

# Financial Results

## for the year ended 30 June 2024

We're pleased to share our Financial Report for the year ended 30 June 2024. Despite the tough fundraising climate due to the continued cost-of-living crisis during the year, our performance has been strong, allowing us to expand our support in improving the educational outcomes of more children and young people experiencing poverty.

This year, our supporters generously donated \$144.6 million. Despite fewer new sponsors joining, an increase in one-off donations and a high 90% retention rate among existing sponsors sustained our *Learning for Life* program. The government also provided \$21 million to support our *Communities for Children* and Early Years programs, while the South Australian government generously supported new students in our *Learning for Life* program in that state. Additionally, other income amounted to \$7 million. Overall, these contributions increased our total revenue to \$172.6 million, a 9.7% increase over financial year ended 30 June 2023.

The Smith Family must continue to invest to maintain and improve the sustainability of our societal impact. This year, we concentrated key investments on enhancing this impact, by focusing on organisational capacity and improved efficiency. For example, automation initiatives have reduced tens of thousands of hours of time invested in processes across both our Program Growth & Sustainability and Supporter Retention teams. This efficiency gain enhances productivity, service quality, and enables higher quality strategic support for students, families, and supporters. These efforts are backed by our commitment to strong governance in managing every dollar spent.

Besides our main objective of deepening our impact to help address the multiple challenges families encounter; we also recruited more children and families into our program. By 30 June we were supporting 67,165 *Learning for Life* program participants, up from 62,822 last year.

This year, we focused on embedding our Family Practice Framework which outlines how we work collaboratively with families to create a safe, respectful and trusting environment to deliver our services. We worked to enhance the effectiveness of our program support, and we sought to continuously improve outcomes for students and their families. Progress included hiring more Family Partnership Coordinators (FPC) with the aim of reducing the number of families each FPC supports and enabling them to have more time to engage with individual families.

We also concentrated on boosting investment in our operational capabilities and productivity, upgrading our digital program and process transformation; expanding fundraising efforts so that more students can be supported by *Learning for Life* in future; and establishing new student data

exchange arrangements with governments to give FPCs access to real time data. Such access enables our frontline team to customise their support based on each student's current circumstances.

We remain committed to continually enhancing our cyber resilience, data security, organisational software, records management, and risk compliance. This year we invested in our systems and processes in order to increase our cyber security posture including data security, improve our digital capabilities, and enhance the effectiveness and efficiency of our delivery programs. We continue to benchmark these activities to ensure we direct efforts to priority areas.

The strategic investments we made this year are important to support our organisation's impact and growth. They are positioning us to rapidly adapt to evolving circumstances for our beneficiaries.

We are pleased to see our funders and partners becoming more actively involved in working with us to find the best ways for them to support our vital services. Our commitment to our donors is to use gifted funds efficiently to deliver impactful programs with outcomes measured and reported publicly. Targeted and strategic investments are essential for building the robust infrastructure needed to ensure strong governance and sustainability of our work.

Our full year Financial Report reflects an intended net deficit from continuing operations of \$11 million, compared with an intended net deficit of \$3.4 million in the prior year. This higher deficit reflects the Board's strategic decision to invest part of our reserves in specific initiatives to strengthen the resilience of the organisation, improve our impact and support more Australian students. Our reserves remain healthy after making these investments.

Additionally, our Endowment Fund provides a further avenue for building long-term financial stability and growth. The Fund maintains a diversified investment portfolio and is supported by a professional external fund manager with governance oversight by the Finance Audit and Risk Committee.

Our *Children's Future Education Endowment* is a dedicated fund designed to ensure ongoing support for scholarships and educational programs. By carefully managing and investing these funds, we can provide funding to support additional students via our programs – ensuring they have the resources needed to pursue their education and achieve their full potential. The endowment fund is part of our strategy to deliver a lasting impact, benefiting both current and future generations of students.

We deeply appreciate the generosity of our community, supporters, partners and team members. Collaboratively, we are building a more dynamic organisation capable of addressing educational inequity in Australia. Your generosity changes the lives of the students and families we support nationwide. We thank you for your trust in us.

**Rosheen M.Garnon**  
**Director, The Smith Family**  
**Chair, Finance, Audit & Risk Committee**

**Anne Edwards**  
**Chief Financial Officer**  
**The Smith Family**

ACN 000 030 179

# Financial Report

For the year ended 30 June 2024



**THE SMITH FAMILY (A.C.N. 000 030 179)**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2024**

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**Registered Office**  
The Smith Family  
Level 17, 2 Market Street  
Sydney, NSW, 2000

# THE SMITH FAMILY DIRECTORS' REPORT 30 JUNE 2024

## DIRECTORS' REPORT

The directors of The Smith Family present their report for the year ended 30 June 2024.

### 1. The Directors

The following persons were directors of The Smith Family during the financial year and up to the date of this report unless otherwise stated:

G.D. Barnes	Appointed as a Director on 28 November 2023
C. Cawsey	
S.A. Davis	
R.M. Garnon	
J.A. Harmer	Retired as a Director on 28 November 2023
M.G. Johnson	Retired as a Director on 28 November 2023
A.J. Kloeden	
J.C.R. Maycock	
N.W. Moore	
L. Paul	Appointed as a Director on 28 November 2023
P.J. Radoll	
M. Ryan	Appointed as a Director on 28 November 2023
D.D. Taylor	

### 2. Strategic Priorities

The Company's primary purpose is to create opportunities for disadvantaged young Australians by providing long-term support for their participation in education.

The Company's strategic priorities to support its purpose are to:

- (i) Deepen long-term, evidence-based personalised practice for *Learning for Life* recipients to improve student outcomes through programs and enabled by data;
- (ii) Leverage partnerships for, and increase digital delivery of short-course programs;
- (iii) Expand digital inclusion to all *Learning for Life* students;
- (iv) Grow the number of *Learning for Life* scholarships and program reach;
- (v) Be an authoritative and influential advocate with those who shape public policy on behalf of disadvantaged children and young people;
- (vi) Develop and maintain a sustainable funding base;
- (vii) Develop and empower our people;
- (viii) Invest in digital, technology and data security; and
- (ix) Strengthen governance, risk management and compliance.

### 3. Principal Activities

#### *Policy and Programs*

The Company provides support to children and young people in need through financial scholarships to cover essential education costs, as well as mentoring and other programs, to help keep them engaged with their education. The support is long term: the Company supports families and children before they start school, throughout primary school and as students move through secondary school, complete Year 12 and potentially go on to tertiary studies.

By working in multiple areas of influence the Company improves the likelihood of positive outcomes for them, their families and their wider communities, taking a 'whole of community' and evidence-informed approach to leverage and coordinate the skills and resources of parents, educational institutions, community organisations and businesses.

This year the Company's programs reached 220,627 (2023:192,873) young Australians and their parents or carers in 91 communities in every state and territory throughout Australia. This constitutes an increase of 14.4% in the number of program participants.

The Company delivered programs to the community at total cost of \$126.9 million (2023: \$111.5 million), representing 73.5% of total income received (2023: 70.8%). This reflects the cost of additional scholarships and costs associated with growth in other *Learning for Life* programs.

# THE SMITH FAMILY DIRECTORS' REPORT 30 JUNE 2024

## DIRECTORS' REPORT

### 3. Principal Activities (continued)

#### *Fundraising*

The Company continued to invest significantly in fundraising in 2023-24 to support the implementation of its longer-term growth plans. This investment continued to focus particularly on the core areas of Individual and Major Donor fundraising, enhancing our expertise and our market value proposition, and continuing to promote new and improved fundraising channels and activities. These efforts aim to increase the sustainability and longevity of funds generated to support the Company's plans and community programs in the future.

Multi-year partnerships with businesses, government and educational institutions contributed \$47.5 million in 2024 (2023: \$40.9 million), while financial support from individual donors and sponsors totalled \$100.0 million (2023: \$92.3 million).

During the year the Company continued to seek contributions to the Children's Future Education Endowment (the 'fund'), donations to which are invested to generate revenue to support the education of disadvantaged students through the provision of *Learning for Life* scholarships and education-focussed support for communities in need. This year the Company received a total of \$2.9 million into the fund through donations from individuals (2023: \$0.7 million). The closing balance of the fund at 30 June 2024 was \$14.7 million (2023: \$11.2 million).

#### *Volunteering*

Volunteers have continued to be important contributors to the achievement of our vision and mission. In 2024 volunteer time contributed was estimated to be 123,547 hours provided by 4,913 volunteers.

### 4. Dividends

The Company is prohibited by its Constitution from declaring dividends to members.

### 5. Liability of Members

The membership of the Company is classified as follows:

(i)	Governing Members	28
(ii)	Life Members	18
(iii)	Family Members	58
	<b>Total</b>	<b>104</b>

Each member is liable to contribute a maximum of \$1.00 towards the payment of the Company's debts and liabilities in the event that the Company is wound up while they are a member or within one year of their ceasing to be a member. The total liability of members is limited to \$104 (2023: \$106).

### 6. Review of Operations

The Company provides disadvantaged children, young people and their parents and carers with a range of educational support programs across key stages of their lives. Its flagship *Learning for Life* program provides targeted educational support to disadvantaged young Australians for the duration of their schooling. This support includes annual payments provided to their families to go towards their educational costs.

The *Learning for Life* program now supports 67,165 young Australians. The long-term nature of the program means the Company has an ongoing obligation to each of these young people and their families. The cost of supporting these students is approximately \$107 million per annum.

Revenue from continuing operations for the year increased by 9.8% to \$171.0 million (2023: \$155.8 million), principally as a result of an increase in fundraising, government and interest revenue.

During the year the Company continued to invest in the achievement of its organisational strategy whilst managing its costs, particularly in response to a challenging economic period. Total expenditure on community programs in support of its mission increased to \$126.9 million (2023: \$111.5 million).

The result from continuing operations for the year was a deficit of \$11.0 million (2023: deficit of \$3.4 million), which led to a retained surplus of \$76.0 million at 30 June 2024 (2023: \$90.6 million), and an increase in Endowment fund reserve to \$13.5 million (2023: \$9.9 million).

The reserves of \$76.0 million provide the Company with resilience against changing economic or fundraising circumstances, enabling the continued support and provision of services to children and young people into the future.

The comprehensive review of the application of relevant industrial instruments to the Company's employees which commenced in 2023 is expected to be completed by the end of the calendar year. The review focussed mainly on the classification and entitlements of employees under the Social, Community, Home Care & Disability Services Industry Award (the "award"), but was expanded to confirm the entitlements of certain employees covered by the Company's Enterprise Agreement (such as those whose positions may have changed over time). The review resulted in award-related remediation payments to affected employees during the year totalling \$1.9 million against a provision of \$2.6 million established as at 30 June 2023. A further provision of \$2.3 million was made as at 30 June 2024 to meet any additional remediation payments to current and former employees.

# THE SMITH FAMILY

## DIRECTORS' REPORT

### 30 JUNE 2024

#### DIRECTORS' REPORT

##### 7. Information on Directors

Director	Experience	Special Responsibilities
G.D. Barnes BComm, Chartered Accountant, MBA, GAICD	Non-executive Director since November 2023; Group Chief Financial Officer at Ampol Limited; former CFO at Coca-cola Amatil, Nine Entertainment Co and CSR Limited.	Member of the Finance, Audit & Risk Committee
C. Cawsey AM FACEL, BA Dip Ed, MEd Admin	Non-executive Director since 2013; Principal of Rooty Hill High School since 1997, and a Past President of the NSW Secondary Principals' Council; former board member (2011-2021) and now life member of GWS Giants AFL Club; member of Teachers' Mutual Bank Educational Advisory Panel.	Member of the People & Culture Committee; Chair of the Principals Advisory Group
S.A. Davis	Non-executive Director since 2016; Founding Director and past Chairman of Quantum, a global leader in data analytics, technology and AI (now owned by Woolworths); Director of Seaford Foundation (family charity); Director and investor at Greenbanks Tasmanian Whiskey; former Chairman and Director of peak marketing industry body ADMA; and active investor and advisor to a range of early stage, high growth tech ventures including Stroom (media), ParaFlare (cyber security), Prospection (medtech).	
R.M. Garnon BEC/LLB FCA CTA GAICD	Non-executive Director since 2019. Chair of the Board of Taxation; Non-Executive Director of Venues New South Wales, Australian Rail Track Corporation and Resolution Life Australia; Member of the Australian Council Board for Creative Australia; former senior Partner with KPMG with over 29 years' experience in professional services. Member of Chief Executive Women.	Chairman of the Finance, Audit & Risk Committee and the Endowment Fund Committee
Dr J.A. Harmer AO BA (Hons), Dip Ed, PhD, FAIM, FIPAA, FANZSOG	Non-executive Director from 2013 to November 2023; Director of the John James Foundation; former Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs (2004-2011) and of the Department of Education, Science and Training (2003-2004); former Managing Director of the Health Insurance Commission (1998-2003).	Member of the Corporate Governance Committee until November 2023
M.G. Johnson BComm, FCA, CPA, FAICD	Non-executive Director from 2012 to November 2023; Non-executive Chairman and Director of The Hospitals Contribution Fund of Australia Ltd; Non-executive Director of Aurecon Group Pty Ltd, Goodman Ltd, Goodman Funds Management Ltd and Metcash Ltd; Sydney Airport; member of the UNSW Council and former member of the Board of Partners of Corrs Chambers Westgarth; former Non-executive Director of Boral Ltd, Coca-Cola Amatil Ltd, Westfield Corporation and HSBC Bank Australia; Chief Executive Officer of PwC in Australia from 2008 to 2012, a former Chairman of the PwC Foundation and member of the UNSW Business School Advisory Council.	Chairman of the Finance, Audit & Risk Committee and the Endowment Fund Committee until November 2023
A.J. Kloeden MSc (Business Studies), BSc (Hons - Forestry), Hon. Doctorate, FAICD	Non-executive Director since 2016; Chairman of Aquasure Pty Ltd; President of the Victorian Chamber of Commerce and Industry; Director of the Australian Chamber of Commerce and Industry; extensive experience in senior management roles in a range of companies in Australia and overseas involved in agribusiness, manufacturing, distribution, retail, technology and transport.	Chairman of the People & Culture Committee
J.C.R. Maycock BEng (Hons), FAICD, FIPENZ	Non-executive Director since 2013; former Chairman of NSW Electricity Operations Group (Transgrid); former Chairman and Non-executive Director of AGL Energy Ltd, Port of Brisbane Pty Ltd and Arrium Ltd; former Non-executive Director, Nuplex Ltd; former Managing Director and CEO of CSR Ltd (2007-2010); Inaugural Chairman, Cement Australia Pty Ltd; former Member of the UNSW Business School Advisory Council.	Chairman of the Corporate Governance Committee
N.W. Moore AO HonDBus, LLB, BComm, FCA	Chairman and Non-executive Director since November 2019; Special Envoy for Southeast Asia for the Commonwealth Government; Chairman of The Centre for Independent Studies, Willow Technology Corporation, Aldus Group and the National Catholic Education Commission; former Chairman of Screen Australia; former Chairman of the Markets Taskforce Expert Advisory Panel and the Financial Regulator Assessment Authority within the Department of Treasury; former Chairman of the Sydney Opera House and PCYC NSW; former Chief Executive Officer of Macquarie Group; member (and former Chairman) of the UNSW Business School Advisory Council.	Chairman of the Board

# THE SMITH FAMILY

## DIRECTORS' REPORT

### 30 JUNE 2024

#### DIRECTORS' REPORT

##### 7. Information on Directors (continued)

Director	Experience	Special Responsibilities
L. Paul AO PSM, BA (Hons), FAICD, FACEL, FIPAA, FAIM, FANZSOG	Non-executive Director since November 2023; Chancellor of University of Canberra; Chair of the Audit Committee of the Australian Academy of Science; Director Australian American Leadership Dialogue; former Enterprise Professor at the University of Melbourne School of Government; Councillor of Bond University; Director of the Future Battery Industry Cooperative; former Chief Executive (Secretary) of the Federal Department of Education in Australia from 2004-2016. Director of several non-profit organisations.	Member of the Corporate Governance Committee
P.J. Radoll BInfoTech, MInfoTech, PhD	Non-executive Director since April 2019; Non-executive Director at the Victorian Chamber of Commerce and Industry; Fellow of the Royal Society of NSW; Visiting Reserach Fellow at the Australian National University; former Deputy Vice-Chancellor.	Member of the People & Culture Committee
M. Ryan B Arts (Journalism), MBA (Distinction), Adv Diploma of Neuroscience	Non-executive Director since November 2023; Manager, Strategic Communications at Queensland Rail; former executive level roles at Mater Group, the Gold Coast Suns AFL Club, and Tatts Group in roles across strategy, corporate affairs, organisational development, marketing and stakeholder engagement. Chairperson of Return Serve Inc.	
D.D. Taylor BMin, BA (Hons), GradCertM, GAICD	Chief Executive Officer and Executive Director since 9 August 2021; former Deputy CEO of Uniting NSW & ACT; Chairperson of Warakirri College; Non-executive Director of The Wayside Chapel; member of the Centre for Social Impact Advisory Board.	Chief Executive Officer; Member of the Corporate Governance Committee and Endowment Fund Committee

Tracy Jane Unwin (B.Comm. LLB, GAICD, GIA (Affiliated)) was appointed as Company Secretary of The Smith Family on 12 July 2023.  
B.M. Watkinson retired as Company Secretary of The Smith Family on 12 July 2023.

##### 8. Directors' Meetings

The number of directors' meetings held in the period each director held office during the financial year and the number of meetings attended by each director are:

Director	Board of Directors		Corporate Governance		Finance, Audit and Risk		People and Culture		Endowment Fund	
	Number Held	Number Attended	Number Held	Number Attended	Number Held	Number Attended	Number Held	Number Attended	Number Held	Number Attended
G.D. Barnes	4	4			3	2				
C. Cawsey	6	5					2	2		
S.A. Davis	6	5								
R.M. Garnon	6	5			5	4			1	1
J.A. Harmer	2	2								
M.G. Johnson	2	2			2	2			1	1
A.J. Kloeden	6	6					2	2		
J.C.R. Maycock	6	5	1	1						
N.W. Moore	6	5			4	2				
L. Paul	4	3	1	1						
P.J. Radoll	6	6					2	2		
M. Ryan	4	4								
D.D. Taylor	6	6	1	1					1	1

##### 9. Events Subsequent to Balance Date

Other than as disclosed elsewhere in this report, no matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the Company's operations in future financial years; or
- the results of those operations in future financial years; or
- the Company's state of affairs in future financial years.



**THE SMITH FAMILY  
DIRECTORS' REPORT  
30 JUNE 2024**

**DIRECTORS' REPORT**

**10. 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 not otherwise disclosed in the financial report.

**11. Likely Developments**

In the opinion of the directors, there are no likely changes in the operations of the Company which will adversely affect the results of the Company in subsequent financial years.

**12. Environmental Regulation**

The Company has complied with all relevant environmental requirements.

**13. Indemnification and Insurance of Directors and Officers**

The Company has a Directors' and Officers' Liability policy covering each of the directors and certain executive officers for liabilities incurred in the performance of their duties. The premiums in respect of the policy are payable by the Company. The terms of the policy specifically prohibit the disclosure of any other details relating to the policy and therefore the directors do not intend disclosing further particulars relating thereto.

**14. Indemnification of Auditors**

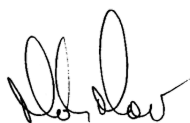
To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to Ernst & Young under this indemnity during the year ended 30 June 2024.

**15. Auditors' Independence Declaration**

A copy of the auditors' independence declaration is set out on Page 6.

This report is made in accordance with a resolution of the directors.

For and on behalf of the Board



N.W. Moore  
*Chairman*

Sydney  
16 October 2024

## Auditor's Independence Declaration to the Directors of The Smith Family

In relation to our audit of the financial report of The Smith Family for the financial year ended 30 June 2024, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- b. No non-audit services provided that contravene any applicable code of professional conduct.



Ernst & Young



Yvonne Barnikel  
Partner  
16 October 2024

**THE SMITH FAMILY**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	<b>Note</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<b>Revenue</b>			
Fundraising	2(d)(i); 5	144,651	133,537
Government funding	2(d)(iv); 5	21,066	18,886
Revenue from sale of commercial goods	2(d)(ii); 5	48	28
Interest revenue	2(d)(iii); 5	5,222	3,304
	5	<u>170,987</u>	<u>155,755</u>
<b>Other Income</b>			
Other income	6	1,669	1,614
Net (loss)/gain on disposal of property, plant and equipment	6	(10)	4
	6	<u>1,659</u>	<u>1,618</u>
<b>Total Revenue</b>		<u>172,646</u>	<u>157,373</u>
<b>Expenses</b>			
Community Programs	2(e)	126,900	111,457
Commercial expenses		21	5
Fundraising		40,527	33,779
Promotion		6,855	7,036
VIEW Clubs		3,722	3,607
Shared Services		5,607	4,844
<b>Total Expenses</b>		<u>183,632</u>	<u>160,728</u>
<b>Deficit before income tax</b>		(10,986)	(3,355)
Income tax expense	2(f)	-	-
<b>Net Deficit for the year from continuing operations</b>		<u>(10,986)</u>	<u>(3,355)</u>
<b>Other Comprehensive Income</b>			
Net fair value gain		280	219
Income tax on items of other comprehensive income for the year		-	-
<b>Total Comprehensive Loss</b>		<u>(10,706)</u>	<u>(3,136)</u>

**THE SMITH FAMILY  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	Note	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2(i), 8	19,154	35,650
Other financial assets	2(i), 8	80,077	70,931
Receivables	2(j), 9	5,654	3,684
Inventories	2(k), 10	114	103
Total current assets		104,999	110,368
<b>Non-current assets</b>			
Other financial assets	2(i), 8	7,757	10,000
Financial assets	2(l), 11	17,857	13,959
Property, plant and equipment	2(n), 12	1,857	2,108
Right-of-use assets	2(g), 18(a)	7,584	8,506
Intangible assets	2(o), 13	83	73
Total non-current assets		35,138	34,646
<b>Total assets</b>		140,137	145,014
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	2(p), 14	6,337	5,055
Provisions	2(q,r), 15	13,630	11,255
Deferred Income	2(d)(iv), 16	20,142	17,062
Lease Liability	2(g), 18(b)	1,879	1,808
Total current liabilities		41,988	35,180
<b>Non-current liabilities</b>			
Provisions	2(q,r), 17	1,745	1,866
Lease Liability	2(g), 18(b)	6,414	7,272
Total non-current liabilities		8,159	9,138
<b>Total liabilities</b>		50,147	44,318
<b>Net assets</b>		89,990	100,696
<b>Accumulated funds</b>			
Retained surplus	19(a)	76,044	90,583
Endowment fund reserve	19(b)	13,483	9,930
Investment revaluation reserve	19(c)	463	183
<b>Total accumulated funds</b>		89,990	100,696

**THE SMITH FAMILY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2024**

	Retained Surplus \$'000	Endowment Fund Reserve \$'000 (Note 2(t))	Investment Revaluation Reserve \$'000	Total Accumulated Funds \$'000
<b>Year ended 30 June 2023</b>				
<b>As at 1 July 2022</b>	95,338	8,530	(36)	103,832
Deficit for the year	(3,355)	-	-	(3,355)
Transfer of Endowment fund surplus to reserve	(1,400)	1,400	-	-
Other comprehensive income - revaluation	-	-	219	219
<b>Total comprehensive income/(loss)</b>	<b>(4,755)</b>	<b>1,400</b>	<b>219</b>	<b>(3,136)</b>
<b>As at 30 June 2023</b>	<b>90,583</b>	<b>9,930</b>	<b>183</b>	<b>100,696</b>
<b>Year ended 30 June 2024</b>				
<b>As at 1 July 2023</b>	90,583	9,930	183	100,696
Deficit for the year	(10,986)	-	-	(10,986)
Transfer of Endowment fund surplus to reserve	(3,553)	3,553	-	-
Other comprehensive income - revaluation	-	-	280	280
<b>Total comprehensive income/(loss)</b>	<b>(14,539)</b>	<b>3,553</b>	<b>280</b>	<b>(10,706)</b>
<b>As at 30 June 2024</b>	<b>76,044</b>	<b>13,483</b>	<b>463</b>	<b>89,990</b>

**THE SMITH FAMILY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	<b>Note</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from fundraising and government funding		183,315	171,392
Receipts from sale of commercial goods		48	28
Payments to suppliers, employees and for client assistance		(193,064)	(165,114)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(9,701)</b>	<b>6,306</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment and intangibles		(703)	(1,170)
Payments for Investments (Term Deposits)		(6,903)	(23,010)
Proceeds from disposal of financial assets		262	166
Interest received		5,396	1,786
Purchase of financial assets		(2,589)	(439)
Dividends received		400	511
<b>Net cash (outflow) from investing activities</b>		<b>(4,137)</b>	<b>(22,156)</b>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(2,324)	(2,399)
Interest paid		(334)	(374)
<b>Net cash (outflow) from financing activities</b>		<b>(2,658)</b>	<b>(2,773)</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(16,496)</b>	<b>(18,623)</b>
Cash and cash equivalents at the beginning of the financial year	2(i)	35,650	54,273
<b>Cash and cash equivalents at the end of the financial year</b>	8(a)	<b>19,154</b>	<b>35,650</b>

# THE SMITH FAMILY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2024

#### 1 Corporate information

The financial report of The Smith Family (the Company) for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors on 16 October 2024.

The Smith Family is a company limited by guarantee, incorporated and domiciled in Australia.

The nature of the operations and principal activities of The Smith Family are described in the Directors' Report.

#### 2 Summary of material accounting policies

##### (a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-Profits Commission, and comply with other requirements of the law. The financial report has also been prepared on an historical cost basis, except for financial assets and liabilities, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

##### (b) Statement of compliance

The financial report complies with Australian Accounting Standards. Some Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements, including Australian Accounting Standards AASB 102 *Inventories*, AASB 116 *Property, Plant and Equipment*, AASB 136 *Impairment of Assets* and AASB 1004 *Contributions*.

##### (c) Foreign currency translation

###### (i) Functional and presentation currency

The financial statements are presented in Australian dollars, which is also the Company's functional currency.

###### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

##### (d) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable and satisfaction of performance obligations has occurred by transfer of good or service. For donations, revenue recognition occurs when control is gained of the donated asset. The following specific recognition criteria must also be met before revenue is recognised:

###### (i) Fundraising revenue

Fundraising revenue (with the exception of the value of donated goods and services and revenue from Government tied to future program expenditure) and revenue from VIEW Clubs is recognised generally when the cash is received. The majority of fundraising revenue does not meet the enforceability and the 'sufficiently specific' criteria under AASB 15 and therefore is recognised as income once the Company controls the relevant asset under AASB 1058. Bequests of shares and other securities are brought to account at their values on the date of receipt. Accruals are made for donations which are received before but banked after the year-end.

###### (ii) Sales revenue

Revenue from sales of commercial goods represents revenue earned from the sale of commercial products, net of returns, trade allowances and duties and taxes paid, arising from sales of general merchandise.

A sale is recorded when goods have been dispatched to a customer pursuant to a sales order and the associated risks have been passed to the carrier or customer.

###### (iii) Interest Revenue

Management judgement is required in determining how each government grant should be classified under either AASB 1058 or AASB 15.

Government subsidies are recognised as revenue within the scope of AASB 1058 when it is reasonably assured that the subsidy will be received.

###### (iv) Government revenue

Government grants are recognised as revenue within the scope of AASB 1058 when grant contracts are not enforceable or the performance obligations are not sufficiently specific. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

Management judgement is required in determining how each government grant should be classified under either AASB 1058 or AASB 15.

Government subsidies are recognised as revenue within the scope of AASB 1058 when it is reasonably assured that the subsidy will be received.

###### (v) Dividends

Dividends on listed shares are recognised when funds are received or accrued.

Government funding relating to operating costs is deferred and recognised in the statement of comprehensive income over the period necessary to match it with the costs that it is intended to compensate.

Government funding relating to the purchase of property, plant and equipment is included in non-current liabilities as deferred income and is credited to the statement of comprehensive income on a straight line basis over the expected lives of the related assets.

###### (vi) Volunteer Services

The Company regularly receives volunteer services as part of its operations. Under AASB 1058, private sector not-for-profit entities have a policy option to account for donated services at fair value if the fair value can be reliably measured. While the Company has assessed that the fair value of its volunteer services can be reliably measured, it has decided to adopt the policy option not to recognise volunteer services. Accordingly, no amounts are recognised in the financial statements for volunteer services.

##### (e) Community Programs expenditure

Community Programs expenditure includes direct scholarship and other assistance to students and their families, the cost of personal support attributable to the programs, payments to community partners for contracted services, the cost of research and advocacy and an allocation of overhead costs by way of an administration charge.

##### (f) Income tax

The Smith Family is a public benevolent institution and as such is exempt from the payment of income tax.

# THE SMITH FAMILY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2024

## 2 Summary of material accounting policies (continued)

### (g) Leases (as lessee)

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated as the shorter of either a straight-line basis over the lease term or the estimated useful life. Refer to note 18(d) for information on useful lives by asset category. The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2(h).

#### **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### (h) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that any asset or cash generating unit (collectively "asset") may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

### (i) Cash and cash equivalents, other financial assets

The Company's cash and cash equivalents are measured at amortised cost, and comprise cash at banks and on hand, and short-term deposits with a maturity of three months or less.

Other financial assets in the statement of financial position comprise long-term deposits with a maturity of more than three months. These deposits are readily convertible to cash without significant penalty.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and other financial assets as defined above, net of outstanding bank overdrafts.

### (j) Trade receivables

Trade receivables are measured at amortised cost (and are not designated as fair value through profit or loss) as the objective is to hold them and collect contractual cash flows, and the contractual terms of the receivables give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Company makes use of a simplified approach in accounting for trade receivables, where the loss allowance is recorded at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses. Impairment of trade receivables is presented within other expenses.

Trade receivables generally are interest free and have 30-60 day terms.

### (k) Inventories

Other than donated inventories held for distribution, inventories are valued at the lower of cost and current replacement cost.

#### **Finished goods**

Costs are assigned to individual items of inventory on the basis of the first in first out method of stock costing. Replacement cost is the estimated cost of replacement in the ordinary course of business.

#### **Donated inventories held for distribution**

As part of its operations, the Company receives donations of goods which may then be used in its activities. AASB 102 requires the donated inventories to be measured at current replacement cost and any related amounts to be accounted for under AASB 1058. Donated goods held for distribution are stated at their estimated current replacement cost at the date of acquisition, adjusted when applicable for any loss of service potential.

### (l) Financial assets

#### **Initial recognition and measurement**

Financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs and other income.

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition: fair value through profit or loss (FVTPL), or equity instruments at fair value through other comprehensive income (FVOCI).

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

#### **(i) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. These assets include both listed and unlisted equity investments.

#### **(ii) Equity instruments at fair value through other comprehensive income (FVOCI)**

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss statement unless the dividend clearly represents return of capital. This category includes certain listed equity investments.

#### **Recognition and de-recognition**

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase or sell the asset. Regular purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are de-recognised when the right to receive cash flows from the financial assets have expired or when the entity transfers substantially all the risks and rewards of the financial assets.

#### **Impairment**

The Company assesses, on each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has had an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.



**THE SMITH FAMILY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**2 Summary of material accounting policies (continued)**

**(m) Assets and liabilities classified as held for sale**

Assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

**(n) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation, subject to note 2(m). Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Land is not depreciated. Except as noted below, depreciation on other assets is calculated using the straight line method to allocate their cost or revalue amounts, net of their residual values, over their estimated useful lives, as follows:

- Buildings	33.33 years
- Plant and equipment	3 - 10 years
- Vehicles	5 years
- Furniture, fittings and other equipment	3 - 10 years

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

An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(h)).

**(o) Intangible assets**

The Company has purchased computer software, and developed certain computer software to enhance its business using both internal and external resources. The costs of these purchases and developments are capitalised and amortised over the useful life of the software, which is normally taken to be 3 to 5 years.

**(p) Financial liabilities**

The Company's financial liabilities include trade and other payables.

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which were unpaid on the reporting date. The amounts are unsecured, interest free and usually paid within 30 days of recognition.

**(q) Provisions**

Provisions for legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Except as otherwise noted, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation on the reporting date. Subsequent adjustments to the provisions due to the passage of time are recognised as interest expenses.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

**(r) Employee benefits**

**(i) Wages and salaries, and annual leave**

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Long service leave**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible to the estimated future cash outflows.

**(iii) Superannuation**

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

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

Revenues, 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.

The net amount of GST recoverable from or payable to the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority are presented as operating cash flow.

**(t) Endowment Fund**

The Children's Future Education Endowment (referred to in the Financial Statements as the Endowment Fund or the Fund) comprises monies donated or bequeathed to the Company for long-term investment which will generate revenue to support the education of disadvantaged students through the provision of *Learning for Life* scholarships and education-focussed support for individuals and communities in need. The Company may, at its discretion, transfer additional monies to the Fund from time to time. The balance of the Fund is separately invested in a specific investment portfolio. The revenue for the Fund for the year includes donations, bequests and income from investments, net of associated expenses. Gains or losses on revaluation of the investment portfolio are recorded in the profit and loss.

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

There have been a number of new accounting standards and interpretations which became applicable during the financial year. None of these have had a material impact on the results or financial position of The Smith Family.

**THE SMITH FAMILY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**3 Financial risk management objectives and policies**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by a central finance department (Finance) under policies approved by the Board of Directors. Finance identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

	Note	2024 \$'000	2023 \$'000
<b>Financial Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	19,154	35,650
Term Deposits	8	80,077	70,931
Trade and other receivables	9	5,654	3,684
<b>Non-current assets</b>			
Term Deposits	8	7,757	10,000
Listed and Unlisted securities	11	17,857	13,959
		<u>130,499</u>	<u>134,224</u>
<b>Financial liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	6,337	5,055
Lease liability	18(b)	1,879	1,808
<b>Non-Current liabilities</b>			
Lease liability	18(b)	6,414	7,272
		<u>14,630</u>	<u>14,135</u>

**(a) Market risk**

**(i) Foreign exchange risk**

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Company's exposure to foreign currency risk at the reporting date was \$nil (2023: \$nil):

**(ii) Price risk**

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified on the statement of financial position either as FVTPL or FVOCI. The Company is not exposed to commodity price risk.

To manage the Company's price risk arising from investments in equity securities, the Company diversifies the Company's portfolio in accordance with limits set by the Company's Investment Policy and Mandate. The majority of the Company's equity investments are readily saleable.

At reporting date the Company had \$17.9 million (2023: \$14.0 million) in financial assets. Equity would further increase / decrease as a result of gains / losses on equity securities and managed funds classified as either FVTPL or FVOCI.

**(iii) Interest rate risk**

The Company's finance costs and operating cash flows are not materially exposed to changes in market interest rates. As at the reporting date the Company had no borrowings. The Company's investments in term deposits all pay fixed interest rates. Based on the balances held in interest bearing bank accounts on the reporting date, the Company's surplus for the year would have been \$79,889 higher / \$79,889 lower (2023: \$162,975 higher / \$162,975 lower) had the interest rates increased / decreased up to 0.5%.

**(b) Credit risk**

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables and committed transactions. For banks and financial institutions only independently rated parties with a minimum Standard and Poor's rating of A- are accepted. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Individual risk limits are set based on internal ratings and these are regularly monitored by management.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised above. Under certain circumstances the Company may retain title over goods sold until full payment is received. The Company may obtain security in the form of letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. The Company may also take trade finance insurance cover for transactions in certain export markets.

**(c) Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding from its fundraising activities and its operating expenditures.

**(d) Fair value hierarchy table**

The Company uses various methods in estimating the fair value of a financial instrument. The methods comprise:

*Level 1* - the fair value is calculated using quoted prices in active markets.

*Level 2* - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

*Level 3* - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Year ended 30 June 2024			Total	Year ended 30 June 2023			Total
	Quoted market price (Level 1)	Valuation technique - market observable inputs (Level 2)	Valuation technique - non market observable inputs (Level 3)		Quoted market price (Level 1)	Valuation technique - market observable inputs (Level 2)	Valuation technique - non market observable inputs (Level 3)	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>								
Securities								
Listed securities	6,397	-	-	6,397	5,408	-	-	5,408
Unlisted securities	-	11,460	-	11,460	-	8,551	-	8,551
	<u>6,397</u>	<u>11,460</u>	<u>-</u>	<u>17,857</u>	<u>5,408</u>	<u>8,551</u>	<u>-</u>	<u>13,959</u>

Quoted market price presents fair value based on quoted prices in active markets as at the reporting date, without any deduction for transaction costs.

**THE SMITH FAMILY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**4 Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Estimates and judgements are continually evaluated in relation to assets, liabilities, contingent liabilities, revenue and expenses, and are based on historical experience and other factors, including expectations of future events which are believed to be reasonable under the circumstances. The estimates and judgements form the basis of the carrying values of assets and liabilities which are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions. There are no estimates or assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(i) Significant accounting judgements**

*Impairment of non-financial assets*

The Company assesses at each reporting date whether there is objective evidence that any significant non-financial asset or group of non-financial assets is impaired by evaluating conditions specific to the Company and to the particular asset or group of assets which may lead to impairment. These include financial performance, technology, the economic environment and future expectations. Certain assets have been tested for impairment and management considers that there are no impairment triggers which might require the value of those assets to be determined.

*Impairment of financial assets*

The Company holds a number of financial assets and follows the requirements of AASB 9: *Financial Instruments* in determining when a financial asset is impaired. In determining the amount of impairment, judgements are made in identifying financial assets whose decline in fair value below cost is considered significant and prolonged. A significant decline is based on the historical volatility of the share price. A prolonged decline is based on the length of time over which the share price has been depressed below cost. For the year ended 30 June 2024 the Company has determined that there are no financial assets considered impaired (2023: no impairment loss).

*Valuation of unlisted investments*

The Company's financial assets include a portfolio of unlisted investments in managed funds managed by external investment managers. In accordance with the Company's accounting policies, these unlisted investments are measured at FVTPL. The Company generally values its interests in the managed funds using the valuation provided by the external investment manager. For the year ended 30 June 2024 the Company considers the valuation methodology adopted by the relevant investment manager as appropriate.

**(ii) Significant accounting estimates and assumptions**

*Revenue recognition*

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Company has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the Company has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. work plans) and holding discussions with relevant parties. Income recognition from grants received by the Company has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

*Make-good provisions*

A provision has been made for the present value of anticipated costs of future restoration of leased premises. Principally these estimated costs relate to the removal of office fitouts and repair and redecoration of office premises. The provision recognised for each site is reviewed periodically and changes are recognised through the statement of financial position by adjusting both the expense and provision. The related carrying amounts are disclosed in Note 15 and Note 17.

*Employee benefits*

The liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured as the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account. Where any remediation is required for entitlements due as at the balance sheet date, a best estimate of those entitlements has been included in the financial statements.

*Deferred government funding*

The liability for deferred government funding is recognised on cash receipts from government funders and released to revenue in subsequent accounting periods based on the different conditions specified in each agreement. In determining the value of deferred government funding, expected costs based on best estimate have been taken into account.

*Leases - Incremental borrowing rate*

The Company cannot readily determine the interest rate implicit in its leases, and therefore uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and makes certain entity-specific estimates.

**THE SMITH FAMILY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

	<b>Note</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<b>5 Revenue</b>			
Fundraising	2(d)(i)		
Individuals - donations and sponsorships		100,031	92,342
Bequests		10,286	10,925
Organisations		26,477	22,049
Communities		2,698	3,083
VIEW Clubs		5,159	5,138
		<u>144,651</u>	<u>133,537</u>
Government funding	2(d)(iv)	21,066	18,886
Revenue from sale of commercial goods	2(d)(ii)	48	28
Interest revenue	2(d)(iii)	5,222	3,304
<b>Total</b>		<u><u>170,987</u></u>	<u><u>155,755</u></u>
<b>6 Other Income</b>			
Rental income, dividends and third party contributions to programs		973	1,134
Gain from financial assests at FVTPL		696	480
Net (loss)/gain on disposal of property, plant and equipment		(10)	4
<b>Total other income</b>		<u><u>1,659</u></u>	<u><u>1,618</u></u>
<b>7 Expenses</b>			
Surplus before income tax includes the following specific expenses:			
<i>Depreciation relating to property, plant and equipment</i>			
Buildings		39	39
Plant and equipment		665	527
Leasehold improvements and make-good provision		129	123
Total depreciation relating to property, plant and equipment		<u>833</u>	<u>689</u>
<i>Depreciation relating to leases</i>			
Right-of-use assets		2,038	2,188
Total depreciation relating to leases		<u>2,038</u>	<u>2,188</u>
<i>Amortisation</i>			
Intangibles		99	118
Total amortisation		<u>99</u>	<u>118</u>
<i>Finance costs</i>			
Interest charges relating to lease liabilities		334	374
Total finance costs recognised in the surplus before income tax for the year		<u>334</u>	<u>374</u>
<i>Employee expenses</i>			
Employee expenses excluding superannuation		79,473	68,710
Superannuation contributions		8,496	6,929
Total employee expenses recognised in the surplus before income tax for the year		<u>87,969</u>	<u>75,639</u>
<b>8 Cash, cash equivalents and other financial assets</b>			
Cash at bank and on hand	8(b)	19,021	22,900
Deposits at call	8(c)	133	12,750
Total cash and cash equivalents		<u>19,154</u>	<u>35,650</u>
Term deposits - current	8(c)	80,077	70,931
Term deposits - non-current	8(c)	7,757	10,000
Total other financial assets		<u>87,834</u>	<u>80,931</u>
Total cash, cash equivalents and other financial assets	2(i)	<u><u>106,988</u></u>	<u><u>116,581</u></u>
<b>(a) Reconciliation to cash at the end of the year</b>			
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:			
Balances as above		106,988	116,581
Term Deposits		<u>(87,834)</u>	<u>(80,931)</u>
Balances per statement of cash flows	2(i)	<u><u>19,154</u></u>	<u><u>35,650</u></u>
<b>(b) Cash at bank and on hand</b>			
Cash at bank is held at prevailing bank interest rates. Cash on hand is non interest bearing.			

**THE SMITH FAMILY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

		2024 \$'000	2023 \$'000
<b>8 Cash, cash equivalents and other financial assets (continued)</b>			
<b>(c) Deposits at call and term deposits</b>			
The deposits are bearing fixed interest rates between 4.92% and 5.54% (2023: 0.3% and 5.44%). Fixed term deposits have an average maturity of 136 days (2023: 306 days).			
<b>(d) Interest rate exposure</b>			
The Company's exposure to interest rate risk is discussed in Note 3.			
<b>9 Current assets - Receivables</b>			
Trade receivables		-	-
		-	-
Other receivables	9(c)	2,136	1,296
GST receivable	9(d)	512	-
		2,648	1,296
Interest receivable		1,505	1,668
Prepayments		1,501	720
	2(j)	5,654	3,684
<b>(a) Expected credit losses from trade receivables</b>			
As at 30 June 2024 current trade receivables with a nominal value of \$nil (2023: \$nil) had no expected credit losses.			
The Company had no material losses in respect of expected credit losses from trade receivables during the year ended 30 June 2024.			
<b>(b) Past due but no expected credit losses</b>			
As of 30 June 2024, trade receivables with a nominal value of \$nil (2023: \$nil) were past due but had no expected credit losses.			
<b>(c) Other receivables</b>			
These amounts include transactions relating to donations received but not receipted by year-end.			
<b>(d) GST receivable</b>			
These amounts relate to the GST receivable at the balance date.			
<b>10 Current assets - Inventories</b>			
Finished goods at cost		114	103
	2(k)	114	103
<b>11 Non-current assets - Financial assets</b>			
Equity securities - listed		6,397	5,408
Unlisted securities in investment funds		11,460	8,551
	3(d)	17,857	13,959
<b>Financial Assets</b>			
Financial assets at fair value through other comprehensive income (FVOCI)		2,622	2,342
Financial assets at fair value through profit or loss (FVTPL)		15,235	11,617
		17,857	13,959
<b>Impairment and risk exposure</b>			
None of the financial assets are impaired.			
All financial assets are denominated in Australian currency. An analysis of the sensitivity of these assets to price and interest rate risk is provided in Note 3.			
The above assets were allocated as follows:			
Restricted funds (representing the financial assets of the Children's Future Education Endowment)		14,712	11,159
Unrestricted funds		3,145	2,800
		17,857	13,959

**THE SMITH FAMILY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**12 Non-current assets - Property, plant and equipment**

	Lease Make Good \$'000	Freehold buildings \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Total \$'000
<b>At 30 June 2022</b>					
Cost	417	1,792	3,432	976	6,617
Accumulated depreciation	(417)	(1,389)	(2,741)	(444)	(4,991)
Net carrying amount	-	403	691	532	1,626
<b>Year ended 30 June 2023</b>					
Opening net book amount	-	403	691	532	1,626
Additions	-	-	1,171	-	1,171
Disposals	-	-	-	-	-
Depreciation charge	-	(39)	(527)	(123)	(689)
Closing net carrying amount	-	364	1,335	409	2,108
<b>At 30 June 2023</b>					
Cost	417	1,792	4,603	976	7,788
Accumulated depreciation	(417)	(1,428)	(3,268)	(567)	(5,680)
Net carrying amount	-	364	1,335	409	2,108
<b>Year ended 30 June 2024</b>					
Opening net book amount	-	364	1,335	409	2,108
Additions	-	-	424	170	594
Disposal - cost	-	(508)	(1,505)	(215)	(2,228)
Disposal - accumulated depreciation	-	508	1,500	208	2,216
Depreciation charge	-	(39)	(665)	(129)	(833)
Closing net carrying amount	-	325	1,089	443	1,857
<b>At 30 June 2024</b>					
Cost	417	1,284	3,522	931	6,154
Accumulated depreciation	(417)	(959)	(2,433)	(488)	(4,297)
Net carrying amount	-	325	1,089	443	1,857

**13 Non-current assets - Intangible assets**

*Software purchase and development costs*

**At 1 July**

	Note	2024 \$'000	2023 \$'000
Cost		644	2,147
Accumulated amortisation		(571)	(1,956)
Net carrying amount		73	191

**Movement in intangible assets**

Opening net book amount		73	191
Additions		109	-
Amortisation charge		(99)	(118)
Closing net carrying amount		83	73

**At 30 June**

Cost		753	644
Accumulated amortisation		(670)	(571)
Net carrying amount		83	73

**14 Current liabilities - Payables**

Trade creditors		1,080	353
Other creditors		5,257	4,387
GST payable		-	315
	2(p)	6,337	5,055

**THE SMITH FAMILY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

		2024 \$'000	2023 \$'000
<b>15 Current liabilities - Provisions</b>			
Employee benefits	2(q,r)	9,906	8,531
Make-good provision	2(q)	228	124
Other Provisions		3,496	2,600
		<u>13,630</u>	<u>11,255</u>
<b>(a) Make-good provision</b>			
The Company has entered into leases of property, the terms of which include restoration requirements at the end of the lease periods. The costs of restoration have been estimated by management and to the extent that they relate to leases which expire in the next financial year the costs are recognised as current liabilities.			
<b>(b) Movements in Make-good provision</b>			
Carrying amount at the start of the year		124	73
Additional provision recognised		104	51
Carrying amount at the end of the year		<u>228</u>	<u>124</u>
<b>(c) Amounts not expected to be settled within the next 12 months</b>			
The current provisions for annual and long service leave include all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current since the Company does not have a right to defer settlement.			
Under present Company policy it is a requirement that individual annual leave balances remain at or below one year's accrued entitlement. As a result, the annual leave provision is treated as current. However, based on past experience the Company does not expect all employees to take the full amount accrued for long service leave within the next 12 months. The following amounts reflect long service leave which is not expected to be taken or paid within the next 12 months.			
Long service leave obligation expected to be settled after 12 months		2,526	2,649
		<u>2,526</u>	<u>2,649</u>
<b>(d) Remuneration Review</b>			
A comprehensive review of the application of relevant industrial instruments to the Company's employees which commenced in 2023 is expected to be completed by the end of the calendar year. The review focussed mainly on the classification and entitlements of employees under the Social, Community, Home Care & Disability Services Industry Award (the "award"), but was expanded to confirm the entitlements of certain employees covered by the Company's Enterprise Agreement (such as those whose positions may have changed over time). The review resulted in award-related remediation payments to affected employees during the year totalling \$1.9 million against a provision of \$2.6 million established as at 30 June 2023. A further provision of \$2.3 million was made as at 30 June 2024 to meet any additional remediation payments to current and former employees. This provision includes superannuation and interest payments but does not include project or consultant costs associated with completing the anticipated remediation.			
<b>Enterprise Agreement</b>			
Other Provisions also includes anticipated payment totalling \$0.5 million (2023: \$nil) to employees associated with the implementation of the Company's new Enterprise Agreement (presently under negotiation).			
<b>16 Current liabilities - Deferred Income</b>			
Unexpended funding has been carried forward as follows:			
<b>Current (unsecured)</b>			
Deferred government funding	2(d)(iv)	20,142	17,062
		<u>20,142</u>	<u>17,062</u>
<b>17 Non-current liabilities - Provisions</b>			
Employee benefits	2(q,r)	1,560	1,577
Make-good provision	2(q)	185	289
		<u>1,745</u>	<u>1,866</u>
<b>(a) Make-good provision</b>			
The Company has entered into leases of property, the terms of which include restoration requirements at the end of the lease periods. The costs of restoration have been estimated by management and to the extent that they relate to leases which expire after the next financial year the costs are recognised as non-current liabilities.			
<b>(b) Movements in Make-good provision</b>			
Carrying amount at the start of the year		289	344
Reduced provision recognised		(104)	(55)
Carrying amount at the end of the year		<u>185</u>	<u>289</u>

**THE SMITH FAMILY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$'000	2023 \$'000
<b>18 Leases</b>			
(a) <i>Right-of-use assets</i>			
Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:			
<b>Cost</b>			
As at 1 July		12,931	12,991
Additions		1,129	300
Disposals		(1,354)	(360)
As at 30 June		12,706	12,931
<b>Accumulated depreciation</b>			
As at 1 July		4,425	2,558
Depreciation charge for the year		2,038	2,188
Disposals		(1,341)	(321)
As at 30 June		5,122	4,425
<b>Net carrying amount</b>			
As at 30 June		7,584	8,506
(b) <i>Lease liabilities</i>			
Analysed as:			
Current	2(g)	1,879	1,808
Non-current	2(g)	6,414	7,272
		8,293	9,080
(c) <i>Amounts recognised in profit and loss</i>			
The following are the amounts recognised in profit or loss:			
Depreciation expense of right-of-use assets		2,038	2,188
Interest expense on lease liabilities		334	374
Expense relating to short-term leases		383	230
Total amount recognised in profit or loss		2,755	2,792
(d) <i>Amounts recognised in cash flow</i>			
The following are the amounts recognised in cash flow from operating activities:			
Cash outflow for leases		2,658	2,773
		2,658	2,773
The Company leases several building assets used in its operations. Leases of buildings generally have lease terms between 1 and 8 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.			
(e) <i>Presented below is a maturity analysis of future lease payments:</i>			
Within 1 year		2,211	1,893
Later than 1 year and not later than 5 years		6,270	5,564
Later than 5 years		-	1,116
		8,481	8,573
<b>19 Reserves and retained surplus</b>			
(a) Movements in the retained surplus were as follows:			
Balance at the beginning of the year		90,583	95,338
Deficit for the year		(10,986)	(3,355)
Transfer of Endowment fund surplus to reserve		(3,553)	(1,400)
Balance at the end of the year		76,044	90,583
(b) Movements in the Endowment Fund reserve were as follows:			
Balance at the beginning of the year		9,930	8,530
Transfer of Endowment fund surplus to reserve		3,553	1,400
Balance at the end of the year	2(t)	13,483	9,930
(c) Movements in the investment revaluation reserve were as follows:			
Balance at the beginning of the year		183	(36)
Increase in value of the investment revaluation reserve for the year		280	219
Balance at the end of the year		463	183



**THE SMITH FAMILY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
<b>20 Remuneration of auditors</b>			
During the year the following fees were paid or payable for services provided by the auditor of the Company, and its related practices:			
<b>Assurance services</b>			
<b>Audit services</b>			
<i>Ernst &amp; Young Australia</i>			
Audit		132,716	110,000
Business Control review		15,000	-
Total remuneration for audit services		147,716	110,000
<b>Other assurance services</b>			
<i>Ernst &amp; Young Australia</i>			
Forensic and Integrity services		270,146	-
Total remuneration for other assurance services		270,146	-
Total remuneration for assurance services		417,862	110,000

**21 Contingent liabilities**

**Contingent liabilities**

The Company had no contingent liabilities at 30 June 2024 and at the date of this report.

**Guarantees**

The Company had provided the following guarantees relating to leased premises at 30 June 2024:

- bank guarantees to a total amount of \$1,775,242 (2023: \$1,769,274)

**22 Commitments**

**Property, plant and equipment commitments**

Commitments in relation to capital expenditure contracted for the year ended 30 June 2024: \$nil (2023: \$nil)

**23 Related party transactions**

**(a) Directors**

The names of persons who were directors of the Company at any time during the financial year and up until the date of this report are as follows: G.D. Barnes, C. Cawsey, S.A. Davis, R.M. Garnon, J.A. Hamer, M.G. Johnson, A.J. Kloeden, J.C.R. Maycock, N.W. Moore, L. Paul, P.J. Radoll, M Ryan, D.D. Taylor.

G.D Barnes was appointed as a Director of the Company on 28 November 2023.

L. Paul was appointed as a Director of the Company on 28 November 2023.

M. Ryan was appointed as a Director of the Company on 28 November 2023.

J.A. Harmer was a Director of the Company until his retirement on 28 November 2023.

M.G. Johnson was a Director of the Company until his retirement on 28 November 2023.

There were no other transactions between directors and the Company other than donations made or reimbursements of out-of-pocket expenses on an arm's length basis

**(b) Key management and personnel compensation**

Key management personnel compensation for the years ended 30 June 2024 and 2023 is set out below. The key management personnel are:

- all the directors of the Company (none of whom was paid with the exception of D.D. Taylor, who held office as a director in his role as Chief Executive Officer), and
- Eight other executives (2023: Eight) with the greatest authority for the strategic direction and management of the Company.

	Short term benefits	Post employment benefits	Other long term benefits	Termination benefits	Total
	\$	\$	\$	\$	\$
<b>2024</b>	2,425,486	240,428	-	-	2,665,914
<b>2023</b>	2,382,048	227,393	-	-	2,609,441

**THE SMITH FAMILY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$'000	2023 \$'000
<b>24 Reconciliation of deficit after income tax to net cash inflow/(outflow) from operating activities</b>			
Net deficit for the year from continuing operations		(10,986)	(3,355)
Depreciation and amortisation		2,970	2,995
Loss/(gain) on disposal of property, plant and equipment		10	(4)
Shares received from bequests		-	(65)
Interest income		(5,222)	(3,304)
Lease related interest		334	374
Dividends and distributions		(680)	(917)
(Increase)/decrease in receivables		(2,133)	84
(Increase)/decrease in inventories		(11)	71
Increase in financial assets at FVTPL and FVOCI		(733)	(486)
Increase in right-of-use assets and lease liabilities		135	255
Increase in trade and other creditors		1,282	646
Increase in other operating liabilities		3,080	6,982
Increase in provisions		2,253	3,030
Net cash (outflow)/inflow from operating activities		(9,701)	6,306

**25 Events after balance date**

There have been no significant events occurring after balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

**26 Income and expenditure - Fundraising Appeals**

This disclosure is made under the NSW Charitable Fundraising Act (1991).

**(i) Details of total revenue and total expenses of Fundraising Appeals**

Gross proceeds of Fundraising Appeals (as defined in the Act)	129,174	117,464
Costs of Fundraising Appeals	(40,527)	(33,779)
Net surplus obtained from Fundraising Appeals	88,647	83,685

**(ii) Statement showing how funds and goods received were applied to charitable purposes**

Net surplus obtained from Fundraising Appeals	88,647	83,685
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This was applied to the Company's charitable purposes in the following manner:

Cash payments to beneficiaries	36,448	34,214
Personal support to beneficiaries	86,962	73,027
Community Programs research, development and administration	3,490	4,216
	126,900	111,457

**(iii) Fundraising Appeals conducted during the financial year**

Donations from individuals	100,031	92,342
Corporate, trust and university donations	26,477	22,049
Events	2,666	3,073
	129,174	117,464

**(iv) Comparisons of certain monetary figures and percentages**

The following figures and percentages exclude sales revenue and expenditure on commercial activities.

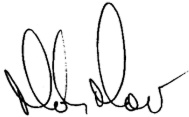
	2024 \$'000	2023 \$'000	2024 %	2023 %
Total cost of fundraising appeals /	40,527	33,779	31.4%	28.8%
Gross income from fundraising appeals	129,174	117,464		
Net surplus from fundraising appeals /	88,647	83,685	68.6%	71.2%
Gross income from fundraising appeals	129,174	117,464		
Total cost of assistance to clients /	126,900	111,457	69.1%	69.3%
Total expenditure	183,611	160,723		
Total cost of assistance to clients /	126,900	111,457	73.5%	70.8%
Total income received	172,598	157,345		

## THE SMITH FAMILY DIRECTORS' DECLARATION

In accordance with a resolution of the directors of The Smith Family, I state that in the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013*;
- (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.

On behalf of the Board



N.W. Moore  
Chairman

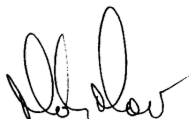
Sydney  
16 October 2024

## THE SMITH FAMILY DECLARATION UNDER THE CHARITABLE FUNDRAISING ACT 1991

In accordance with a resolution of the directors of The Smith Family, I state that in the opinion of the directors:

- (i) the Statement of Profit and Loss and Other Comprehensive Income gives a true and fair view of the all income and expenditure of the organisation with respect to fundraising appeals;
- (ii) the Statement of Financial Position gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals;
- (iii) the financial report and associated records of the Company have been properly kept during the year ended 30 June 2024 in accordance with the provisions of the *Charitable Fundraising Act 1991*, the regulations under the Act and the conditions attached to organisation's authority; and
- (iv) the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

On behalf of the Board



N.W. Moore  
Chairman

Sydney  
16 October 2024

## Independent auditor's report to the members of The Smith Family

### Report on the financial report

#### Opinion

We have audited the financial report of The Smith Family (the Company), which comprises the statement of financial position as at 30 June 2024, 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 material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2022*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

#### Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' 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 Company'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 Company 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 directors 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.

Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulation 2021* and the requirements of the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulation 2021* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

## Opinion

In our opinion:

- a. The financial report of Company has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2024, in all material respects, in accordance with:
  - i. Sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
  - ii. Sections 14(2) and 17 of the *NSW Charitable Fundraising Regulation 2021*;
  - iii. The *WA Charitable Collections Act (1946)*; and
  - iv. The *WA Charitable Collections Regulations (1947)*.

- b. The money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2024 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Acts and Regulations.



Ernst & Young



Yvonne Barnikel  
Partner  
Sydney  
16 October 2024

