to 16, satisfy the requirements of the *Associations Incorporation Reform Act 2012 (Victoria)* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - a. complying with the Australian Accounting Standards applicable to the entity and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
 - b. giving a true and fair view of the financial position of fkaCS as at 31 December 2022 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that fkaCS will be able to pay all of its debts as and when they become due and payable.

On behalf of the board of fkaCS,



Signed:

Roslyn Cornish (President)



Signed:

Rakhi Khanna (Treasurer)

Dated this 11th day of May 2023

Auditor's Independence Declaration to the Board of fka Childrens Services Inc

In relation to our audit of the financial report of fka Childrens Services Inc for the financial year ended 31st December 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

A handwritten signature in black ink, appearing to read 'J. Anderson', with a long horizontal flourish underneath.

John Vincent Anderson
ANDERSON & ASSOCIATES
11th May 2023
Suite 102, 17 Heatherdale Road
RINGWOOD, VIC 3134

Independent auditor's report to the members of fka Children's Services Inc

Opinion

We have audited the accompanying financial report, being a special purpose financial report of fka Children's Services Inc, which comprises the Statement of Financial Position as at 31 December 2022, the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Board' declaration.

In our opinion, the financial report of fka Children's Services Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* and the *Associations Incorporation Reform Act 2012*, including;

- a. Giving a true and fair view of the registered entity's financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Board for the Financial Report

The Board of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the ACNC Act, the Associations Incorporation Reform Act 2012 and the needs of the members. The Board' responsibility also includes such internal control as the Board 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 Board are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the entity or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



John Vincent Anderson
ANDERSON & ASSOCIATES
11th May 2023
Suite 102, 17 Heatherdale Road
RINGWOOD, VIC 3134