Annual report
30 June 2017
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Our long-term brand initiatives, Snack Habitat and The Big Feed, represent trusted learning communities encompassed by a social enterprise framework; curated and moderated by peers, experts and local heroes.

Contents

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

Directors' Report

The directors present their report together with the financial report of Children's Food Education Foundation for the year ended 30 June 2017 and the auditors' report thereon.

Directors

The following persons were directors of Children's Food Education Foundation during or since the end of the financial year:

Kay Richardson B.Bus MA CA is a Management Consultant who specialises in SME IT and who as extensive experience within the retail, hospitality and not for profit sector. Kay is also a food educator whose MA studies focused on children's food education, literacy and health promotion.

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

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

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

Meetings of directors

During the financial year, 2 meetings of directors were held. The number of meetings attended by each of the directors in the 12 month period ending 30 June 2017 were:

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

Principal activities

The principal activity of the company during the financial year was as a charitable company promoting an understanding of food, health, nutrition and healthy food choices by children and young people.

Our aim is to reduce the risk and incidence of diet related disease by engaging, educating and empowering children and young people to make mindful food choices. By 2050, we believe all Australian children will live well, free from diet related disease. The main focus of our activities was directed toward those children and young people with chronic illness, disabilities, mental disorders and those who provide care for themselves or others.

There have been no significant changes in the nature of these activities during the year.

Strategies

We concentrate on developing mindfulness and finding personal motivators as well as encouraging learning about other food related issues like food waste, food security, sustainable living, urban gardens and the environment. Our approach is collaborative and inclusive with an emphasis on peer-led learning (kids teaching kids), capacity building and the sharing of intergenerational skills within family or community groups.

Using food as the point of engagement, our activities and educative resources address the whole child and all the aspects of wellness - social, spiritual, emotional, environmental, vocational, intellectual and physical. We place food in a relatable and behavioural context (psychosocial) rather than leading with nutrition or dietetic advice, in order to make learning relevant and a joyful experience.

Projects include delivery of:

- Food Education activities, events and tangible learning opportunities.
- Digital education resources and micro-learning platforms.
- Employment pathways, work experience and small business start-up advice.
- Food-related events, food and beverage products and e-commerce platforms.

Review of operations

The company was incorporated on 4 April 2004.The company has been granted the status of a charitable company and is entitled to collect money or goods for a charitable purpose. The operating deficit for the year amounted to ($1,417) (2016: (8,762)).

Significant changes in the state of affairs

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

Environmental regulation

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

Matters subsequent to the end of the financial year

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

Likely developments

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

Contribution in Winding Up

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of $1 each toward meeting any outstanding obligations of the company. As at 30 June 2017 the number of members was 4 (2014: 4).

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on Page 5 which forms part of the Directors' report.

Directors' benefits

Other than as disclosed in Note 6, since the end of the previous financial year no director of the company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial report, or the fixed salary of a full-time employee of the company or of a related body corporate) by reason of a contract made by the company or a related body corporate with a director or with a firm of which the director is a member, or with an entity in which the director has a substantial financial interest.

Dated at Sydney this 13 June 2018
Signed in accordance with a resolution of directors:

Kay M Richardson
Executive Director

WATERHOUSE
CHARTERED ACCOUNTANTS

Mark Waterhouse CA, B.Bus, JP
Director

Review Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001

To the Directors of Children's Food Education Foundation

I declare that, to the best of my knowledge and belief, in relation to the audit of Children's Food Education Foundation for the financial year ended 30 June 2017 there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review;
  and
- No contraventions of any applicable code of professional conduct in relation to the review.

Waterhouse Chartered Accountants

Mark Waterhouse
Director

13 June 2018

MW/CB/351724

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Statement of Surplus or Deficit and Other Comprehensive Income for the year ended 30 June 2017

	Notes	June 2017 ($)	June 2016 ($)
Revenue from Ordinary Activities:			
Donations	5	11,559	13,694
Grants & subsidies		-	-
Total income from fundraising		11,559	13,694
Social Enterprise Contribution	10	11,947	7,863
Food Education Fees		900	3,350
Event Income		-	-
Interest		10	41
Total Revenue		24,416	24,948
Food Education Project Delivery Expenses:	9	22,207	30,621
Expenses from ordinary activities:			
Audit / Review Fees		750	-
Bank charges & fees		373	248
Event Costs		-	51
Insurance		2,024	2,030
Office & Other expenses		387	376
Printing & Stationary		15	308
Subscriptions		77	77
Total expenses from ordinary activities		3,626	3,090
Deficit for the year		$(1,417)	$(8,763)

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

Statement of Financial Position as at 30 June 2017

	Notes	June 2017 ($)	June 2016 ($)
Assets			
Cash and cash equivalents			
Cheque Account		4,812	1,318
Fundraising Account		7,641	10,056
Paypal			348
The Big Feed Cash Reserve		671	3,922
The Big Feed Community Solutions		496	979
Total cash and cash equivalents		13,620	16,623
Current Assets			
Other Debtors		12,655	2,979
Product & Merchandise		4,896	-
GST Receivable		-	373
Prepayments		-	3,022
Total current assets		17,551	6,374
Fixed Assets			
Snack Habitat Van & Pooled Assets		25,216	33,842
Accumulated Depreciation		(7,336)	(10,152)
Total fixed assets		17,880	23,690
Total assets		49,051	46,687
Liabilities			
Trade creditors		2,329	226
GST Payable		608	-
Superannuation Payable		320	-
Accrued Expenses		750	-
Total liabilities		4,007	226
Net assets		45,044	46,461
Accumulated Surplus			
Accumulated Surplus		46,461	55,224
Current Year Deficit		(1,417)	(8,763)
Total accumulated surplus		45,044	46,461

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

Statement of Changes in Equity as at 30 June 2017

	June 2017 ($)	June 2016 ($)
Total accumulated surplus at the beginning of the financial year	46,461	55,224
Deficit for the year	(1,417)	(8,763)
Total accumulated surplus at year end	45,044	46,461

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

Statement of Cash Flows for the year ended 30 June 2017

	June 2017 ($)	June 2016 ($)
Operating Activities	(inclusive of GST)	
Donations received	11,559	16,494
Grants received	-	-
Interest received	10	41
GST refund received	531	15,172
Receipts from customers	23,503	24,729
Payments to suppliers and employees	(37,343)	(49,283)
Interest and bank charges paid	-	(1,059)
Net cash (used in) by operating activities	(1,740)	(7,563)
Investing activities		
Acquisition of assets	(1,263)	-
Net cash flow from investing activities	(1,263)	-
Net cash (used in) by operating activities	(3,003)	(7,563)
Cash and cash equivalents at the beginning of the financial year	16,623	24,186
Cash and cash equivalents at the end of the financial year	13,620	16,623

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

Reconciliation of operating loss to net cash flow from operating activities

	June 2017 ($)	June 2016 ($)
Operating loss	(1,417)	(8,763)
Adjustments for non-cash items:		
Depreciation	7,336	10,152
Decrease (Increase) in Receivables	(9,676)	(179)
(Decrease) / Increase in GST receivable		1,140
(Decrease) / Increase in GST payable	981	-
Decrease (Increase) in Prepayments	3,023	943
Decrease (Increase) in Product & Merchandise	(4,896)	-
Decrease (Increase) in Fixed Assets	(1,527)	-
Increase (Decrease) in Payables	3,173	(10,860)
Increase (Decrease) in Committed Grant Funds	-	-
Net cash (outflow) inflow from operating activities	(3,003)	(7,563)

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

Notes to the Financial Statements

1. General information and statement of compliance

The financial report includes the financial statements and notes for the Children's Food Education Foundation.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012.

Children's Food Education Foundation is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2017 were approved and authorised for issuance by the Board of Directors.

2. Changes in accounting policies

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. The company's assessment of the impact of these new standards and interpretations, have no material impact on the company's financial statements.

2.1. New and revised standards that are effective for these financial statements

AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not For-Profit Public-Sector Entities AASB 2015-6 amends AASB 124 Related Party Disclosures to extend the scope of that Standard to include not for-profit public-sector entities. Key disclosures required under the amendments for not-for-profit public-sector entities include:

- Identification of key management personnel (KMP);
- KMP compensation; and
- Identification of related parties and transactions with those related parties

AASB 2015-7 makes amendments to AASB 13 Fair Value Measurement to exempt not-for-profit public-sector entities from certain requirements of the Standard. The amendments were made to provide relief for not-for-profit public-sector entities from making certain disclosures about the fair value measurement of assets within the scope of AASB 116 Property, Plant and Equipment which are primarily held for their current service potential rather than for the purpose of generating future cash flows.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 AASB 2016-2 amends AASB 107 Statement of Cash Flows to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.
AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities. This Standard amends AASB 136 Impairment of Assets to:

- remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities; and
- clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that: -

- AASB 136 does not apply to such assets that are regularly revalued to fair value under the revaluation model in AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets; and
- AASB 136 applies to such assets accounted for under the cost model in AASB 116 and AASB 138.

AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities AASB 2016-7 amends the mandatory effective date of AASB 15 for not-for-profit entities so that AASB 15 is required to be applied by such entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018.

AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle This Standard clarifies the scope of AASB 12 Disclosure of Interests in Other Entities by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5 Noncurrent Assets Held of Sale and Discontinued Operations. AASB 2017-2 applies to for-profit and not-for-profit entities for annual periods beginning on or after 1 January 2017.

3. Summary of significant accounting policies

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

3.1. Basis of preparation of financial report

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

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

3.2. Revenue recognition

Revenue comprises revenue from the services income, sale of goods, grants, fundraising activities and client contributions.

Revenue is measured by reference to the fair value of consideration received or receivable by the company for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the company's different activities have been met. Details of the activity-specific recognition criteria are described below.

Sale of goods
Revenue from the sale of goods comprises revenue earned from the sale of goods donated and purchased for resale. Sales revenue is recognised when the control of goods passes to the customer.

Grants
If conditions are attached to a grant which must be satisfied before the company is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied. Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised when the grant is received and expenses are recognised in subsequent periods until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the company obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied. Where the company receives a non-reciprocal contribution of an asset from another party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Client contributions
Fees charged for services provided to clients are recognised when the service is provided.

Donations and bequests
Donations collected, including cash and goods for resale, are recognised as revenue when the company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the company becomes legally entitled to the shares or property.

Interest and dividend income
Interest income is recognised on an accrual basis using the effective interest method.

3.3. Financial instruments

Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through surplus or deficit, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Loans and receivables
- Financial assets at fair value through profit or loss (FVTPL)

- Held-to-maturity (HTM) investments
- Available-for-sale (AFS) financial assets

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in surplus or deficit are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The company's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL
Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in surplus or deficit. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

HTM investments
HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the company has the intention and ability to hold them until maturity. The company currently holds long-term deposits designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The company's AFS financial assets include listed securities.

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in surplus or deficit. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to surplus or deficit and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in surplus or deficit within 'revenue' (see Note 3.2).

Reversals of impairment losses for AFS debt securities are recognised in surplus or deficit if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For AFS equity investments impairment reversals are not recognised in surplus or deficit and any subsequent increase in fair value is recognised in other comprehensive income.

Classification and subsequent measurement of financial liabilities
The company's financial liabilities include borrowings and trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in surplus or deficit.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in surplus or deficit are included within finance costs or finance income.

3.4. Operating expenses
Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

3.5. Income tax

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

3.6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts. The bank accounts at year end are bearing floating interest rates of 0.05% (2016: 0.05%).

3.7. Inventories

Inventories comprises goods for resale and goods for distribution at no or nominal consideration as part of charitable activities. Inventories may be purchases or received by way of donation.

Goods for resale
Inventories of goods for resale are valued at the lower of cost and net realisable value. No value is ascribed to goods for resale that have been donated where fair value cannot be reliably determined. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Goods held for distribution

Donated goods and goods purchases for nominal consideration held for distribution are initially recognised at their current replacement cost at date of acquisition. Inventories of goods purchased and held for distribution are initially recognised at cost. The cost of bringing each product to its present location and condition is determined on a first-in, first-out basis.

3.8. Trade payables

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

3.9. Status of the Company

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

3.10. Charitable Fundraising Act 1991

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

3.11. Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

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

3.12. Plant and equipment

Plant and other equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the company' management.

Plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in surplus or deficit within other income or other expenses.

3.13. Leases

Operating leases

Where the company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

3.14. Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

3.15. Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. 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. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

3.16. Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

3.17. Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Inventories
Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories

may be affected by future technology or other market-driven changes that may reduce future selling prices.

4. Financial risk management

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

The company holds the following financial instruments:

	June 2017 ($)	June 2016 ($)
Financial assets		
Cash and cash equivalents	24,182	53,261
Other receivables	2,800	495
	26,982	53,756
Financial liabilities		
Trade and other payables	11,085	9,029
Committed Grant Funds	-	11,820
Director loans	-	100
	11,085	20,949

Market risk
Cash flow and fair value interest rate risk

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

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

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

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

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

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

5. Contingent liabilities and contingent assets

There are no outstanding contingent liabilities and contingent assets as at 30 June 2017 (2016: $NIL).

6. Key management personnel compensation

6.1. Key management personnel compensation
Key management personnel compensation for the years ended 30 June 2017 and 2016 is set out below. The key management personnel of Children's Food Education Foundation includes the directors. Short-term employee benefits 2017: $NIL (2016: $NIL).

6.2. Other transactions with key management personnel or entities related to them
Kay Richardson, a director, is also a director of Young Gourmet Pty Limited, a food education company. Amounts billed were based on normal terms and conditions and amounted to $3,150 (GST exclusive). At the end of the financial year, The Children's Food Education Foundation owed Young Gourmet Pty Limited $Nil (2016: $1,930).

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

7. Employees

The members of the charity perform all work of Children's Food Education Foundation on a voluntary basis. Staff are employed to work within the social enterprise or on food education projects and during the 2017 year, 3 employees were engaged.

8. Auditors remuneration

The auditors remuneration for the audit review of the financial statements was $750 (2016: ($nil)). The auditors did not provide any non-audit services to the company.

9. Formation of the fund

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

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

9.2. Expenditure on approved food education activities

Expenditure on approved Food Education Projects in 2017 was $22,207 (2016: $30,620).

9.3. Comparison of certain monetary figures and percentages

	June 2017 ($)	June 2016 ($)
Gross income from fundraising	24,405	24,907
Total costs of fundraising	3,625	3,090
Total costs food education activities	22,207	30,620
Excess / (deficit) of total income from fundraising over funds disbursed	(1,417)	(8.763)
Total fundraising costs to income	14.8%	12.4%
Net excess to gross income from fundraising	-	-
Total disbursements for projects to total income received	90.9%	122.9%

10. Social Enterprise Contribution

Enterprise Income		
Product / Merchandise Sales	6,654	5,800
Enterprise Consulting	23,353	15,925
Total Enterprise Income	**30,007**	**21,725**
Enterprise Costs		
Advertising, Marketing & PR.	102	191
Community Consultation	-	33
Consulting Costs	124	-
Cost of Merchandise	4,928	7,370
Education Software (Teachable)	413	116
Enterprise - SAAS Commissions	492	(169)
Courier & Postage	180	48
PayPal Fees	59	185
Other Fees	516	550
Staff Costs - Superannuation	708	238
Staff Costs - Wages	8,699	3,993
Travel & Parking Costs	1,838	1,305
Total Enterprise Costs	**18,060**	**13,862**
Total Net Enterprise Funding	**$11,947**	**$7,863**

Director's Declaration

In the directors' opinion:

(a) the financial statements set out on pages 6 to 12 are in accordance with the *Corporations Act 2001* including:

   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   (ii) giving a true and fair view of the company's financial position as at 30 June 2017 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date;
   and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

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

Kay M Richardson
Executive Director

Sydney
Date: 13 June 2018

WATERHOUSE
CHARTERED ACCOUNTANTS

Mark Waterhouse CA, B.Bus, JP
Director

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

Report on the Financial Report

We have reviewed the accompanying financial report of the Children's Food Education Foundation (CFEF), which comprises the balance sheet as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year ended 30 June 2017, selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with the Australian Auditing Standard on Review Engagements ASRE2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act, 2001*, including giving a true and fair view of the entity's financial position as at 30 June 2017 and its performance for the year ended 30 June 2017. As the auditor of the Children's Food Education Foundation, ASRE2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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WATERHOUSE
CHARTERED ACCOUNTANTS

Basis for Qualified Conclusion

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

Qualified Conclusion

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

a. Giving a true and fair view of the entity's financial position as at 30 June 2017 and of its performance for the year ended 30 June 2017; and
b. Complying with Australian Accounting Standards and *Corporations Regulations, 2001*.

Waterhouse Chartered Accountants

Mark Waterhouse
Director

13 June 2018

MW/CB/351723