



# 2023 Annual Report

Proudly a not for  
profit and for  
purpose organisation



Children's Services  
Since 1895





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# Our Vision

**Is to lead and inspire young children's learning for life.**

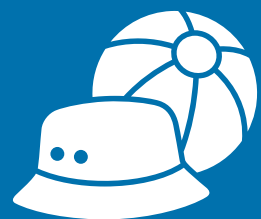


# Our Purpose

**Is to partner with families and communities to nurture children's learning, development and wellbeing.**



# Our Values



## Childhood

We recognise childhood as a special time in itself; a time for all children to be immersed in secure and trusting relationships and environments that allow them to explore, play, discover and learn. We nurture the development of identity, confidence and capability which form the foundations of a lifelong love of learning. We ensure the voices of children contribute to the work that we do and the decisions we make.



## Integrity and Relationships

We act with honesty, openness and consistency. Our relationships are respectful, mutual and reciprocal and are built on trust, authenticity and ethical behaviour. We welcome feedback and make decisions that are responsible and fair.



## Leadership

We are driven by the passionate pursuit of quality early childhood education and encourage others to share that journey. We lead by example, drawing on our experience and knowledge to shape early childhood education thinking, policy and practice.



## Innovation

We have the courage to pursue bold visions of the future. We are committed to continual professional learning and organisational development. We collaborate and explore new ideas and different ways of thinking.



## Sustainability

We acknowledge and consider both our heritage and our future. We embrace our responsibilities within the world around us – to our children and communities, our people, our environments and the long term sustainability of our organisation.



## Diversity and Inclusion

We recognise that everyone has their own culture, beliefs, values and strengths contributing to our rich and diverse community. We embrace, advocate for, and invest in the rights of all children to access and actively participate in our programs and have a sense of truly belonging.



# Chair and CEO Report

As we embarked on the first year of our new three-year Strategic Plan (2023-2025), 2023 invited us to reflect on the many changes, challenges, and accomplishments at KU and across the sector.



A key focus of the year was the launch of our 2023-2025 KU Strategic Plan, providing us with a roadmap as we forge ahead over the upcoming three years. The updated Strategic Plan saw refinements to our vision and our purpose, aimed at reflecting these more clearly.

*Our vision is to lead and inspire young children's learning for life.*

*Our purpose is to partner with families and communities to nurture children's learning, development and wellbeing.*

While our vision and purpose were refined, our values – Childhood, Integrity and Relationships, Leadership, Innovation, Sustainability, Diversity and Inclusion – have remained steadfast.

Additionally, our strategic priorities from the past three years were woven into our plan, forming the foundation of our four pillars: Educational Excellence, Financially Sustainable, Thriving Workforce, and Social Responsibility.

In 2023, KU continued to uphold our exceptionally high National Quality Standard ratings, with all KU services that were assessed throughout the year achieving either an Exceeding or Meeting rating under the National Quality Framework. By the year's end, 76% of KU services were rated as Exceeding, compared to 26% across the sector.

We also maintained our longstanding and unwavering commitment to the safety and wellbeing of children. Our steadfast stance is articulated in the 'KU Statement of Commitment to Child Safety and Wellbeing', setting out the child safe practices we have undertaken to implement in accordance with the 10 National Principles for Child Safe Organisations and Victoria's Child Safe Standards.

The child safe standards are embedded in our policies, processes and systems, and support our strong child safe practices and culture along

with the provision of child safe environments for the children in our care.

Throughout the year, we achieved significant milestones that reflect the strides we've made in pursuit of our 2023-2025 strategic goals. KU was once again recognised as an Employer of Choice at The Australian Business Awards 2023, marking the eighth consecutive year of receiving this distinction. This continued recognition highlights our enduring commitment to employee wellbeing and organisational culture, reinforcing our position as one of the leading employers in the early childhood sector in Australia.

Our achievements were also acknowledged as finalists in respected external awards. KU received a Highly Commended International Navitas Impact Award for our holistic early childhood education programs that develop awareness, knowledge, and motivation to live

sustainably. These international awards recognise Navitas partners for their initiatives in sustainability, social governance, and educational innovation.

We also took pride in the recognition of our staff and services who were named as finalists in the 2023 HESTA Early Childhood Education and Care Awards. Rebecca Harrison, of the Autism Support Team, was a finalist in the Individual Leadership category, and KU Craigieburn Children's Centre were finalists in the Outstanding Service category.

2023 was a year of government inquiries into the sector. The Australian Government initiated inquiries such as the ACCC Childcare Inquiry, the Productivity Commission Early Childhood Education and Care Inquiry, the Review of the Inclusion Support Program, and the NDIS Review. Additionally, the NSW Government commissioned an IPART Review of Early Childhood Education and Care.

KU continues to strongly advocate that these reviews will pave the way for positive changes for children, families and the sector in the future.

The Australian Government also developed a draft Early Years Strategy 2024-2034 to shape its vision for the future of Australia's children and their families. KU welcomed the opportunity to contribute to the development of the strategy and provided a written response for consideration.

At the KU Annual General Meeting in May 2023, members voted in favour of several amendments to KU's Constitution, including the addition of an introductory statement that reinforces and supports our Statement of Commitment to Aboriginal and Torres Strait Islander Peoples.

This statement emphasises our dedication to the inclusion of all children, alongside the revitalisation and advancement of the cultures, histories, and beliefs of Aboriginal and Torres Strait Islander children, families, and communities.

This amendment underscores our commitment to closing the gap for Aboriginal and Torres Strait Islander Peoples and reflects our core values of Inclusion and Diversity.

During the year, progress was made towards the development of the KU Aboriginal and Torres Strait Islander Framework. An important step in this process was conducting a survey to explore KU employees' understanding of Aboriginal and Torres Strait Islander Peoples and communities. The findings of the survey will serve as a foundation for shaping the Aboriginal and Torres Strait Islander Framework.

KU also proudly endorsed Australia's 45th referendum and supported the 'Yes' campaign, recognising Aboriginal and Torres Strait Islander Peoples as the First Peoples of Australia and advocating for a Voice to Parliament. This aligns with our Statement of Commitment to Aboriginal and Torres Strait Islander Peoples and reinforces our organisational values.





## HESTA Award finalists

**Rebecca Harrison, Autism Support Team** – in the category of Individual Leadership

**KU Craigieburn Children's Centre under the leadership of Pardeep Samra** – in the category of Outstanding Service

Despite the disappointing outcome of the referendum, our dedication remains unwavering. We continue to work with our Aboriginal and Torres Strait Islander Programs team and our Aboriginal and Torres Strait Islander Advisory Group to have their rights recognised.

In 2023, the KU Marcia Burgess Foundation was able to expand its social impact initiatives thanks to philanthropic support from donors and grants received from Frank Leyden Tot-Ed Trust, Collier Charitable Fund and CommBank Staff Foundation.

The generosity of supporters enabled the continuation of a multi-year collaborative program in Wagga Wagga with Wiradjuri Language Educators and Aboriginal community members. The Wiradjuri Language Program was delivered through the Wagga Wagga Aboriginal Education Consultative Group, and the Dharawal Early Language Program was delivered through the Gujaga Foundation. Through financial support, the KU Marcia Burgess Foundation also provided financial assistance

for low-income families at KU to access early intervention health assessments and therapy sessions for their children.

2023 also marked the commencement of KU's Environmental, Social, and Governance (ESG) response. We started by conducting a review of our policies and practices against the United Nations Sustainable Development Goals (SDGs), aiming to identify areas of strength and we selected climate action, quality and peace as our areas of future focus.

The review provided us with a clearer understanding of our current state and will assist in developing the KU ESG framework, which addresses Environmental, Social, and Governance aspects, reflecting our commitment to sustainable and ethical practices.

We also introduced Human Rights and Anti-Discrimination training with the aim of enhancing awareness around human rights, discrimination, and the implementation of reasonable adjustments to support inclusive practices in early childhood settings at KU.

A key focus of our 2023-2025 Strategic Plan is sustainable growth, and to assist with the extensive preparation and planning for this, we partnered with the not-for-profit organisation Social Ventures Australia.

Early in the year, we welcomed KU Goulburn Preschool to the KU family, having secured Provider Approval from Goulburn Preschool Association. The 40-place preschool has strong community ties and provides quality early education in the Goulburn area.

We also opened the doors of KU Birnbial Kindergarten, located in Manor Lakes, Melbourne. The kindergarten is licensed for 99 places across three rooms, operating within the Birnbial Family Centre, which also provides maternal and child health, a toy library, and other complementary services to benefit the local community.

These were exciting occasions as we extended a warm welcome to the children, families, and staff joining KU.

KU successfully secured tenders for two new services in Victoria: KU Monash Children's Centre and Kindergarten, situated on the Monash University Peninsula Campus in Frankston, Melbourne, and KU Koo Wee Rup Kindergarten, located on the grounds of Koo Wee Rup Primary School, south-east of Melbourne. Both services commenced operations in January 2024, welcoming children, families and staff to the KU community.

After several years marked by the unprecedented challenges of the COVID pandemic, KU has delivered a modest and healthy surplus, in line with our projections and ambitions, and continuing on the path of long-term viability.

In an economic environment not seen in Australia for many decades, with high inflation, a rapid growth in interest rates, and uncertainty around disposable income, KU has worked with families and communities to keep our fees at the lowest possible levels while improving our performance by increasing

efficiencies and maximising resources to benefit children and families. We also undertook extensive reviews of our services and financial results, resulting in a number of services being re-modelled for 2024.

As we embark upon the second year of our 2023-2025 Strategic Plan, we extend our heartfelt gratitude to all who have accompanied us on this journey to date. We remain committed to our vision of leading and inspiring young children's learning for life and partnering with families and communities to nurture children's learning, development and wellbeing.

**Sema Whittle**  
Chair, Board of Directors

**Christine Legg**  
Chief Executive Officer



## Making the KU Difference

In 2023, we were pleased to recognise:

**Nuriye Bekkaya, KU Craigieburn**  
for making the KU Difference for children

**Pardeep Samra, KU Craigieburn**  
for making the KU Difference for families

**Tash Mackle, KU Kintaiba**  
for making the KU Difference for communities

**Linda Meyer, Permanent Relief**  
for making the KU Difference for staff

**Katrina Hendry, KU West Pymble**  
for making the KU Difference to quality

**KU Faulconbridge Team**  
for making the KU Difference through sustainability

**Natalie Lawton, Sunaina Madhok, Lauren Mulheron and Tyler O'Connell, Central Office**  
for making the KU Difference through innovation

**NSW Sector Capacity Building Program Team under the leadership of Emma Pierce**  
for making the KU Difference by representing KU

**Jessie Beale, KU Grevillea**  
for making the KU Difference in commitment to Aboriginal and Torres Strait Islander Peoples

**KU Liverpool Team**  
for making the KU Difference for inclusion

**KU Autism Support Team**  
The KU Marcia Burgess Award



# Reflections from outgoing Board Directors, Sema Whittle and Elizabeth Hristoforidis

Sema Whittle  
Chair of the Board



When KU Children's Services first opened its doors as the Kindergarten Union in 1895, it set forth to improve the lives of families by providing quality early childhood education and care.

During my time as Director and Chair of KU Children's Services, positive quality ratings and strong net promoter scores have demonstrated this commitment and the care of staff for the communities they serve under the inspiring leadership of Chris Legg and her team.

Following its first Reconciliation Action Plan in 2016, KU has strengthened its commitment to Aboriginal and Torres Strait Islander Peoples with an updated constitution that commits to

the inclusion of all children together with the revitalisation and advancement of the cultures, histories and beliefs of Aboriginal and Torres Strait Islander children, families, and communities.

And a newly established ESG strategy will help KU do its part to combat climate change, ensure the availability of quality education and promote an inclusive society.

I'm proud of the role the board has played in these achievements, helping KU stay true to its purpose to partner with families and communities, to nurture children's learning, development and wellbeing.



Elizabeth Hristoforidis  
Board Director



Through the power of quality early childhood education over our 129-year history, KU Children's Services ensures the voices of children are heard.

My personal affiliation with KU Children's Services has been long-standing—my mother was an early childhood educator, my father led the construction of key learning centres, and my daughter attended one of the KU services. Our values of integrity, inclusion, sustainability and innovation reflect my own and resonate resoundingly.

Since my election to the Board in 2015, I have been gifted the strategy of KU Children's Services across successive government inquiries, policies and investment in the last nine years. We navigated strategic and operational risks—including during (and in the wake of) a once in a century pandemic and with the introduction of reforms like child safety.

Of particular note, I governed with pride the reinvigoration of the KU Marcia Burgess Foundation. With thanks to generous philanthropic partners and givers, early intervention initiatives for neurodiverse children through allied health initiatives are growing children's confidence and achieving improved learning and social outcomes. Self-determined

meaningful connections and collaborations with Aboriginal and Torres Strait Islander communities in line with our unwavering Statement of Commitment are also igniting a renewed, shared perspective on Australian history and culture through increasing enrolments of Aboriginal and/or Torres Strait Islander children in local preschools, the delivery of Aboriginal early languages programs and career pathways in early education for increased representation.

As my tenure as a steward and custodian of KU Children's Services comes to a close, I pay tribute to our people—the very heart of our organisation—who inspire children to be, belong and become all that they can in realising new possibilities.

I acknowledge the honour and absolute privilege it has been to serve in an historic period for the benefit of children, families and our broader communities.

I express my utmost gratitude—roaring a mighty 'thank you'—as I look forward to staying connected and championing the positive social impact that I know you will continue to make in guiding and nurturing the future leaders of our collective Australian and global society.



# Educational Excellence

We will lead in the National Quality Ratings and improve learning outcomes for all children by proactive innovation and collaboration in the provision of research and evidenced based programs.





# Commitment to high quality education for all children

**KU’s Early Childhood Education specialist teams work collectively to provide expertise and knowledge in collaboration with services, enabling staff to fulfil their roles in the provision of high quality early childhood education.**

The United Nations Convention on the Rights of the Child states that children have the right to education, to be treated fairly, and if they have any kind of disability they should receive special care and support so that they can live a full and independent life.

KU upholds the Rights of the Child by ensuring that we provide the highest quality early childhood program for all children in KU. To support service-based teams, KU has eight Early Childhood specialist teams: Aboriginal and Torres Strait Islander Programs; Early Career Programs; Equity, Education and Support; Learning and Development; Pedagogy, Education and Quality; Policy and Research Translation; Sustainability; and Teacher Accreditation.



The eight teams work closely with each other to ensure consistency and continuity of information in their support of service teams. They provide specialist advice relevant to their area of expertise, including, but not limited to:

- the inclusion of Aboriginal and Torres Strait Islander children and families,
- compliance advice and mentorship in program delivery and continuous improvement,
- supporting the inclusion of all children in KU services,
- provision of sector-recognised quality professional learning and NESA registered courses,
- development of policy, support for research participation and evaluation of KU designed programs,
- supporting teachers as they work towards their accreditation and guidance to teachers who embark on the Highly Accomplished and Lead Teacher program,
- a focus on internal and external students, offering guidance in their studies and practicums, and
- implementing the KU sustainability program, Becoming Eco Smart Together (BEST).

KU has a strong commitment to all children having access and inclusion into a KU service. KU’s Early Childhood Education teams play a pivotal role in ensuring this happens.

# Equity, Education and Support team: Unwavering support for children with additional needs

**KU’s Equity, Education and Support team is instrumental in facilitating the inclusion of all children in KU services. The highly experienced team supports children and families to enrol, attend and participate in quality education at KU services.**

KU has a strong history of providing specialised assistance to vulnerable families and children with additional needs. Now known as the Equity, Education and Support team, the ‘Special Education Advisory team’ was originally established in the 1980s with a strong goal to implement KU’s commitment to social justice in recognition of the growing recognition of specialist skills and expertise in what was known then as “Special Education”.

Over the years many individuals have contributed to achieving that goal. Each individual member has contributed to the history and knowledges of inclusion. There has been little drift from the original undertaking of KU in its early days to include all children...

"The philosophical rationale underlying the work of the Kindergarten Union began as a belief in the right of each child to have the opportunity to develop physically, socially, intellectually, and emotionally so that each individual’s innate abilities and potential

could develop to the full. The educational programmes provided in the kindergartens and the objectives of the Union were to promote a service of quality to benefit to the child and the society."

(The Sydney Kindergarten Teachers College 1897-1981. A Pioneer in Early Childhood Education and Care in Australia, p.22.)

The Equity, Education and Support team upholds this commitment today, and in 2023, the team proudly assisted the inclusion of 989 children in KU services.





Who is the Equity, Education and Support team?

With 433 years combined experience in early childhood education, the Equity Education and Support team (EEST) works collaboratively to support the implementation of quality inclusive learning environments.

The team spans four components; Education Support Managers (ESMs), Autism Support Facilitators, Funding and Systems Coordinators, and a Projects Manager.

Each ESM works with specific KU services to support them to implement quality inclusive practices. Managers have degrees in education or teaching and graduate qualifications in Special and Inclusive Education, and the Autism Support Facilitators are Early Start Denver Model (ESDM) certified.

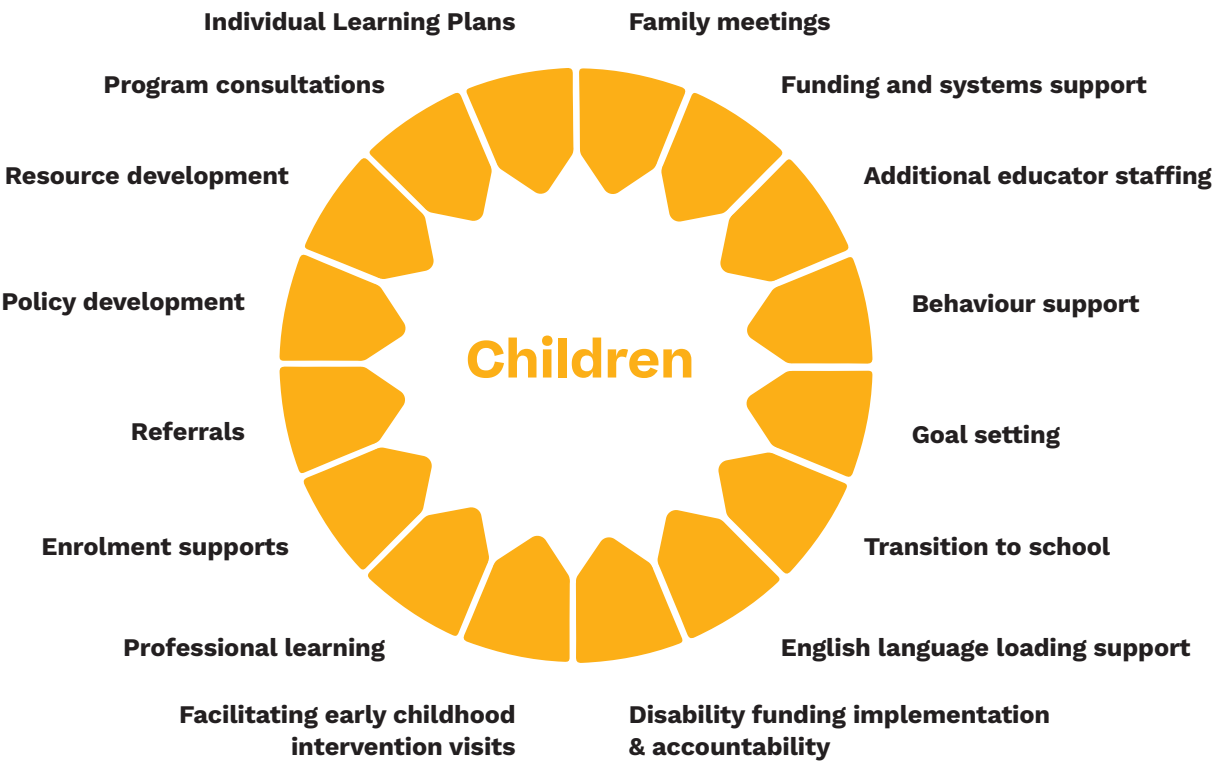
The team regularly comes together as a group for shared thinking, problem-solving and

planning on how to support services, children and families in an ever-changing environment.

The team structure was reviewed at the end of 2023 to determine more effective ways to support services. There were two new lead Education Support Manager roles created as a result, and 2024 will see the team implement these changes.

How does the team support inclusive practices?

All KU preschools, kindergartens and long day care services have access to the Equity Education and Support team. In 2023, the team engaged in a range of activities to support services, both directly and behind the scenes. The diagram below demonstrates some of the supports available.



Service-facing supports include visits to observe children, family meetings and consultations with staff. Initiatives within the team are focused on policies, resources and frameworks that support knowledge and sustainable ways of working.

Program evaluations

The need for resources, such as professional learning, arises from ideas shared by services, families and KU management. The team has an ongoing evaluative approach, whereby consultation with stakeholders occurs throughout the development and implementation phases. Thinking for new initiatives and future supports occurs through a continuous cycle of sharing ideas, reflection, planning, resourcing, implementation, and evaluation.

The team’s evaluative approach is demonstrated by the comprehensive evaluation of the Guided Practice Program in 2023. Implemented by the Autism Support Team in 2020 and ongoing for the past three years, the program strengthens the capacity of educators to support children with Autism Spectrum Disorders in KU services.

To assess the program’s effectiveness and identify areas for improvement, the team surveyed teachers and educators and conducted interviews to gather feedback. The One of the Kids Training and Guided Practice

How does this team make a difference to quality and excellence?

Program framework are being reviewed and updated based on the feedback, and the evaluation report has been shared with KU teachers and educators through the KU staff intranet.

Another program initiated recently by the Equity Education and Support team is the Circle of Security Parent – Classroom model. Recognising the importance of attachments and relationships for families during the COVID period, the team focused on helping educators understand attachment theory and implement related strategies in services.

Four Education Support Managers underwent intensive training in this model, and a framework for its implementation at KU was developed. The results have been outstanding, with 134 educators benefiting from the training, reporting ‘increased educator knowledge and skills to support secure educator attachment and a deeper understanding of the function of behaviour’.

KU recognises that quality learning environments are inclusive learning environments. The ESM team supports KU services with the inclusion of children with additional needs, which may relate to children with diagnosed disabilities, challenging behaviour and social and emotional difficulties. In addition, ESMs support families and educators when they have concerns about a child’s development.

Policy review and development

In 2023, KU services had 637 regular visitors providing therapies within our educational programs. To support this work into the future, the Equity, Education and Support team developed a new policy and resources for professionals and families.

This work upholds the values of early intervention and our play based educational programs and highlights our collaborative approach with external allied health professionals.

Resource development

The team also completed a significant redevelopment of behaviour support planning tools, documentation and associated behaviour support training. In instances where children need individualised strategies and supports, these resources are central to supporting children, educators and families. The team is planning the full release of the highly regarded Guiding Children’s Behaviour Practice Guide in 2024.

Inclusion is complex and requires specific resourcing to ensure the child, family and service have a positive experience. The expert knowledge and advice offered by the team to all KU services is highly specialised and in addition to what is available through government programs. KU recognises the need to specifically assist services and ensure all available supports are accessed and implemented to give vulnerable children the best start.



# How children’s advocacy supports the maintenance of ‘Exceeding’

**KU West Pymble Preschool’s innovative programs showcase the transformative role that children’s advocacy can play in shaping an educational program where children’s voices are heard, and the program continues to evolve and deepen through their advocacy.**

Achieving an ‘Exceeding’ rating under the National Quality Standard indicates a level of excellence beyond the standard benchmarks required. Children’s advocacy supports this attainment of an ‘Exceeding’ rating by fostering child-centered, inclusive, and continuously improving early education environments that prioritise the holistic development of each child. Through collaboration with families, communities, and a commitment to ongoing reflection, advocacy ensures that the highest standards of quality education and care are consistently met and exceeded.

KU West Pymble Preschool continues to amplify this advocacy. With the support of teachers and educators, children have embraced their responsibility to care for the environment and articulate their concerns as opportunities arise.

For example, when the children observed the natural garden at the entrance of the preschool being trampled, they wrote a song to help others respect the space, and later planted the area out and added an additional habitat for lizards. The children also contacted the local council as a result of possum boxes being removed in the area.

In another instance, a small group of children discovered chairs in their local creek and considered how they could be removed.

Having discounted helicopters and building bridges into the creek, the children settled on contacting council who, with the support of their Sustainability Officer, facilitated the removal of the chairs in the children’s presence.

An important part of this learning opportunity was the children expressing their feelings about the chairs in the creek through drawing and the many conversations that arose. The children voicing their concerns, and the positive action that resulted, demonstrated that even young children as concerned citizens can be activists and influence positive change.

Each day the children at KU West Pymble articulate their Acknowledgment of Country, which embodies the responsibility to care for and protect the land. Regularly walking outside of the playground and into the surrounding natural environment has supported them from just being ‘within the environment’, to understanding the interconnectedness of larger systems, and recognising the opportunity to advocate and act for this land system.

With these learning opportunities and the sensitive support of their teachers and educators, the children demonstrated their growing ecological identity. As Mitchell Thomashow, an educator and

environmentalist reminds us, ecological identity “is more than knowledge about the environment.” It involves how humans relate to the world around them and to each other, and that “it must be incorporated into every part of everyday human behaviour.”

Seeing the situation, the children were able to empathise with and have concern for the wellbeing of their environment and advocate for its wellbeing. Thomashow further reflects that “developing a profound sense of oneself in relationship to natural and social ecosystems is necessary grounding for the difficult work of environmental advocacy.”

These projects also highlight for children the importance of being able to work within the social systems we have within each community. Contacting their local council and Sustainability Officer strengthened the children’s awareness that people sit behind decisions, and it requires action beyond just an observation to make change. The children had the opportunity to see council workers in action and learn a vital step in the management of Landcare to engage with others.

Advocacy extends beyond the service, involving families and the community in the education process, fostering collaboration and a shared commitment to lifelong learning and growth.



## Meet Melissa

**Melissa’s three children attended KU West Pymble over a period of six years.**



### How do you feel about the quality of education at KU West Pymble?

The education that my three children received was excellent. First and foremost, their education was founded on a strong sense of safety and knowing they were cared for. Without this, their ability to engage in the enriching opportunities would have been hampered and the rest of the education would have been limited.

The children are provided opportunities to problem solve, collaborate, question and research. Their voice and their agency are encouraged. Each of my children’s ongoing passions stemmed from the interests that were nourished.

The sustainability focus and engagement with Uncle Laurie fostered an awareness of the world around them, past, present and future.

### How did the teachers and educators support your children’s learning?

Relationships are key. The teachers and educators tune

into the child and build their relationships with them. The Playspaces approach was a great demonstration of their ongoing reflection and prioritising of relationships. The children were able to experience a more settled commencement of their day.

With a strong knowledge and connection with the children, the team have an intuitive way to encourage the children into areas they may otherwise avoid.

### Can you share any sustainability experiences that have stood out to you?

The opportunity that stood out for me was their endeavours to foster connection to their land. The walks in the local bushland park area provided opportunities to notice the subtle changes of the plants and trees, and have critical conversations about the impact people’s actions can have on the land. Helping the children to build their awareness of the wider world, by intimately knowing their local land, I feel is imperative to ongoing sustainability awareness.



# Thriving Workforce

Placing our people at the heart of all we do, we constantly reimagine and co-create a world of work where our people and our purpose thrive in harmony in a supportive and inclusive culture.





# KU named Employer of Choice 8 years in a row

KU was again recognised as an Employer of Choice at The Australian Business Awards 2023. It is the eighth consecutive year KU has received this accolade after becoming the first early education provider to win the award in 2016.



KU services foster a deep sense of belonging in staff, children and families, and provide a unique early education experience where children are encouraged to discover their sense of self, learn to respect others, and find their voice.

Ms Christine Legg, CEO of KU Children's Services, gratefully accepted the award on behalf of the organisation that has been providing high quality educational programs to young children since its establishment in 1895.

"KU is delighted to have been named as an Employer of Choice at The Australian Business Awards for eight years in a row. As a sector leader, we recognise our staff are our greatest assets. We take pride in our positive workplace culture that fosters innovation, recognises performance, and provides professional development opportunities," said Ms Legg.

"We work together to consistently achieve quality early education for children and encourage others to work alongside us to help strengthen our commitment to ensuring that every child experiences high-quality early education," said Ms Legg.

KU believes staff are truly the heart of the organisation. Everything the organisation does aligns to this belief and is reflected in the core Strategic Plan objective to have a 'Thriving Workforce'. KU's best in sector employment value proposition is multidimensional and continuously evolving to reflect the needs and desires of a diverse workforce.

All organisations entering the awards were required to demonstrate achievements across the key areas of Organisational Culture; Leadership and Strategy;

Employee Education, Training and Development; Employee Health, Safety and Satisfaction; Performance Management; and Recognition and Remuneration.

Entries were judged through a rigorous and dynamic framework consisting of specialised assessment criteria and sub-criteria, enabling the participating organisations to be benchmarked against world class performance standards.

The key attributes of the 'Employer of Choice Framework' define the characteristics of high-performing, sector-leading organisations that provide a stimulating and supportive workplace.

As a not for profit and for purpose organisation, KU is proud to invest more than 80% of its revenue in salaries and wages – offering sector-leading pay and benefits.



KU also works hard to ensure the workplace culture allows people to thrive, innovate and develop lifelong careers. A recent staff survey revealed 94% of employees agree that "we live our KU values".

The organisation follows through with commitments to its people and is transparent. KU warmly welcomes new staff into the KU family, invests in their future, and supports them as people. KU's values are embedded into our culture and not only influence the organisation's work, but the way staff work with each other and the broader community. There are six values in all: Childhood; Integrity and Relationships; Leadership; Innovation; Sustainability; and Diversity and Inclusion.

Through annual employee engagement surveys, the degree to which KU staff connect with these cultural values is measured.

The 2023 survey reported an overall engagement rate of 90%. KU proactively pursues diversity in teams and is producing the next generation of leaders who will continue to drive KU forward. Reflecting this, 95% of staff agreed that KU is a diverse and inclusive workplace where people feel valued and safe to bring their whole selves to work.

The best and brightest talent are proud to work for KU and are deeply connected to the organisation's purpose. KU is proud to nurture careers that can last a lifetime. KU has developed a unique Professional Learning and Development Framework to build the skills, behaviour, and expertise now and well into the future. In 2023, KU pioneered the introduction of its program to support our teachers to achieve Highly

Accomplished Lead Teacher (HALT) status.

We are proud of our business-wide high-performance culture, supported by individual and organisational learning and development that is always aligned to the KU values and recognised through the annual Making the KU Difference Awards.

KU looks forward to continuing to co-create a world of work that will see KU continue to lead the delivery of high-quality early childhood education and care for another 128 years.



## Meet Carolyn



Carolyn Wilson is the State Manager of the NSW/ACT Inclusion Agency, of which KU is the lead organisation. She has had a rich career with KU spanning 25 years.

### How has your career with KU evolved over time?

I joined KU at the end of 1998 as a Director of a long day care service that was part of the KU Defence Child Care Program. In 2006 I became an Inclusion Support Facilitator and have been a part of the Commonwealth funded inclusion programs with KU since. Over the past 18 years, I have had a number of career opportunities that have prepared me for my current role of State Manager.

### What do you find most fulfilling about working with KU?

Working alongside like-minded education professionals in a not for profit organisation who are motivated and committed to achieving the best possible

outcomes for children and families through the provision and delivery of a variety of service types and programs. Being supported along the way by peers and mentors.

### What is your favourite KU moment?

In September 2022, I attended the first face-to-face KU conference since the impact of COVID-19 in 2020. All 370 attendees were KU employees, and it was great to be in a space together to reconnect and reflect on a way forward. It felt like a fresh start that then became just great fun when Beth Macgregor had everyone up out of their seats dancing and laughing. It was loud and joyous and possibly a bit uncoordinated. So many smiles!

## Meet Jodie



With 25 years of service with KU, Jodie Daly enjoys the dynamic and ever-changing nature of her role as Director of KU Playford Park, a long day care service in Sydney.

### How has your career with KU evolved over time?

The nature of LDC means we are consistently adapting to the demands at the time. I have during my time with KU given birth to two amazing humans who both attended KU services. I have relocated two services into new facilities and been involved in research projects that have kept me energised.

### What do you find most fulfilling about working with KU?

The opportunities to work with such amazing people who share similar values and both inspire and provoke my thinking.

I have more recently really been motivated by involvement in research projects.

### What is your favourite KU moment?

Standing on the doorstep of an architecturally designed KU service on a Monday morning awaiting the then DoCs advisor to meet me with our licence to operate – both nerve-racking and thrilling at the same time. Our team spent the entire weekend relocating the service from one building into an amazing purpose-built space. There was some amazing teamwork that weekend!





# KU's Permanent Relief team in profile

KU's Permanent Relief team is a team of highly skilled early childhood professionals including early childhood teachers, diploma qualified staff, and chefs. Numbering over 60 staff, the team is employed by KU on a permanent basis and deployed across KU services to fill vacancies created by scheduled and unscheduled leave.

The KU Permanent Relief team was formed many years ago in the 1980s and has since grown and evolved. In 2011, a dedicated Manager, Permanent Relief Team was appointed. The team has evolved significantly into the proactive cornerstone of KU's response to effectively managing the dynamic changing workforce landscape that it is today.

The members of the KU Permanent Relief team support KU services to achieve their quality outcomes as they participate in an extensive KU professional learning and development program, much of which are specifically tailored to the needs of a team that need to be able to make an immediate active contribution to KU teams across different service types, locations and with very specific community needs.



Linda Meyer, an Early Childhood Teacher working in KU's Permanent Relief Team

“What I enjoy most about my role is the variety, meeting new people and learning new skills. I have had many opportunities of stepping into Acting Director roles since starting in the Permanent Relief team. One, even being travelling to Canberra and working there for five months!”

In addition to providing skilled professional coverage for staff absences, the KU Permanent Relief team provide specific coverage for KU service Directors to support their development of a high-quality program, and assist in their ongoing work towards the National Quality Standard and compliance with the Regulations.

Developing exceptional communication skills as they interact across the broad cross-section of KU services, KU Permanent Relief staff are able to bring their expertise and experience to the teams they work with based on a wide range of experience and exposures.

The KU Permanent Relief team were pivotal to KU's ability to maintain service quality during the COVID years and in the post-COVID period as the sector continued to experience chronic staff shortages. Having an active and engaged pool of permanent KU employees who understand KU's vision and live KU's values was essential to KU's ability to maintain continuity of care.

## The 2023 achievements of the KU Permanent Relief team include:

- Filling 13,200 shifts across the full year which includes 1,161 Director leave vacancies.
- KU Permanent Relief team career promotions:
  - 4 promotions into service-based Director roles.
  - 4 appointments to permanent early childhood roles at a KU service.
  - 3 Permanent Relief staff moved into a service-based Diploma role.
  - 2 Chefs took up permanent KU service appointments.
- 40 professional development sessions were offered to the Permanent Relief team including one Permanent Relief targeted professional development day.
- A Permanent Relief early childhood teacher was recognised with a Making the KU Difference for Staff Award at the 2023 KU Annual Conference.

We expect to continue to grow the Permanent Relief team in all states and territories in which KU operates as we grow the KU footprint.

The Permanent Relief team are the epitome of a thriving KU Team, engaged in their professional development, keen to contribute across a wide range of services and locations, happy to share their knowledge, vibrantly progressing their careers and growing their commitment to the early childhood education sector.



# Financially Sustainable

**We will be financially strong and sustainable with robust systems and processes which underpin growth and operations of the organisation.**





# Service models and programs

In 2023, KU embarked on a utilisation focus project, led by a multidisciplinary team under the Business Operations' Utilisation Focus Project to track and grow service utilisation and viability for all KU preschools, kindergartens and long day care services in 2023.

The primary aim of the utilisation focus project was to explore opportunities and implement processes ensuring KU's financial sustainability and scalability. There were several specialised areas of focus:

## Sustainability and viability using technology

A new Microsoft Teams process was created to enable safe data sharing between Central Office and services so both Business Operations and Early Childhood Education departments could monitor and improve enrolments, family tours and waitlist demands. Trialled with 33 services in Q1 2023, it addressed utilisation variances of more than 10%+ to budget.

Consultation led to its adoption by all 108 approved services in July 2023, fostering collaboration and enhancing enrolment management and connectivity with Central Office Business Operations.

Additionally, 90-day support plans were introduced to address budget variances, leading to the identification of two services for remodelling to improve viability and sustainability. NSW Start Strong Funded Preschools saw increased attendance, aligning with KU's commitment to provide early childhood education to families in need, with utilisation rates reaching 95-98% under the 2-day attendance pattern, accommodating over 804 more children in 2023.

## Growth project to scale up existing services

Mid-year, a project was undertaken aimed at scaling services by reviewing current capacity and analysing population growth, waitlist, indoor and outdoor space, and staffing. Collaborative analysis between Business Operations, Business Development and Early Childhood Education departments identified growth opportunities, resulting in approximately 200 additional service places for 23 services in 2024, addressing waitlist demands.

## Review of funding models

KU Business Development collaborated with Business Operations and Early Childhood Education to hold consultative sessions to understand KU Maybanke CCS Preschool's changing community needs post COVID and explore alternate viable funding models.

Data analysis on current usage and growth capacity was used to explore whether a change in model would make the service viable under the NSW Start Strong Fee Relief funding available for families enrolling 600 hours of preschool per annum.

The consultations determined the community's needs would be better served with the transition of KU Maybanke CCS Preschool into a Start Strong funded preschool and an application was made to the NSW Department of Education to address community benefits and viability of the transition. Approval was granted by the Department late in December 2023. KU Maybanke CCS Preschool will transition to a Start Strong funded preschool in term 2, 2024.



## KU continues to grow services in Victoria and New South Wales

In January 2023, KU Goulburn opened its 40-place preschool, having secured Provider Approval from Goulburn Preschool Association. With strong community ties, it provides quality early education in the Goulburn area.

KU Birnbial Kindergarten in Melbourne's western suburbs commenced operations in February 2023. As the second kindergarten in partnership with Wyndham City Council, KU holds monthly meetings to analyse service models and forecast enrolments to meet community demands.

Continuing our expansion, KU won the tender to open KU Monash Children's Centre and Kindergarten in partnership with Monash University, offering 80 integrated CCS long day care places. Families can access state-funded Free Kinder for children aged 3-5 years from January 2024.

In late 2023, KU was awarded a tender for its third state-funded kindergarten in Melbourne, partnering with Cardinia Shire Council, the Victorian Department of Education, and the Victorian School Building Authority to open KU Koo Wee Rup Kindergarten for children aged 3-6 years in 2024.

In consultancy, KU partnered with various clients for 19 projects across NSW and Victoria in 2023. Notably, Moyne Shire Council engaged KU for compliance audits of eight early education facilities, while Gippsland Lakes Complete Health sought a feasibility assessment for childcare inclusion in the local region.



# Protecting KU with advanced cybersecurity principles

At KU, we prioritise safeguarding our digital assets and ensuring the confidentiality, integrity, and availability of all our information.



In 2023, KU conducted a review of our IT Zero Trust design architecture to ensure alignment with our KU IT Road Map, the Cybersecurity Cooperative Research Centre (CSCRC), and AICD Cybersecurity Principles, as well as the “Essential 8” migration strategies. As a result, KU is committed to the following key principles.

## Robust access controls

Access to critical systems and data is strictly controlled based on roles and responsibilities. We continuously review system access, remove unrequired access from accounts to minimise attack surface exposure, and enforce Multi-Factor Authentication (MFA) for privileged accounts and payroll system access to comply with new Australian Taxation Office requirements. We have also set up automated access control reviews for external accounts requiring access to internal KU resources.

## Secure software development

To minimise risks, we utilise well-established Software-as-a-Service (SaaS) vendors that are ISO accredited. We deploy recommended software versions, keep software up to date using mobile device management tools, and ensure that SaaS vendors selected for use within KU employ secure software development lifecycle practices.

## Risk awareness and mitigation

This involves proactive identification and assessment of cybersecurity risks, both internal and external, to prevent potential threats. We conduct regular risk assessments, vulnerability scans, and aggressive 3rd Party Penetration Testing to stay ahead of emerging risks.

## Employee training and awareness

All employees receive comprehensive cybersecurity training to foster a security-conscious culture. In 2023, we launched a bespoke online learning module titled *Cyber Security at KU is everyone’s responsibility*, supported by a promotional poster program in our services. Regular awareness campaigns emphasise the significance of adhering to security policies and best practices.

## Incident response preparedness

We maintain a critical incident response plan outlining procedures for detecting, containing, and recovering from security incidents. Regular desktop simulations and exercises ensure our team is well-prepared to handle cyber incidents effectively.

## Vendor risk management

We assess third-party vendors’ cybersecurity practices before engaging in partnerships. Contracts include clear security requirements and expectations, focusing on Single Sign-On (SSO) for central account management and authentication requests to improve security and minimise risks associated with phishing and other malicious attacks.

## Continuous monitoring and improvement

We monitor network traffic, logs, and system behaviour to detect anomalies promptly. Regular security audits and updates enhance our defences. In 2023, KU maintained its certification against *ISO22301 Security and Resilience – Business Continuity* for the sixth year in a row.

In summary, KU is committed to maintaining a robust cybersecurity posture, protecting our stakeholders, and contributing to a safer digital ecosystem.



# Social Responsibility

We will be at the forefront of social responsibility, supporting all children and families to access our early childhood services and programs with a strong commitment towards the global transition to a more sustainable world.





# Advancing inclusive early childhood education in the sector

KU’s inclusion programs support the inclusion of all children and families to access quality early childhood education. With workforce challenges experienced by the sector, 2023 saw an increase in the level of support required by early childhood services, children, and families to support the inclusion of all children.

## Navigating inclusion challenges

From a broad inclusion perspective, the sector has experienced a significant increase in the number of children displaying challenging and complex behaviours, along with high support needs. This has resulted in more early childhood staff seeking support and guidance to build their capacity to assist children in early education environments.

The workforce challenges across the sector have also impacted on the number of requests for support from the sector. This pattern of requests for greater assistance is reflected in the increase in the number of requests from our teams in the NSW Sector Capacity Building Program (Disability), Inclusion Support Program Inclusion Agencies (NSW/ACT, Queensland, and Victoria) and the National Inclusion Development Fund Manager:

- In 2023, the NSW/ACT Inclusion Agency reported that 75% of all requests for additional assistance were related to children with challenging behaviours.
- The Inclusion Development Fund Manager (IDFM) also experienced a 10% increase nationally in the number of applications for assistance assessed during 2023 compared with 2022.

## Enhancing accessibility through specialist equipment

The Specialist Equipment Library, through Inclusion Support Queensland and the NSW/ACT Inclusion Agency, provides eligible early childhood education and care services with access to a range of equipment, free of charge, to increase their capacity and capability to provide quality inclusive practices and address participation barriers for all children.

Over the last three years, KU has witnessed a significant increase in services accessing Specialist Equipment. In 2023, Inclusion Support Queensland saw individual loans increase by 205% – from 217 individual loans to 663 loans.

## Empowering teachers and educators

The NSW KU Sector Capacity Building Program (Disability) provided a range of professional learning sessions for teachers and educators throughout 2023. The most attended session, *Supporting Children with Anxiety*, had 297 participants.

The program also offered an extended range of targeted professional learning opportunities based on the needs of individual services and regional early

childhood services’ areas of interest. Professional learning opportunities such as *Introductory Key Word Signing* (251 participants) and the registered Hanen training course *Learning Language and Loving It* offered to services in the Murrumbidgee and Shoalhaven regions were particularly popular. These courses were offered where language support was determined to be a significant area of need.





## Recognising innovation in inclusion

The work of the Inclusion Support Program Inclusion Agencies was recognised in 2023 at the Early Childhood Australia (ECA) National Conference. Inclusion Support Queensland presented a paper, *'Mobo Jarjums' - Tomorrow's Children*, which detailed the success of 'Yarn Ups' organised for educators and Aboriginal Elders to come together to explore the 'why' and the 'how' of inclusive, relevant and meaningful practice. This work was supported by the inclusion of a paper on the project in the ECA 2023 publication, *Reconciliation in Action*.

The IDFM and the NSW/ACT Inclusion Agency also co-presented a paper at the ECA National Conference on

*Innovative Solutions Support*. This support is available through the National Inclusion Support Program to assist eligible early childhood education and care services to fund innovative, flexible and responsive solutions to barriers to inclusion and embed inclusive practices.

Furthermore, the NSW KU Sector Capacity Building Program (Disability) presented at the 2023 Reimagine Australia Conference with the paper *Beyond Quality - Learnings on the Road to Inclusion for All* which shared experiences from various preschool services of their journey to move beyond quality and explore what it means to truly include children of all

## Supporting AMEP families

With the Australian borders opening post COVID, the number of students accessing English classes through the Adult Migrant English Program (AMEP) gradually increased throughout 2023. KU consistently offered childcare at our NSW onsite services in Liverpool, Cabramatta, Bankstown, Fairfield, the Hunter region, and in Canberra (Civic).

KU also supported AMEP families to access mainstream early

childhood education and care across the broader Newcastle region, as well as the Illawarra and Shellharbour regions, Western Sydney, North Western Tasmania, and Launceston.

Our early childhood services welcomed new families from many countries throughout the year, with new families predominately being from Afghanistan, Iraq and Syria, with a smaller cohort of families from Myanmar.



## Building strong foundations with communities



KU's supported playgroups in the Sydney Inner West and Newcastle regions maintained strong attendances throughout 2023, exceeding all contract targets. These playgroups provide targeted wellbeing and safety activities supporting the needs of families and their young children.

Our playgroup programs focused on increasing parents' skills and confidence in supporting their children's growth and development. KU provided opportunities for families to build social support networks and to create safe and nurturing home environments for their children.

Due to changes within different school communities, there were

changes to some of the playgroup sites, however the program was offered across six locations in the Sydney Inner West area and four locations in the Newcastle region. The Department of Communities and Justice funded the provision of the 15 playgroups in the two contract regions.

The Steps to Starting School program also continued throughout 2023 with positive outcomes in supporting families in the importance of play-based programs. Families had the support of an early childhood teacher, psychologist, and a speech therapist working with individual families to develop agency.

## Addressing needs through allied health

The national shortage of allied health professionals impacted negatively on the number of clinic and group sessions that KU was able to offer in 2023 through our allied health and early intervention programs. KU did however offer psychology, speech pathology, occupational therapy, and Early Start Denver Model sessions across the Sydney and Wagga Wagga regions.

Allied health sessions were offered on a 'fee for service' and NDIS basis to families enrolled within KU services, along with children and families from the broader community. KU's Allied

Health team also provided assistance and guidance to early childhood teachers and educators by providing professional learning around key areas of interest as well as guest presenting at KU parent meetings.

As an NDIS provider, in 2023 KU successfully completed the external NDIS audit – an assessment of the NDIS Practice Standards relating to provider governance and operational management. KU was assessed against the components of the NDIS Practice Standards that are relevant to the services offered and supports delivered.



# Moving forward with the Aboriginal and Torres Strait Islander Framework

**KU’s Statement of Commitment to Aboriginal and Torres Strait Islander Peoples shaped the scope and content of a workforce survey, to inform KU of the levels of knowledge, awareness and understanding that KU employees hold of Aboriginal and Torres Strait Islander Peoples, Cultures and Histories.**

The Social Policy Research Centre (at UNSW Sydney) was commissioned to engage educators and staff, and following input into the development of the workforce survey from KU’s Aboriginal and Torres Strait Islander Advisory Group, Programs Team, and members of the Aboriginal and Torres Strait Islander Employee Network Group, the survey was opened in May 2023.

All KU staff were invited to participate, including those working in services and programs managed by KU and central offices across the four jurisdictions in which KU operates. At the survey closure in August, a total of 327 staff members completed the survey, representing 15.5% of all KU staff. 66% of Aboriginal and/or Torres Strait Islander employees completed the survey.

Recommendations from the survey suggested that the Statement of Commitment be considered as the basis for opportunities to improve current knowledge, understanding and practice. They also indicated support for KU’s decision to progress with the development of an Aboriginal and Torres Strait Islander Framework.

The collective voices and collaborative work of the Aboriginal and Torres Strait Islander Programs Team, Aboriginal and Torres Strait Islander Employee Network Group, and Aboriginal and Torres Strait Islander Advisory Group have guided the identification of four key areas for concentrated learning and actioning the workforce survey recommendations.

The four key areas of *Cultural Awareness*; *Relationships*; *Practices in the Educational Program*; and *Operations* will guide the planning and development of the Framework.

*Cultural Awareness* training will focus on the growth and strengthening of adult learning across the organisation, emphasising the importance of cultural knowledges, expertise and skill sets of Aboriginal and Torres Strait Islander Peoples.

The key area of *Relationships* will concentrate on the importance of learning and understanding how individual actions and behaviours influence and shape the way trusting relationships evolve. When working with Aboriginal and/or Torres Strait Islander Peoples and Communities, it is critical for adult learners to reflect, interact and respond with culture sensitivity.

Working with and engaging local Aboriginal and/or Torres Strait Islander Peoples develops a deeper understanding of the importance for individual families and local communities to determine and guide culturally responsive and respectful *Practices in the Educational Program*.

A review of *Operations* across KU, and identification of systemic inequalities and practices, places KU in a position to action change. The implementation of policies and procedures that endorse the empowerment of Aboriginal and Torres Strait Islander Peoples to inform and negotiate culturally safe pathways will help to ensure that cultural integrity is maintained.

The development of the Aboriginal and Torres Strait Islander Framework is continuing, with anticipated completion and commencement of implementation in 2024.

“ In my short time at KU Bilya Gulyangarri Preschool, the staff identified a goal to re-establish connections with the local community and a range of Aboriginal specific organisations. The connections and community relationships we’ve developed have positioned us as a safe space for Aboriginal children and families and they began making enquiries for enrolling children. ”

Anita Andrews,  
Director  
KU Bilya Gulyangarri

“ I have recently completed a Bachelor of Early Education; this was achieved with mentoring from KU's Aboriginal and Torres Strait Islander Programs team who helped me navigate the challenges with providing cultural and academic requirements. In 2023 KU funded my participation in the SNAICC conference, held in Darwin. This opportunity inspired me to advocate for the rights of children and the importance of ensuring that each Aboriginal child's educational experience is culturally respectful and authentic. My attendance at KU Aboriginal and Torres Strait Islander Network Group meetings created a safe pathway to listen and learn with my KU Aboriginal colleagues. ”

Paula Hind,  
Educator  
KU Macquarie Fields

“ Having the opportunity to critically evaluate and review operations across KU, with a view to identifying systemic inequalities and practices for Aboriginal and Torres Strait Islander peoples/ families, I believe is a step towards empowering Aboriginal and Torres Strait Islander peoples and provides an even greater opportunity to inform and negotiate culturally safe pathways, ensure cultural integrity is maintained. This is unprecedented and groundbreaking work that should not offer challenge or denial of personal identity and experience, but rather come from a place of shared respect, shared meaning, shared knowledge of learning, living and working together with dignity and truly listening. ”

Lori Parish,  
Chair  
KU Aboriginal and Torres Strait Islander Advisory Group



# KU Marcia Burgess Foundation – extending our reach

As a small, yet effective and growing charity, the KU Marcia Burgess Foundation has supported a range of initiatives since 2021 and is continuing to expand its remit to reach more families and communities. We are grateful for the generosity of all supporters who have enabled delivery of a range of social impact programs throughout 2023.

## Aboriginal and Torres Strait Islander initiatives



The KU Marcia Burgess Foundation is committed to promoting initiatives where the cultural knowledges and languages of Aboriginal and/or Torres Strait Islander Peoples are respected and honoured. Guided by KU's Aboriginal and Torres Strait Islander Programs Team, a range of initiatives were delivered throughout 2023.

This included the continuation of a multi-year collaborative program in Wagga Wagga with Wiradjuri Peoples and Aboriginal community members to grow connections and increase participation in KU's local preschools through enrolments and locally led programs.

As part of this program, a Cultural Facilitator has supported and guided KU services in building meaningful community connections and improving culturally safe and welcoming learning experiences for children, families and KU educators alike. From July to December 2023,

Aboriginal and/or Torres Strait Islander children enrolled in KU's local preschools grew by 39%, comprising 28% of all Aboriginal and/or Torres Strait Islander children enrolled across KU services (96/339).

Another initiative included support for KU's Cultural Facilitators to build increased connections with Aboriginal and/or Torres Strait Islander Peoples and Communities to establish and strengthen collaborations between local Communities and KU.

Additionally, the Wiradjuri Language Program was delivered through Wagga Wagga Aboriginal Education Consultative Group at two KU preschools, and the Dharawal Early Language Program was delivered through the Gujaga Foundation at four KU services in Sydney.

“ There's been a growth in interest, understanding and respect for Wiradjuri history, culture, and local protocols. Our educational environments are becoming more inclusive. ”

KU Kookaburra, Wagga Wagga

“ The children know they are saying words in Dharawal and are aware the Dharawal People are the Traditional Peoples of the Land on which we play and learn. They have been involved in listening to stories and learning more about the local Aboriginal culture. ”

KU Heathcote, Sydney







## Early intervention initiatives

“ We would not have been able to access these services otherwise. Tessa\* is more confident and she’s having more conversations and making friends. ”

Tessa’s mum

Early intervention for children before they start school can be a life changer.

For children experiencing delays with speech and language or motor skills, severe separation anxiety, difficulty socialising with other children, and/or exposure to trauma can lead children to self-isolate themselves in play or exhibit their frustrations through challenging behaviours.

Timely access to affordable early childhood intervention assessments and therapy is vital in the early years but access is too often limited by extensive community health waiting lists. Where access to a private provider does exist, associated costs create significant barriers for many families.

In recognition of these challenges, the KU Marcia Burgess Foundation provides financial assistance to support low-income families to access allied health assessments and therapy for their children through KU’s Allied Health and Early Childhood Intervention Programs.

Allied health assessments and therapy determine where a child is at developmentally and may support a pathway to NDIS. They also offer important strategies for families and educators to support the child reach their best development goals.

“ It helped Ahsan’s\* Mum and Grandma to see where he was at and the support he needed. The Speech Therapist helped Ahsan engage and interact with other children and they gave us all strategies to support him. He used to freeze a lot but now he’s become more confident, using more words, connecting with other children, and smiling a lot more. It’s fantastic! ”

KU Director

The KU Marcia Burgess Foundation is the charitable entity for KU Children’s Services. In 2023, the KU Marcia Burgess Foundation received grants from Frank Leyden Tot-Ed Trust via Perpetual, the Collier Charitable Fund, and CommBank Staff Foundation.

*\*Names changed*



# Board of Directors and Executive Team





# Board of Directors



**Sema Whittle**  
B.Bus, M.Mngt, GAICD



**Helen Argiris**  
BCom (Accounting, Finance & Computer Technology), Fellow of CAANZ, UNSW Business School Alumni Leader, GAICD



**Norman Pack**  
BCom (Accounting & Finance), MBA, Fellow with Society of Accountants (FCPA), GAICD  
*Appointed 30 May 2023*



**Prof Patricia Eadie**  
BSpeech Pathology, Grad Dip, PhD, Fellow of Speech Pathology Australia



**Joshua Gilbert**  
BComm (Accounting), RG146 Graduate Diploma, MAICD



**Prof Linda Harrison**  
BSc (Hons), MSc, DipT (EC), MEd, PhD (Developmental Psychology), MAICD



**Elisa Holmes**  
LLB (Hons), BA, BCL, MPhil, GAICD  
*Appointed 30 May 2023*



**Elizabeth Hristoforidis**  
BCom (Marketing), LLB, MLM, GAICD



**Ana Marinkovic**  
BSc, MBA, MAICD  
*Appointed 30 May 2023*



**Peter Roberts**  
B.Fin.Admin, Fellow of Institute of Chartered Accountants (FCA), GAICD, Graduate Diploma - Securities Institute  
*Retired 30 May 2023*



**Tamara Robinson**  
BCom (Hons)  
*Retired 30 May 2023*



**Janet Verden**  
BCom (Marketing), GAICD  
*Retired 30 May 2023*

# Executive Team



**Christine Legg**  
Chief Executive Officer



**Walter Galanti**  
Chief Financial Officer  
*Appointed 17 April 2023*



**Hayden Hills**  
Chief Financial Officer  
*to 17 April 2023*  
Financial Consultant  
*from 16 April to 6 October 2023*



**Lesley Bluett**  
General Manager, Organisational Development  
*Resigned 20 October 2023*



**Natalie Grenfell**  
General Manager, Inclusion Programs



**Jane Robinson**  
General Manager, People Services & IT



**Cherylanne Williams**  
General Manager, Early Childhood Education

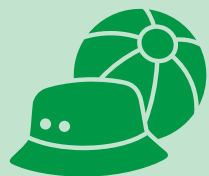


# Snapshot 2023





# Our Family



**11,316** children  
**10,571** families  
experienced the KU Difference.



**128** services and programs  
provided early education and care services  
directly to children and families.



**2,165** staff  
helped us make the KU Difference, including  
**32**  
Aboriginal and/or Torres Strait Islander staff.



**3,553** members  
formed the foundational basis of KU's  
constitutional and governance status.

# Our Impact

## KU Family Programs

**484**

families increased their child's engagement with the community through KU Family Programs.

## Aboriginal and/or Torres Strait Islander children

**339**

Aboriginal and/or Torres Strait Islander children accessed early childhood education through KU services.

## Adult Migrant English Program (AMEP)

**992**

children from refugee and new migrant families were welcomed to Australia through early childhood education in KU's Adult Migrant English Program (AMEP) services.

## Children with additional needs

**989**

children with additional needs were included in KU services assisted by KU's Equity, Education and Support team.

## Early intervention and allied health

**5,280**

early intervention and allied health sessions delivered.

## Social impact investment

**1,311,255**

dollars invested by KU, of its own funds, in social impact programs.

## KU Marcia Burgess Foundation

**139,164**

dollars raised by the KU Marcia Burgess Foundation.

## Inclusion Agency

**10,069**

early childhood education services were supported by KU Inclusion Agency staff.

## Inclusion Development Fund Manager

**14,407**

early childhood education services were eligible to apply for funded support through KU's Inclusion Development Fund Manager.

## KU learning and development reach

**7,296**

educators and support staff furthered their professional learning through KU's learning and development programs.

## KU learning and development sessions

**313**

learning and development sessions were delivered for educators and staff nationally.

## KU Annual Conference

**375**

KU staff attended KU's Annual Conference.

## Student awards and sponsorships

**6**

early childhood education University and TAFE students supported through KU's student awards and professional learning sponsorships.

## Research

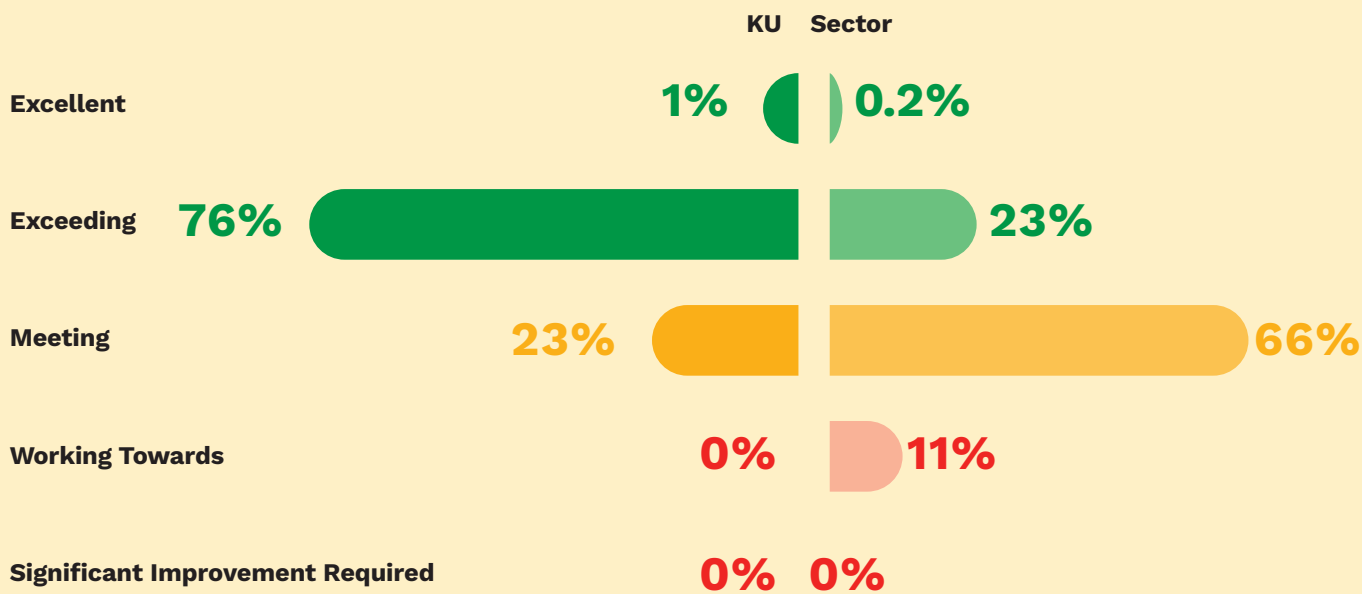
**24**

research projects were participated in.

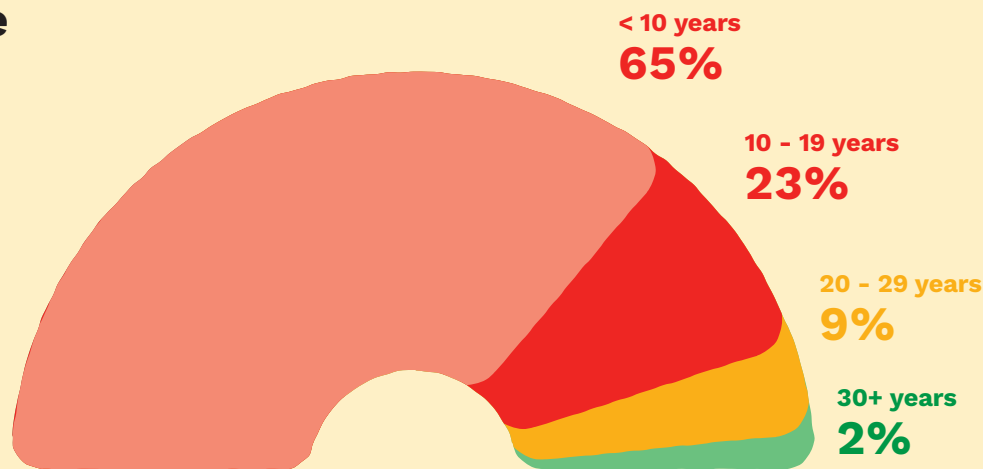


# Our Results

## KU Quality (NQS Ratings)



## Staff Tenure



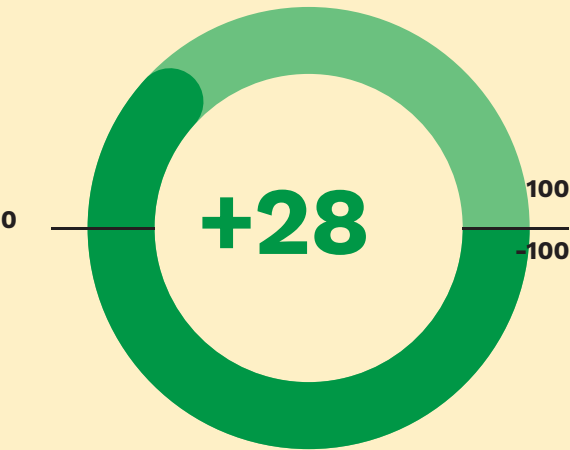
Staff Retention Rates  
**92%**



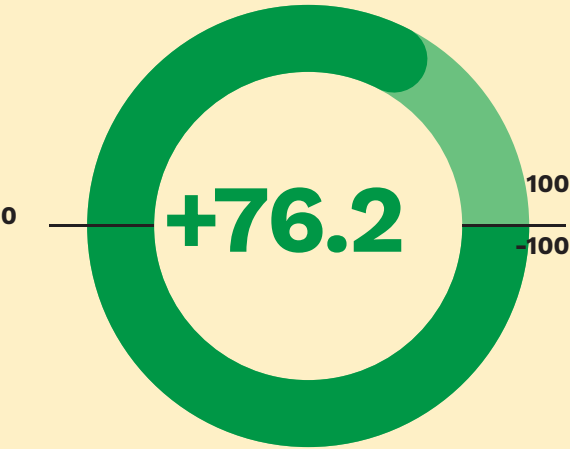
Staff Engagement Rate  
**89%**



Employee Net Promoter Score



Net Promoter Score (Families)





# Financial Report





# Directors' Report

The Directors present their report on KU Children's Services (the company) for the financial year ended 31 December 2023.

## Operating Result and Cash Flow

KU's finances are overseen by KU's Board of Directors and KU's Audit & Risk Management Committee who review the financial reports regularly and provide strategic direction to KU management.

KU is a financially viable organisation with a strong balance sheet and adequate reserves. KU's long history of responsible financial management confirms KU is financially sound and progressive with a solid balance sheet and cash reserves, enabling it to pursue its strategic objectives. KU has no subsidiary or related organisations.

At 31 December 2023, KU had a net surplus of \$808,482 (2022: deficit \$1,503,830), total assets of \$ 119,422,373 (2022: \$98,614,611) and net assets of \$ 39,009,778 (2022: \$38,201,296).

## Short and Long Term Objectives of the Company

KU Children's Services has been operating continually since 1895 and has a strong commitment to the provision of high quality early education and care, inclusion and social responsibility.

The KU Strategic Plan guided operations during 2023 which sets out key priorities (see 'Our Pillars' ) for the organisation. KU's ongoing focus on those pillars ensured the organisational objectives continued to be pursued and achieved.

## Our Vision

Is to lead and inspire young children's learning for life.

## Our Purpose

Is to partner with families and communities to nurture children's learning, development and wellbeing.

## Our Pillars

1. Educational excellence
2. Thriving workforce
3. Financially sustainable
4. Social responsibility

## Principal Activities of the Company

The principal activities of KU during the current year have been the provision of early childhood education and care services. There were no changes to the principal activities during the year.

## Performance Measurement

The Annual Report of the Company details the achievements and performance over the past year measured against the strategic goals. KU continued to achieve and perform strongly when measured against these strategic goals. KU's key performance indicators are utilisation, staff turnover and financial performance of individual services.

## Company Limited by Guarantee

The Company is incorporated as a company limited by guarantee. In accordance with the Constitution, every member of the Company undertakes to contribute \$2 to the assets of the Company in the event of it being wound up, while he/she is a member or within one year after he/she ceases to be a member.

The Company has 3,553 members (2022: 2,526 members).

## Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.



## Directors

The names of the Directors of the Company who have held office during or since the end of the financial year are:

Director's Name & Qualifications	Special Responsibilities
<b>Sema Whittle</b> B.Bus, M.Mngt, GAICD	Chair of the Board Board Member Chair of People & Remuneration Committee
<b>Helen Argiris</b> BCom (Accounting, Finance & Computer Technology), Fellow of CAANZ, UNSW Business School Alumni Leader, GAICD	Board Member Deputy Chair of the Board (from 30 May 2023 to 21 February 2024) Member of Education Committee (until 30 May 2023) Chair of Audit & Risk Management Committee (from 30 May 2023 to 21 February 2024) Member of People & Remuneration Committee (from 30 May 2023 to 21 February 2024)
<b>Norman Pack</b> BCom (Accounting & Finance), MBA, Fellow with Society of Accountants (FCPA), GAICD	Board Member (from 30 May 2023) Deputy Chair of the Board (from 21 February 2024) Chair of Audit & Risk Management Committee (from 21 February 2024) Member of Audit & Risk Management Committee (from 30 May 2023 to 21 February 2024) Member of Education Committee (from 30 May 2023)
<b>Prof Patricia Eadie</b> BSpeech Pathology, Grad Dip, PhD, Fellow of Speech Pathology Australia	Board Member Member of Education Committee
<b>Joshua Gilbert</b> BComm (Accounting), RG146 Graduate Diploma, MAICD	Board Member Member of KU Marcia Burgess Foundation Committee
<b>Prof Linda Harrison</b> BSc (Hons), MSc, DipT (EC), MEd, PhD (Developmental Psychology), MAICD	Board Member Chair of Education Committee (from 30 May 2023)
<b>Elisa Holmes</b> LLB (Hons), BA, BCL, MPhil, GAICD	Board Member (from 30 May 2023) Member of KU Marcia Burgess Foundation Committee (from 30 May 2023)
<b>Elizabeth Hristoforidis</b> BCom (Marketing), LLB, MLM, GAICD	Board Member Chair of KU Marcia Burgess Foundation Committee Member of People & Remuneration Committee Member of Audit & Risk Management Committee (from 21 February 2024)
<b>Ana Marinkovic</b> BSc, MBA, MAICD	Board Member (from 30 May 2023) Member of Audit & Risk Management Committee (from 30 May 2023)
<b>Peter Roberts</b> B.Fin.Admin, Fellow of Institute of Chartered Accountants (FCA), GAICD, Graduate Diploma - Securities Institute	Deputy Chair of the Board (until 30 May 2023) Board Member (until 30 May 2023) Chair of Audit & Risk Management Committee (until 30 May 2023) Member of People & Remuneration Committee (until 30 May 2023)
<b>Tamara Robinson</b> BCom (Hons)	Board Member (until 30 May 2023) Member of KU Marcia Burgess Foundation Committee (until 30 May 2023)
<b>Janet Verden</b> BCom (Marketing), GAICD	Board Member (until 30 May 2023) Chair of Education Committee (until 30 May 2023) Member of Audit & Risk Management Committee (until 30 May 2023)

## Directors' Attendance at Board Meetings (1 January to 31 December 2023)

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or committee member).

	Board of Directors		Audit & Risk Management Committee		Education Committee		People & Remuneration Committee		KU Marcia Burgess Foundation Committee	
	A	B	A	B	A	B	A	B	A	B
<b>Directors</b>										
<b>Sema Whittle</b>	9	8					4	4		
<b>Helen Argiris</b>	9	7	8	8	1	1	3	3		
<b>Norman Pack</b>	6	5	5	5	1	1				
<b>Prof Patricia Eadie</b>	9	7			2	2				
<b>Joshua Gilbert</b>	9	7							3	3
<b>Prof Linda Harrison</b>	9	8			2	2				
<b>Elisa Holmes</b>	6	6							2	1
<b>Elizabeth Hristoforidis</b>	9	7					4	4	3	3
<b>Ana Marinkovic</b>	6	5	5	3						
<b>Peter Roberts*</b>	3	2	3	3			1	1		
<b>Tamara Robinson*</b>	3	3							1	1
<b>Janet Verden*</b>	3	3	3	3	1	1				

**A** Meetings held during year Director was a member of Board or Committee.

**B** Meetings attended by Director during year Director was a member of Board or Committee.

Please note:

\* Director retired from the Board and Committee(s) at AGM

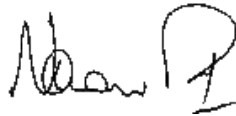
The auditor's independence declaration is included on page 72.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors



**Sema Whittle**  
Chair, Board of Directors  
Sydney, 26 March 2024



**Norman Pack**  
Chair, Audit & Risk Management Committee  
Sydney, 26 March 2024





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## Auditor's Independence Declaration to the Directors of KU Children's Services

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012*, in relation to the audit, and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Yours sincerely,

*Crowe Audit Australia*

**Crowe Audit Australia**

**Alison Swansborough**  
Partner

26 March 2024  
Sydney

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## Independent Auditor's Report to the Members of KU Children's Services

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of KU Children's Services (the "Company"), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the declaration by the Board of Directors.

In our opinion, the accompanying financial report of the Company is in accordance with the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year then ended;
- (b) and complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of 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 auditor independence requirements of the ACNC Act and 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.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

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.

Other Matter

The financial report of the Company for the year ended 31 December 2022 was audited by another auditor who expressed an unmodified opinion on the financial report on 20 April 2023.

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 - Simplified Disclosures and the ACNC Act 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 ability of the Company to continue as a going concern, disclosing, as applicable, matters related 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 judgement 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.

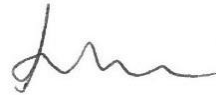
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether 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 the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Crowe Audit Australia

Crowe Audit Australia



Alison Swansborough  
Partner

26 March 2024  
Sydney



### Directors' Declaration

The Directors declare that:

- (i) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (ii) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (Cth) and Charitable Fundraising Att 1991, including compliance with accounting standards, and giving a true and fair view of the financial position and performance of the Company.

Signed in accordance with a resolution of the Directors made pursuant to S.60.15 of the Australian Charities and Not-for-profits Commission Regulations 2022.

On behalf of the Directors



**Sema Whittle**  
Chair, Board of Directors  
Sydney, 26 March 2024



**Norman Pack**  
Chair, Audit & Risk Management Committee  
Sydney, 26 March 2024

### Declaration by Board of Directors in Respect of Fundraising Appeals

In the opinion of the Board of Directors:

- (i) the financial statements give a true and fair view of all income and expenditure of the Company with respect to fundraising appeals;
- (ii) the Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeals;
- (iii) the provisions of the Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the authority are complied with; and
- (iv) the internal controls exercised by the Company are appropriate and effective in accounting for all income received.

Signed in accordance with a resolution of the Board of Directors.



**Sema Whittle**  
Chair, Board of Directors  
Sydney, 26 March 2024



**Norman Pack**  
Chair, Audit & Risk Management Committee  
Sydney, 26 March 2024

## Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2023

	Note	2023 \$	2022 \$
Revenue from fees	5 (i)	58,474,331	57,410,441
Revenue from non-capital government funding	5 (ii)	100,619,437	85,537,446
Other revenue	5 (iii)	7,128,989	5,658,019
		<b>166,222,757</b>	<b>148,605,906</b>
Employee costs		127,811,748	118,559,073
Operational expenses		13,257,927	10,305,066
Occupancy expenses		6,263,766	6,249,410
Depreciation	8	2,359,328	2,911,916
Amortisation		2,389,456	2,014,569
Depreciation & amortisation	5 (v)	4,748,784	4,926,485
Administrative expenses		6,716,133	6,125,464
Repairs & maintenance		2,781,714	2,200,211
Marketing expenses		576,187	699,691
Finance costs	5 (v)	214,649	228,674
Disposals and asset write-off		1,835,150	-
Other expenses		1,441,322	1,230,478
		<b>165,647,380</b>	<b>150,524,552</b>
Surplus (deficit) from ordinary operations		<b>575,377</b>	<b>(1,918,646)</b>
Other Income			
Government capital grant funding	5 (iv)	233,105	414,816
Surplus (deficit) for the year		<b>808,482</b>	<b>(1,503,830)</b>
Total comprehensive income for the year		<b>808,482</b>	<b>(1,503,830)</b>

*The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes*



## Statement of Financial Position as at 31 December 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
Current assets			
Cash and cash equivalents	19	63,915,364	50,019,155
Term deposits	20	7,500,000	2,500,000
Trade and other receivables	6	3,577,498	1,900,636
Other assets	7	1,437,648	951,348
Total current assets		76,430,510	55,371,139
Non-current assets			
Right-of-use assets	15	4,461,202	3,276,661
Property, plant and equipment	8	38,530,661	39,966,811
Total non-current assets		42,991,863	43,243,472
Total assets		119,422,373	98,614,611
<b>Liabilities</b>			
Current liabilities			
Trade and other payables	9	22,546,399	15,667,933
Lease liabilities	10	1,980,385	2,479,790
Unearned income	11	28,983,466	17,100,056
Provisions	12	20,322,449	19,619,561
Total current liabilities		73,832,699	54,867,340
Non-current liabilities			
Non current provisions	12	3,295,599	3,056,036
Lease liabilities	10	3,284,297	2,489,940
Total non-current liabilities		6,579,896	5,545,976
Total liabilities		80,412,595	60,413,316
<b>Net Assets</b>		<b>39,009,778</b>	<b>38,201,296</b>
<b>Equity</b>			
Retained Earnings			
General funds		37,971,822	37,163,340
Fundraising reserve		1,037,956	1,037,956
<b>Total Retained Earnings</b>		<b>39,009,778</b>	<b>38,201,296</b>

The above Statement of Financial Position should be read in conjunction with the notes

## Statement of Changes in Equity for the Year Ended 31 December 2023

	General Funds \$	Fundraising Reserve \$	Total \$
Balance at 1 January 2022	38,665,097	1,040,029	39,705,126
Deficit for the year	(1,503,830)	-	(1,503,830)
	-	-	-
Transfer from/(to) general funds	2,073	(2,073)	-
Balance at 31 December 2022	<b>37,163,340</b>	<b>1,037,956</b>	<b>38,201,296</b>
Balance at 1 January 2023	37,163,340	1,037,956	38,201,296
Surplus for the year	808,482	-	808,482
Balance at 31 December 2023	<b>37,971,822</b>	<b>1,037,956</b>	<b>39,009,778</b>

The above Statement of Changes in Equity should be read in conjunction with the notes



# Statement of Cash Flows for the Year Ended 31 December 2023

	2023 \$	2022 \$
<b>Cash flows from operating activities</b>		
Receipts from customers, government bodies and centres	138,382,899	120,299,530
Receipts from brokered programs	36,076,399	27,756,567
Payments to suppliers and employees	(122,717,844)	(117,913,228)
Allocations to recipients of brokered programs	(28,828,746)	(27,116,405)
<b>Net cash generated by operating activities</b>	<b>22,912,709</b>	<b>3,026,464</b>
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	(2,791,241)	(3,473,840)
Receipts from government capital grants	252,372	984,928
Interest received	1,624,025	492,074
Finance costs	(19,497)	(29,198)
Investments - term deposits	(5,000,000)	(2,000,000)
Proceeds from disposal of fixed assets	1,000	-
<b>Net cash (utilised in)/generated by investing activities</b>	<b>(5,933,342)</b>	<b>(4,026,035)</b>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(3,083,158)	(2,370,877)
<b>Net cash (utilised)/generated by financing activities</b>	<b>(3,083,158)</b>	<b>(2,370,877)</b>
<b>Net increase in cash and cash equivalents</b>	<b>13,896,209</b>	<b>(3,370,448)</b>
Cash and cash equivalents at the beginning of the financial year	50,019,155	53,389,604
<b>Cash and cash equivalents at the end of the financial period</b>	<b>63,915,364</b>	<b>50,019,156</b>

The above Statement of Cash Flows should be read in conjunction with the notes

# Notes to the Financial Statements for the Year Ended 31 December 2023

## 1. Corporate Information

The financial statements of KU Children’s Services (the Company) for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 26 March 2024.

The Company is incorporated as a company limited by guarantee. The financial statements are presented in Australian dollars, which is KU Children’s Services’ functional and presentation currency.

## 2. Application of New and Revised Australian Accounting Standards

**Amendments to Accounting Standards that are mandatorily effective for the current reporting period**

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2023.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## 3. Summary of Accounting Policies

**Statement of compliance**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991, and associated regulations as appropriate for the not-for-profit oriented entities.

**Basis of preparation**

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars. The following material accounting policies have been adopted in the preparation and presentation of the financial report:

**a) Property, plant and equipment**

Land and buildings, leasehold improvements, furniture and office equipment, motor vehicles and computers are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on furniture and office equipment, motor vehicles and computers, including freehold and leasehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The useful life of an asset is determined by Management in line with guidelines as specified in AASB 16 *Property, Plant and Equipment*. The below estimates of useful life per class of asset are provided as a guide only. The actual estimation and application of the useful life and salvage value of the asset is a reasonable judgement made by Management based on the experience of the entity with similar assets.

The following estimated useful lives are used as a guide in the calculation of depreciation:

- Buildings owned: 33-50 years
- Buildings fixtures and fittings: 5-40 years
- Leasehold improvements: lease term or 5-15 years
- Furniture and fittings: 5-40 years
- Computers and hardware: 3-5 years
- Motor vehicles: 4-10 years

The Company reviews its estimate of the useful lives of leasehold improvements at each reporting date, based on the period over which an asset is expected to be available for use by the Company. Land is carried at cost and is not depreciated.



### 3. Summary of Accounting Policies (continued)

#### b) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and rostered days off when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months are measured using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

The Company pays contributions to certain defined contribution plans. Contributions are recognised in profit or loss in the periods during which services are rendered by employees.

#### c) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### d) Financial instruments

##### *Trade and other receivables*

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any

allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

##### *Impairment of trade and other receivables*

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

#### e) Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

#### f) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The lease liability is presented as a separate line in the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

The Company has the right to use certain buildings for children's services under concessionary lease terms up to 10 years each. The Company applies the accounting policy choice under AASB16 to measure the right-of-use-assets at cost.

#### g) Revenue recognition

The Company recognises income from its main revenue/income streams, as listed below:

- Government grants
- Donations
- Capital grants
- Parent fees

##### *Government grants and donations*

When the Company receives government grants, donations and bequests that are in the scope of AASB 1058 (being a transaction where the consideration paid to acquire an asset is significantly less than fair value principally to enable the Company to further its objectives), it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations.

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.

In all other cases (where the contract is not 'enforceable' or the performance obligations are not 'sufficiently specific'), the transaction is accounted for under AASB 1058 where the Company:

- Recognises the asset in accordance with the requirements of other relevant applicable Australian Accounting Standards e.g. AASB 9, AASB 16, AASB 116 and
- Considers whether any other financial statement elements should be recognised ('related amounts') in accordance with the relevant applicable Australian Accounting Standard including:
  - contributions by owners (AASB 1004)
  - a lease liability (AASB 16)
  - a financial instrument (AASB 9)
  - a provision (AASB 137)
- Recognises income immediately in profit or loss for the excess of the initial carrying amount of the asset over any related amounts recognised.

##### *Capital grants*

For capital grants received under an enforceable agreement where it includes a transfer to enable the Company to acquire or construct a recognisable non-financial asset to identified specifications which will be controlled by the Company when completed, the Company recognises a liability for the excess of the fair value of the transfer over any related amounts recognised and recognises income as it satisfies its obligations under the transfer.



### 3. Summary of Accounting Policies (continued)

#### h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less and which are subject to an insignificant risk of changes in value.

#### i) Term deposits

Term deposits comprise investment deposits held with banks with short to medium term maturity periods. The investments are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate.

#### j) Income tax

The Company is exempt under the Income Tax Assessment Act, as it is an income tax exempt charitable entity. As a consequence, there is no income tax attributable to the operating result.

#### k) General funds and reserves

##### General funds

The general funds represent the retained earnings of the Company that are not designated for particular purposes.

##### Fundraising reserve

The fundraising reserve arises from the accumulated surpluses generated as a result of the efforts of parents and staff to allow services to purchase toys and equipment, to assist the service to expand and develop to meet local needs and to allow parents to share in the life of the service and to make a concrete contribution to their children's lives.

#### l) Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid. These amounts are usually settled within 30 days. The carrying amount of the creditors and payables is deemed to reflect fair value.

#### m) Program Reserve

The Program Reserve arises from surpluses on the programs that have been allocated to the Company for future liabilities that may arise which the Company will be accountable for.

#### n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### o) Unearned income

The liability for unearned 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 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

#### p) Comparatives

Comparatives have been realigned where necessary, to agree with current year presentation. There was no change in the profit or net assets.

### 4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the

basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### 4.1 Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- discounted future increases in wages and salaries;
- discounted future on-cost rates; and
- experience of employee departures and period of service including future years in which long service leave is expected to be taken.

#### 4.2 Estimation of useful lives of assets

As described at 3(a) above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

#### 4.3 Impairment

In assessing impairment, the Company estimates the recoverable amount of each asset based on the depreciable replacement cost in accordance with AASB 136 *Impairment of assets*.

#### 4.4 Impairment of trade and other receivables

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

#### 4.5 Make good provision

Provisions for make good are included where applicable, using the anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises.

#### 4.6 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. activity work plans) and holding discussions with relevant parties.

Income recognition from grants received by the Company have been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

Determining the timing of satisfaction of performance obligations (and therefore whether to use an output or input method to recognise revenue over time) requires particular judgement in the case of grant contracts not directly linked to enrolment numbers. In most cases the best measure of performance obligations being satisfied was determined to be the Input method. As such revenue is recognised on these types of contracts as costs are incurred as this was determined to be the most accurate measure of satisfaction of performance obligations.

#### 4.7 Leases (Company as a lessee)

##### Concessionary leases

The Company leases various buildings from local councils with significantly below-market terms and conditions principally to enable it to further its objectives in the provision of childcare services.

The Lease terms are between 1 - 10 years for buildings including any fixtures and improvements, to operate site as childcare centres or related services. The lease payments are typically \$1 per annum, plus outgoings contributions as agreed in each instance.

As outlined in the Company's accounting policy in note 3, the Company has elected to measure these leases at cost.



## 5. (Deficit)/Surplus for the Year

	2023 \$	2022 \$
<b>Revenue from contracts with customers</b>		
Disaggregation of revenue		
The disaggregation of revenue from contracts with customers is as follows: (All revenue is derived from within Australia)		
<b>(i) Revenue from fees</b>		
Parent's fees	58,474,331	57,410,441
<b>(ii) Revenue from non-capital government funding</b>		
Government funding	100,619,437	85,537,446
<b>(iii) Other revenue</b>		
Other revenue from ordinary operations consisted of the following items:		
Management fees	4,272,878	1,821,935
Gross fundraising income	90,152	177,623
Interest income	1,624,025	492,074
Consultancy fees	979,278	902,800
Sales of publications and courses	86,779	69,078
Sponsor support	(68,022)	1,799,112
Other sundry revenue	143,899	395,397
	<u>7,128,989</u>	<u>5,658,019</u>
<b>(iv) Other income</b>		
Government capital grant funding	233,105	414,816
<b>(v) Surplus</b>		
Surplus has been arrived at after charging the following items:		
<b>Depreciation</b>		
Property, plant and equipment	(2,359,328)	(2,911,916)
Right-of-Use Assets	(2,389,456)	(2,014,569)
Total depreciation	<u>(4,748,784)</u>	<u>(4,926,485)</u>
<b>Net expected credit losses and bad debts written off</b>	(3,621)	15,124
<b>Finance costs</b>		
Interest charges paid/payable	-	(473)
Interest on Right-of-Use assets	(214,649)	(228,201)
	<u>(214,649)</u>	<u>(228,674)</u>
<b>Gain/(Loss) on disposal of assets</b>	(1,835,150)	5,610

## 6. Trade and Other Receivables

	2023 \$	2022 \$
<b>Trade receivables</b>		
Trade receivables	1,669,018	1,754,654
Allowance for expected credit losses	(32,106)	(41,566)
Accrued income	328,938	158,621
	<u>1,965,850</u>	<u>1,871,709</u>
<b>Other receivables</b>		
Other receivables	50,705	28,927
Grants due from Government	1,560,943	-
	<u>3,577,498</u>	<u>1,900,636</u>

## 7. Other Assets

	2023 \$	2022 \$
Prepayments	1,437,648	951,348
	<u>1,437,648</u>	<u>951,348</u>



## 8. Property, Plant and Equipment

	Land and Buildings \$	Leasehold Improvements \$	Furniture and Office Equipment \$	Motor Vehicles \$	Make Good \$	Total \$
<b>Gross Carrying Amount</b>						
Balance at 1 January 2023	28,481,466	28,003,851	5,422,797	73,438	1,866,658	63,848,210
Additions	1,039,553	1,840,749	617,997	-	-	3,498,299
Reverse Assets under construction (WIP) 2022	(818,111)	(219,698)	(15,617)	-	-	(1,053,426)
Current WIP uncapitalised	27,763	278,055	7,636	-	-	313,454
Disposals	(1,280,369)	(973,857)	(111,348)	-	-	(2,365,574)
As at 31 December 2023	<b>27,450,302</b>	<b>28,929,100</b>	<b>5,921,465</b>	<b>73,438</b>	<b>1,866,658</b>	<b>64,240,963</b>
<b>Accumulated Depreciation</b>						
Balance at 1 January 2023	(3,168,834)	(15,600,059)	(3,404,807)	(73,438)	(1,634,260)	(23,881,398)
Disposals	23,088	407,500	99,836	-	-	530,424
Depreciation expense	(426,952)	(1,338,086)	(565,828)	-	(28,462)	(2,359,328)
As at 31 December 2023	<b>(3,572,698)</b>	<b>(16,530,645)</b>	<b>(3,870,799)</b>	<b>(73,438)</b>	<b>(1,662,722)</b>	<b>(25,710,302)</b>
<b>Net Book Value</b>						
As at 31 December 2022	25,312,632	12,403,792	2,017,990	-	232,398	39,966,812
As at 31 December 2023	<b>23,877,604</b>	<b>12,398,455</b>	<b>2,050,666</b>	<b>-</b>	<b>203,936</b>	<b>38,530,661</b>

## 9. Trade and Other Payables

	2023 \$	2022 \$
Salary and superannuation accruals	4,637,506	3,053,427
Prepaid centre fees and holding deposits	3,479,460	3,160,539
GST Payable	629,902	414,638
Other payables and accruals	3,527,610	4,020,422
Trade payables	3,815,175	2,578,879
WBS & Brokered program surpluses	6,456,746	2,440,028
	<b>22,546,399</b>	<b>15,667,933</b>
<b>Lease Payments</b>		
Short-term and low value leases	2,171,293	2,446,836

## 10. Lease Liabilities

	2023 \$	2022 \$
<b>(a) Current Liabilities - lease liabilities - right-of use-assets</b>		
Lease Liability	1,980,385	2,479,790
<b>(b) Non-current Liabilities - lease liabilities - right-of use-assets</b>		
Lease Liability	3,284,297	2,489,940
<b>Future Lease Payments</b>		
Future Lease Payments are due as follows:		
within one year	1,980,385	2,479,790
one to five years	3,061,208	1,942,366
more than five years	223,089	547,574
	<b>5,264,682</b>	<b>4,969,730</b>

## 11. Unearned Income

	2023 \$	2022 \$
Prepaid government funding	24,347,212	14,458,724
Prepaid special education income	4,636,254	2,641,332
	<b>28,983,466</b>	<b>17,100,056</b>



## 12. Provisions

	2023 \$	2022 \$
<b>Current</b>		
Employee Benefits:		
Provision for annual leave and rostered days off	10,685,502	10,258,070
Provision for long service leave	8,643,062	8,221,043
	<u>19,328,564</u>	<u>18,479,113</u>
Provision for Make Good Liability:		
Make Good Liability	993,885	1,140,448
	<u>20,322,449</u>	<u>19,619,561</u>
<b>Non-current</b>		
Employee Benefits:		
Provision for long service leave	2,422,866	2,329,866
Provision for Make Good Liability:		
Make Good Liability	872,733	726,170
	<u>3,295,599</u>	<u>3,056,036</u>

## 13. General Funds

	2023 \$	2022 \$
Balance at beginning of financial year	37,163,340	38,665,097
Net surplus	808,482	(1,503,830)
Transfers from Fundraising Reserve	-	2,073
Balance at end of financial year	<u>37,971,822</u>	<u>37,163,340</u>

## 14. Fundraising Reserve

	2023 \$	2022 \$
Balance at beginning of financial year	1,037,956	1,040,029
Transfer to general funds	-	(2,073)
Balance at end of financial year	<u>1,037,956</u>	<u>1,037,956</u>

The fundraising reserve arises from the accumulated efforts of parents and staff to allow services to purchase optional toys and equipment, to assist the service to expand and develop to meet local needs and to allow parents to share in the life of the service and to make a concrete contribution to their children's lives.

## 15. Non-Current Assets - Right-of-Use Assets

	2023 \$	2022 \$
Right-of-use assets	13,006,827	9,495,709
Less: Accumulated depreciation	(8,545,625)	(6,219,048)
Balance at end of financial year	<u>4,461,202</u>	<u>3,276,661</u>

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below.

Balance at beginning of year	3,276,661	5,123,369
Additions	1,249,877	167,861
Adjustments	2,324,120	-
Depreciation Expense	(2,389,456)	(2,014,569)
Balance at end of year	<u>4,461,202</u>	<u>3,276,661</u>



## 16. Contingent Liabilities

The Company has given the following bank guarantees to various landlords:

	2023 \$	2022 \$
Bank Guarantee 21 Jan 2014 to Central Coast Regional Dev. Corp.	-	4,796
Bank Guarantee 30 April 2015 to Marrickville Council	15,400	15,400
Bank Guarantee 12 Sept 2016 to Abalon Properties Pty Ltd	7,400	7,400
Bank Guarantee 12 Sept 2016 to Kearley Investments Pty Ltd	9,900	9,900
Bank Guarantee 18 May 2020 to Ku-ring-gai Council (expired)	-	262,487
Bank Guarantee 31 Mar 2021 to James Tsun-Ming Wong	22,000	22,000
Bank Guarantee 19 June 2021 to Monarch (Sales) Pty Limited	36,300	36,300
	<u>91,000</u>	<u>358,283</u>

At various times claims are made against the entity in regards to historical events. These claims are managed by management and directors in conjunction with legal representatives and insurers.

## 17. Economic Dependency

As disclosed at Note 5, a significant source of revenue is government funding. This funding supports programs for early childhood education and care.

## 18. Related Party Disclosures

### a) Directors' compensation

The Directors act in an honorary capacity and receive no compensation for their services (2022: nil).

### b) Transactions with Director-related entities

During the year, no amounts were paid to Director-related parties. No amounts are payable to or receivable from Directors or Director-related entities at the reporting date. If a Director utilises the services of KU Children's Services they pay the arms length market rates for provision of these services.

### c) Key Management Personnel Remuneration

The aggregate compensation of the key executive management personnel of the Company is set out below:

Aggregate compensation	1,869,173	1,950,590
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KU Executive salaries are independently benchmarked regularly by a specialist remuneration consultancy firm, against open market and not for profit sector trends.

## 19. Cash and Cash Equivalents

Cash and cash equivalents include cash at bank and on hand. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

	2023 \$	2022 \$
Cash and cash equivalents	<u>63,915,364</u>	<u>50,019,155</u>

The cash balances include maturing term deposits with a term of 3 months or less.

## 20. Term Deposits

	2023 \$	2022 \$
Term deposits with a term of more than 3 months	<u>7,500,000</u>	<u>2,500,000</u>



## 21. Information & Declarations to be Furnished Under the Charitable Fundraising Act 1991

Under this Act, KU Children's Services holds a single authority to fundraise for KU centres. The authority does not extend to services which KU manages on behalf of another organisation. Preparation of the following information reflects the level of disclosure existing in management systems in use by the organisation.

### (a) Statement of Fundraising Income and Expenditure

Detailed income statement for the year ended 31 December 2023

	2023 \$	2022 \$
Raffles	360	6,222
Functions	76,541	60,160
Sale of items	9,941	85,964
Interest	29	78
Donations	3,280	25,199
Gross proceeds from fundraising	90,152	177,623
Raffles	(1,660)	(11)
Functions	(54,427)	(63,813)
Sale of items	(29,403)	(34,386)
Total cost of fundraising	(85,490)	(98,210)
Net proceeds from fundraising	4,662	79,413

### (b) Accounting Principles and Methods Adopted in Fundraising Accounts

The fundraising financial statements have been prepared on an accrual basis and in accordance with Australian Accounting Standards as per Note 3.

### (c) Application of Fundraising Proceeds in 2023

Opening balance	1,037,956	1,040,029
Net proceeds from fundraising	4,662	79,413
Centre improvement and equipment	(4,662)	(81,486)
Total Reserve at at year end	1,037,956	1,037,956

## 21. Information & Declarations to be Furnished Under the Charitable Fundraising Act 1991 (continued)

### (d) Details of Gross Income and Aggregate Expenditure of Appeals Conducted Jointly with Traders

For the purpose of this note all fundraising involving the Sale of Items (e.g. chocolates, sun hats, sunscreen, etc) is deemed to have involved a trader.

	2023 \$	2022 \$
Gross income received from sale of items	9,941	85,964
Total expenditure incurred	29,403	34,386

### (e) Forms of Fundraising Appeals Conducted in 2023

For the purposes of reporting under the requirements of the Charitable Fundraising Act 1991, KU Children's Services classifies all fundraising activities under five categories; raffles, functions, sale of items, donations and interest.

### (f) Key Indicators for Fundraising Activities

Total Cost of Fundraising \$85,490 (2022: \$98,210) divided by Gross Income from Fundraising \$90,152 (2022: \$177,623) equals 95% (2022: 55%).

Net Surplus from Fundraising \$4,662 (2022: \$79,413) divided by Gross Income from Fundraising \$90,152 (2022: \$177,623) equals (5%) (2022: 45%).



22. Government Grant Funding

During the course of the calendar year specific Government Funding that required acquittal reporting included the following Programs:

Program	Funding \$ 31/12/2023	Funding \$ 31/12/2022
Acquittal for the year ended	30/06/2023	30/06/2022
KU Inner West Supported Playgroups – NSW Department of Communities and Justice	432,223	406,506
KU Newcastle Supported Playgroups – NSW Department of Communities and Justice	163,071	154,570
Inclusion Development Fund Manager – Commonwealth Department of Education	5,263,292	4,642,512
Inclusion Agency – Commonwealth Department of Education	30,590,308	23,606,751
Steps to Starting School – The Smith Family	115,000	110,207
COVID-19 Innovation Program – Multicultural NSW	-	50,000
KU Starting Points - 1 - Start Strong Pathways Program NSW D.O.E	155,805	155,805
KU Starting Points - 2 - Start Strong Pathways Program NSW D.O.E	362,655	362,655

23. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by Crowe Audit Australia, and prior year by Deloitte Touche Tohmatsu.

	2023 \$	2022 \$
Audit of the financial statements & acquittals		
Crowe Audit Australia	150,027	-
Deloitte Touche Tohmatsu	134,475	185,929
	284,502	185,929
Other services (file access fees)		
Deloitte Touche Tohmatsu	-	1,575
	284,502	187,504

24. Additional Company Information

KU Children’s Services is a public company limited by guarantee, incorporated and operating in Australia.

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Since 1895

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