



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

Annual financial report

For the year ended 31 December 2023

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 2023

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fka Children's Services Inc.

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

	Note	2023 \$	2022 \$
Income			
Government revenue	2	2,432,208	2,634,112
Philanthropic income		16,653	37,751
Membership fees		73,271	61,491
Fee for service	3	567,963	572,749
Interest and dividends		64,973	28,049
Other income		2,189	1,620
Total income		3,157,257	3,335,772
Expenditure			
Staffing expenses	4	1,408,954	1,151,318
Depreciation and amortisation	5	103,717	108,033
Program / project costs	6	1,236,141	1,693,778
Motor vehicle expenses		2,860	5,080
Occupancy costs		17,077	19,033
Equipment and ICT expenses		38,847	35,656
Administrative and other expenses		54,678	84,043
Finance costs		9,741	5,211
Total expenditure		2,872,015	3,102,152
Net surplus for the year		285,242	233,620
Other comprehensive income (expense)			
Net change in fair value of financial assets		8,112	9,667
Total other comprehensive income (expense)		8,112	9,667
Total comprehensive income for the year		293,354	243,287

The accompanying notes form part of these financial statements.

fka Children's Services Inc.
Statement of financial position
As at 31 December 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	7	2,615,618	1,948,545
Receivables	8	54,781	488,146
Prepayments		210,580	24,415
Investments	9	151,328	143,216
Total current assets		3,032,307	2,604,322
Non-current assets			
Security deposits		23,980	23,980
Property, plant and equipment	10	57,989	27,956
Intangible assets	11	26,411	6,971
Right-of-use assets	12	137,258	219,613
Total non-current assets		245,638	278,520
Total assets		3,277,945	2,882,842
Liabilities			
Current liabilities			
Payables	13	112,273	111,224
Lease liabilities	12	84,541	77,716
Provisions	14	171,325	114,645
Income received in advance	15	1,405,200	1,276,489
Total current liabilities		1,773,339	1,580,074
Non-current liabilities			
Lease liabilities	12	60,066	144,607
Provisions	14	5,059	12,034
Total non-current liabilities		65,125	156,641
Total liabilities		1,838,464	1,736,715
Net assets		1,439,481	1,146,127
Equity			
Reserves		535,872	527,760
Retained surplus		903,609	618,367
Total equity	16	1,439,481	1,146,127

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 2023

	Note	Reserves \$	Retained surplus \$	TOTAL \$
Balance at 1 January 2022		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		527,760	618,367	1,146,127
Net surplus for the year			285,242	285,242
Total other comprehensive income (expense) for the year		8,112	-	8,112
Balance at 31 December 2023	16	535,872	903,609	1,439,481

The accompanying notes form part of these financial statements.

fka Children's Services Inc.
Statement of cash flows
For the year ended 31 December 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Government grants and service agreements (inclusive of GST)		3,298,599	2,471,883
Other grants and contributions		165	70
Fees and other trading receipts (inclusive of GST)		679,841	692,428
Payments to suppliers and employees (inclusive of GST)		(3,049,094)	(3,241,690)
Interest and dividends received		63,096	21,580
Interest paid		(9,741)	(5,211)
Net GST paid to ATO		(167,242)	(89,087)
Net cash generated from (used in) operating activities	17	815,624	(150,027)
Cash flows from investing activities			
Payments for property, plant and equipment		(47,760)	(10,195)
Payments for intangible assets		(23,075)	-
Net cash used in investing activities		(70,835)	(10,195)
Cash flow from financing activities			
Principal portion of lease payments		(77,716)	(78,112)
Net cash used in financing activities		(77,716)	(78,112)
Net increase (decrease) in cash held		667,073	(238,334)
Cash and cash equivalents at beginning of period		1,948,545	2,186,879
Cash and cash equivalents at end of period	7	2,615,618	1,948,545

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 2023

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*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of AASB 101: *Presentation of Financial Statements*, AASB 107: *Statement of Cash Flows*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 124: *Related Party Disclosures*, AASB 1048: *Interpretation of Standards* and AASB 1054: *Australian Additional Disclosures*, unless an ACNC exemption applies. 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 2023 and the comparative information for the year ended 31 December 2022, 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, and funding is paid in advance, 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).

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2023

(b) Cash and cash equivalents

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

(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 estimated useful lives from the date the assets are available for use. The capitalisation threshold for the recognition of individual fixed assets is \$1,000 (2022: \$1,000).

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 capitalised and amortised on a straight-line basis over their estimated useful lives from the date the assets are available for use. The capitalisation threshold for the recognition of individual intangible assets is \$1,000 (2022: \$1,000).

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 2023

(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 2023

(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.

Provisions for long-service leave are presented net of employee amounts recoverable from the Victorian Portable Long Service Authority.

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 2023

Note 2. Government revenue

Revenue from government grants and service agreements, by level of government and department:

	2023	2022
	\$	\$
State Government:		
- Department of Education (Victoria)	2,432,208	2,631,626
- Department of Jobs, Precincts and Regions (Victoria)	-	2,486
Total government revenue	2,432,208	2,634,112

Note 3. Fee for service

	2023	2022
	\$	\$
Cultural inclusion support, training and consultancy	414,498	431,072
Sub-contracted service delivery	152,744	140,932
Other fees and charges	721	745
Total fee for service	567,963	572,749

Note 4. Staffing expenses

	2023	2022
	\$	\$
Salaries and wages	1,178,703	1,013,245
Superannuation	127,170	100,794
Changes to leave entitlements	49,705	3,561
Portable long service leave levy	36,621	10,546
Workers compensation insurance	14,097	12,134
Other benefits	2,658	11,038
Total staffing expenses	1,408,954	1,151,318

Note 5. Depreciation and amortisation

	2023	2022
	\$	\$
Leasehold improvements	2,157	16,683
Furniture and equipment	15,570	14,425
Intangible assets	3,635	3,640
Right-of-use assets	82,355	73,285
Total depreciation and amortisation	103,717	108,033

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2023

Note 6. Program / project costs

	2023	2022
	\$	\$
Consultants / contractors	1,096,679	1,540,097
Resources and publications	51,010	85,899
Marketing and communications	6,258	7,009
Conference, event and workshop costs	58,995	30,697
Travel costs	22,297	26,908
Other program / project costs	902	3,168
Total program / project costs	1,236,141	1,693,778

Note 7. Cash and cash equivalents

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

	2023	2022
	\$	\$
Cash in at-call bank accounts	824,254	1,179,538
Cash in short term deposits	1,790,921	768,497
Cash on hand	443	510
Total cash and cash equivalents	2,615,618	1,948,545

Note 8. Receivables

	2023	2022
	\$	\$
Trade debtors	51,444	486,700
Accrued income	3,323	1,446
Other receivables	14	-
Total receivables	54,781	488,146

Note 9. Investments

	2023	2022
	\$	\$
Investments at fair value through other comprehensive income:		
Shares in listed corporations	151,328	143,216
Total investments	151,328	143,216
Movements in investments:		
Opening balance	143,216	126,467
Additions -- in specie dividend received	-	7,082
Unrealised gains	8,112	9,667
Closing balance	151,328	143,216

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2023

Note 10. Property, plant and equipment

	2023	2022
	\$	\$
Leasehold improvements:		
At cost	59,245	58,053
Accumulated depreciation	(58,139)	(55,982)
Net carrying value	1,106	2,071
Library assets:		
At cost	50,218	50,218
Accumulated depreciation	(50,218)	(50,218)
Net carrying value	-	-
Motor vehicles: *		
At cost	-	22,633
Accumulated depreciation	-	(22,633)
Net carrying value	-	-
Furniture and equipment:		
At cost	167,918	121,350
Accumulated depreciation	(111,035)	(95,465)
Net carrying value	56,883	25,885
Total property, plant and equipment	57,989	27,956

* The association's motor vehicle was donated to another charitable organisation during the year.

Movements in carrying amounts

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

	Leasehold improvements \$	Furniture & equipment \$	Total \$
Balance at 1 January 2022	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
Additions	1,192	46,568	47,760
Depreciation expense	(2,157)	(15,570)	(17,727)
Balance at 31 December 2023	1,106	56,883	57,989

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2023

Note 11. Intangible assets

	2023	2022
	\$	\$
Database management system:		
At cost	32,397	32,397
Accumulated amortisation	(29,061)	(25,426)
Net carrying value	3,336	6,971
Website:		
At cost	40,990	17,915
Accumulated amortisation	(17,915)	(17,915)
Net carrying value	23,075	-
Total intangible assets	26,411	6,971

Movements in carrying amounts

Movement in carrying amounts for each applicable class of intangible asset:

	Database	Website	Total
	\$	\$	\$
Balance at 1 January 2022	10,611	-	10,611
Amortisation charge	(3,640)	-	(3,640)
Balance at 31 December 2022	6,971	-	6,971
Additions (work-in-progress)	-	23,075	23,075
Amortisation charge	(3,635)	-	(3,635)
Balance at 31 December 2023	3,336	23,075	26,411

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2023

Note 12. Leases

The association holds a three-year lease agreement for its current business premises, covering the period September 2022 to August 2025. 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

	2023	2022
	\$	\$
Right-of-use assets:		
Leased building	247,064	247,064
Accumulated depreciation	(109,806)	(27,451)
Net carrying amount	137,258	219,613
Movements in carrying amounts:		
Opening balance	219,613	45,834
Additions (upon lease renewal)	-	247,064
Depreciation expense	(82,355)	(73,285)
Net carrying amount	137,258	219,613
Lease liabilities:		
Current	84,541	77,716
Non-current	60,066	144,607
Total lease liabilities	144,607	222,323

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

	2023	2022
	\$	\$
Depreciation charge related to right-of-use assets	82,355	73,285
Interest expense on lease liabilities (under <i>finance costs</i>)	9,741	5,211
Total operating expenses	92,096	78,496

(c) Amounts recognised in the statement of cash flows

	2023	2022
	\$	\$
Cash outflow for principal portion of lease payments (under <i>financing</i> activities)	77,716	78,112
Cash outflow for interest portion of lease payments (under <i>operating</i> activities)	9,741	5,211
Total cash outflows	87,457	83,323

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2023

Note 13. Payables

	2023	2022
	\$	\$
Trade creditors	4,064	2,312
Accrued expenses	13,462	11,165
Goods and services tax payable	35,677	48,051
Payroll liabilities	59,070	49,696
Total payables	112,273	111,224

Note 14. Provisions

	2023	2022
	\$	\$
Current		
Employee benefits		
-- Annual leave entitlements	137,764	89,190
-- Long-service leave entitlements	33,561	25,455
Total current	171,325	114,645
Non-current		
Employee benefits		
-- Long-service leave entitlements	5,059	12,034
Total non-current	5,059	12,034
Total provisions	176,384	126,679

Note 15. Income received in advance

	2023	2022
	\$	\$
Government and other funding received in advance	1,404,950	1,271,126
Fee income in advance	250	5,363
Total income received in advance	1,405,200	1,276,489

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2023

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 2022	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
Increase (decrease) for year	-	8,112	285,242	293,354
Balance at 31 December 2023	500,000	35,872	903,609	1,439,481

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

	2023 \$	2022 \$
Reconciliation of net result from statement of profit or loss and other comprehensive income to cash flow from operating activities		
Net surplus	285,242	233,620
Non-cash flows in net result		
Depreciation	103,717	108,033
Income from in specie dividend received	-	(7,082)
Changes in operating assets and liabilities		
(Increase) decrease in receivables	433,365	45,309
(Increase) decrease in prepayments	(186,165)	(2,459)
(Increase) decrease in security deposits	-	(2,668)
Increase (decrease) in payables	1,049	(55,538)
Increase (decrease) in provisions	49,705	3,560
Increase (decrease) in income received in advance	128,711	(472,802)
Net cash generate from (used in) operating activities	815,624	(150,027)

fka Children's Services Inc.
Notes to the financial statements
For the year ended 31 December 2023

Note 18. Auditors' remuneration

	2023	2022
	\$	\$
Remuneration of the auditors of the association for:		
-- Audit of the annual financial report	4,150	4,000
Total auditors' remuneration	4,150	4,000

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 2023

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 2023 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 1st day of May 2024

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 2023, 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 extending to the right.

John Vincent Anderson
ANDERSON & ASSOCIATES
12th March 2024
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 2023, 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 2023 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
14th May 2024
Suite 102, 17 Heatherdale Road
RINGWOOD, VIC 3134