



Birth for Humankind Limited

(A company limited by guarantee)

ACN 605 254 340

**Financial Report
Year ended 30 June, 2021**

Birth for Humankind Limited
(A company limited by guarantee)
ACN 605 254 340

FINANCIAL REPORT
FOR THE YEAR ENDED
30 June, 2021

CONTENTS

	Page
Directors' Report	2
Independent Auditor's Report	6
Auditor's Independence Declaration	8
Directors' Declaration	9
Statement of Financial Position	10
Statement of Profit and Loss & Other Comprehensive Income	11
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13

DIRECTORS' REPORT

The directors present their report on the financial statements of the Company for the year ended 30 June 2021.

DIRECTORS

The directors of the Company in office at any time since the beginning of the year are:

- Joanne Kirk, Chair
- Jeanette Royce, Treasurer
- Lauren King (Company Secretary), *appointed as Director on 3 May 2021*
- Joanne Askham, Director
- Grant Fenton, Director
- Raj Gopiraj, Director
- Mei Lai Swan, Director

Directors have been in office since the beginning of the year to the date of this report unless otherwise stated.

Joanne Kirk – Chair

Joanne started her career as a registered nurse and has over 20 years of leadership experience working in sexual health, women's health and refugee health programs in Australia and developing countries. She is passionate about gender equality and empowering and supporting women and girls to have the opportunity to live their very best lives. Currently, Joanne also works with families who are seeking asylum in Melbourne and runs the Asylum Seeker Kids Project. Joanne co-founded the Red Rocketship Foundation in 2011, which has funded and worked with a number of organisations in Australia and internationally. The Foundation has a focus on funding women's and girl's programs. Joanne believes every mother has the right to support, education and the opportunity to make informed choices throughout her pregnancy and birth. She is passionate about and inspired by the work of Birth for Humankind.

Jeanette Royce – Treasurer

Jeanette has more than 10 years' experience in finance. Jeanette began her career in investment banking in Equity Capital Markets working for Macquarie. After her time in investment banking, Jeanette worked as an Assistant Treasurer for both United Energy and Multinet Gas and then later for Transurban, managing more than \$30bn in debt. From December 2019, Jeanette joined Atlas Arteria, an international toll road owner, operator and developer, as the Director, Investor Relations. Jeanette brings a vast array of skills in corporate treasury, financial analysis, business development and financial and risk management. Jeanette's passion for Birth for Humankind comes from her own experience of becoming a mother to her two children and wanting to ensure that all women have the support they need to make their own birth and family experience a positive one.

Birth for Humankind Limited
(A company limited by guarantee)
ACN 605 254 340
Year Ended 30 June, 2021

Lauren King – Company Secretary (appointed as Director on 3 May 2021)

Lauren is an Australian qualified lawyer practising in the not-for-profit sector. As part of this role she provides governance support to a board of directors. Lauren believes strongly in the importance of good governance and providing support to the board to allow them to govern effectively. Lauren has a strong sense of social justice and is passionate about Birth for Humankind's vision and mission. Lauren has two small children and the experience of pregnancy, birth and motherhood has given her a profound admiration for all women and in particular, their innate strength and resilience.

Joanne Askham – Director

Jo has worked with many organisations in her career as a finance, administration and IT management consultant, helping organisations across the private and not-for-profit sectors streamline their operations and financial systems. She is also an experienced event manager, being one of the organisers of the annual Doula Conference in Australia and 'doula-ing' many regular and international events. Jo's journey into motherhood sparked her passion for bringing humanity and knowledge to childbirth and she now helps many families as a doula and childbirth educator. She is currently studying for her Bachelor of Midwifery at the Australian Catholic University.

Grant Fenton - Director

Grant is currently Manager, Volunteer Services at St John's Ambulance Victoria. He is a former Executive Officer at Environment Education Victoria, CEO of the Northern Territory Farmers Association, Vice President of the Automobile Association of the Northern Territory and a lead consultant for IEN Management. Grant has substantial experience in advocacy and policy, as well as strong experience in events management and stakeholder relations. Grant is passionate about children and has a commitment to social justice.

Raj Gopiraj – Director

Raj has more than 15 years' experience across both commercial and non-for-profit sectors and has lived and worked in Australia and the USA. Raj serves as a non-executive director for Early Childhood Management Services (since November 2019). He is currently Associate Director at Maximus International. He was previously portfolio manager at PWC, consultant at AECOM and interned with the United Nations in New York. With a background in commercial governance, non-executive board experience, mentoring and executing digital transformation at scale, Raj brings a unique combination of lived, worked and educational experience.

Engaging leaders and organisations to develop connected, real strategies that consider the whole and explore the new, Raj thrives on influencing leaders to pursue limitless potential through purposeful leadership.

Mei Lai Swan – Founder and Director

Mei Lai is the Founder of Birth for Humankind and was the CEO until February 2017. Her inspiration for the organisation came through a diverse background in social work, community development, as a doula, and as a yoga teacher – all fueled by immense passion and a desire for a socially just and thriving world. With a Master of Social Work, she has experience developing, managing and delivering psycho-social and community development programs for Aboriginal communities, youth, and people seeking asylum.

Birth for Humankind Limited
(A company limited by guarantee)
ACN 605 254 340
Year Ended 30 June, 2021

Meetings of Directors

Director	Meetings eligible to attend	Meetings attended	Notes
Joanne Kirk	9	9	
Jeanette Royce	9	9	
Lauren King			Attended 7 additional meetings as Company Secretary prior to being appointed as Director
	2	2	
Joanne Askham	9	8	
Grant Fenton	9	7	
Raj Gopiraj	9	8	
Mei Lai Swan	9	8	

PRINCIPAL ACTIVITIES

Our purpose

To achieve equitable maternal health and wellbeing for all, by providing and advocating for respectful pregnancy, birth and early parenting support for women experiencing social and financial disadvantage.

We provide services to clients in greater Melbourne and Geelong. We advocate for, and build capacity of, the maternity sector across Victoria. We seek to influence more respectful maternity care across Australia.

Our Values

Trust, Respect, Equity, Connection, Celebration.

TRADING RESULTS

The attached financial statements show that the operations for the year resulted in a surplus after tax of \$105,817 (2020: \$109,709).

REVIEW OF OPERATIONS AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In FY20-21, Birth for Humankind employed a total of nine part-time staff members to manage our support and education programs, advocacy, research, communications, fundraising, operations and administration.

For much of FY20-21 COVID-19 restrictions have impacted the organisation: staff have been working from home when required and we have had to migrate some of our face-to-face client support to an online format. We have developed and adapted our policies and procedures based on evolving COVID-19 government advice and hospital guidelines.

MATTERS SUBSEQUENT TO THE YEAR END

We continue to adapt to the evolving COVID-19 situation; limiting face-to-face client work and requesting staff work from home when necessary.

Birth for Humankind Limited
(A company limited by guarantee)
ACN 605 254 340
Year Ended 30 June, 2021

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATION

In FY21-22 we continue to face some funding uncertainty, with prospective funders limiting giving and delaying grant-making opportunities as a result of the pandemic. In FY21-22 we will continue to apply for grant funding and raise public and philanthropic donations, as well as develop our professional training and education offerings. We will also continue to build partnerships with hospitals and community health organisations, with the potential of seeking funds for the co-delivery of services. We will continue to apply cost-saving measures to our operations.

OPTIONS

No options over issued shares of interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

ENVIRONMENTAL ISSUES

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

DIVIDENDS

The Company has no power to declare or pay dividends under its Constitution.

INDEMNIFYING OFFICER OR AUDITOR

In accordance with its Constitution, during the year, the Company paid or agreed to pay insurance premiums as follows:

- The company has paid premiums to insure all Directors and Office Bearers against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity of Director or Office Bearer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The premium amounted to approximately \$944.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under s60-40 of the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC) is included in this financial report and forms part of the Directors' Report.

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



Joanne Kirk, Chair
Date: 13/10/2021



Jeanette Royce, Treasurer
Date: 13/10/2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Birth For Humankind Limited

Opinion

I have audited the financial report of Birth For Humankind Limited (the "Company"), which comprises the statement of financial position as at 30 June, 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Directors.

In my opinion, the accompanying financial report has been prepared in accordance with Division 60 of the Australian Charities and Not-For-Profits Commission Act 2012, including:

- a) Giving a true and fair view of the financial position of Birth For Humankind Limited as at 30 June, 2021, and its financial performance and its cash flows for the year then ended and
- b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-For-Profits Commission Regulation 2013.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 30 June, 2021, but does not include the financial report and my auditor's report thereon.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Ahead For Business Pty Ltd
Suite 103, Level 1, 448 St Kilda Road
Melbourne Vic 3004
Phone 03 9867 7711 / Fax 03 9867 7226
email admin@aheadforbusiness.com.au

Liability limited by a scheme approved under
Professional Standards Legislation

Responsibilities of Directors for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not – for – profits Commission Act 2012 (ACNC), and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of my auditor's report.



Ms Wendy Hancox
Registered Company Auditor: 7409
Date: 25 October, 2021

c/- Ahead For Business Pty Ltd
Suite 103, Level 1, 448 St Kilda Road
Melbourne Victoria 3004

Ahead For Business Pty Ltd
Suite 103, Level 1, 448 St Kilda Road
Melbourne Vic 3004
Phone 03 9867 7711 / Fax 03 9867 7226
email admin@aheadforbusiness.com.au

Liability limited by a scheme approved under
Professional Standards Legislation

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BIRTH FOR HUMANKIND LIMITED**

In accordance with Subdivision 60-C of the Australian Charities and Not – for – profits Commission Act 2012 (ACNC), I declare that for the year ended 30 June, 2021, to the best of my knowledge and belief, there have been no contraventions of:

1. The auditor independence requirements as set out in the Australian Charities and Not – for – profits Commission Act 2012 (ACNC) in relation to the audit; and
2. Any applicable code of professional conduct in relation to the audit.



Wendy Hancox

Melbourne

Date: 25 October, 2021

Ahead For Business Pty Ltd
Suite 103, Level 1, 448 St Kilda Road
Melbourne Vic 3004
Phone 03 9867 7711 / Fax 03 9867 7226

Liability limited by a scheme approved under
Professional Services Legislation

Birth for Humankind Limited
(A company limited by guarantee)
ACN 605 254 340
Year Ended 30 June, 2021

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 14 to 25 are in accordance with the Australian Charities and Not – for – profits Commission Act 2012 (ACNC) and:
 - a) Comply with the Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b) Give a true and fair view of the Company's financial position as at 30 June, 2021 and of its performance for the year ended on that date;
2. 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.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Joanne Kirk Director

Jeanette Royce Director

Place: Melbourne

Date: 13/10/2021

Birth for Humankind Limited
(A company limited by guarantee)
ACN 605 254 340

**STATEMENT OF FINANCIAL POSITION
AS AT 30 June, 2021**

	Note	2021	2020
CURRENT ASSETS			
Cash and cash equivalents	13	239,538	265,093
Term deposits		448,443	245,234
Trade & other receivables	4	7,882	48,010
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		695,863	558,337
		<hr/>	<hr/>
NON CURRENT ASSETS			
Security deposit		3,000	3,000
		<hr/>	<hr/>
TOTAL NON CURRENT ASSETS		3,000	3,000
		<hr/>	<hr/>
TOTAL ASSETS		698,863	561,337
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade & other payables	5	28,356	8,527
Short term provisions	6	30,906	23,833
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		59,262	32,360
		<hr/>	<hr/>
NON CURRENT LIABILITIES			
Long term provisions	6	4,807	-
		<hr/>	<hr/>
TOTAL NON CURRENT LIABILITIES		4,807	-
		<hr/>	<hr/>
TOTAL LIABILITIES		64,069	32,360
		<hr/>	<hr/>
NET ASSETS		634,794	528,977
		<hr/>	<hr/>
ACCUMULATED FUNDS			
Reserves	15	634,794	528,977
		<hr/>	<hr/>
TOTAL ACCUMULATED FUNDS		634,794	528,977
		<hr/>	<hr/>

Notes to and forming part of these accounts are set out on pages 13 to 24.

Birth for Humankind Limited
(A company limited by guarantee)
ACN 605 254 340

STATEMENT OF PROFIT AND LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 June, 2021

	Note	2021	2020
CLASSIFICATION OF EXPENSES BY NATURE			
Revenue	2	759,241	762,486
Program Costs			
Doula Support		187,862	153,386
Education		111,207	142,002
Research		31,666	51,129
Personnel and Operations		233,904	234,334
Communications and Fundraising		88,785	71,926
Surplus before income tax expense	3	105,817	109,709
Income tax expense		-	-
Net surplus for the year		105,817	109,709

STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 June, 2021

		2021	2020
Opening Balance at 30 June		528,977	419,268
Surplus for the year		105,817	109,709
Closing Balance at 30 June	15	634,794	528,977

Notes to and forming part of these accounts are set out on pages 13 to 24.

Birth for Humankind Limited
(A company limited by guarantee)
ACN 605 254 340

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 June, 2021**

	Note	2021	2020
Cash flows from operating activities:			
Payments to suppliers and employees		(624,505)	(687,450)
Receipts from customers		798,941	733,479
Interest received		3,218	5,470
Interest paid		-	-
		<hr/>	<hr/>
Net cash (absorbed)/provided from operating activities	12	177,654	51,499
		<hr/>	<hr/>
Cash flows from investing activities:			
Investment in Term Deposits		(203,209)	(44,578)
		<hr/>	<hr/>
Net cash used in investing activities		(203,209)	(44,578)
		<hr/>	<hr/>
Net increase in cash held		(25,555)	6,921
Cash at beginning of year/period		265,093	258,172
		<hr/>	<hr/>
Cash at end of year/period	13	239,538	265,093
		<hr/> <hr/>	<hr/> <hr/>

Notes to and forming part of these accounts are set out on pages 13 to 24.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2021

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Australian Charities and Not – for – profits Commission Regulations 2013.

The Company has applied AASB 1053 for the year. This standard establishes a differential reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements being Tier 1 – Australian Accounting Standards and Tier 2 – Australian Accounting Standards – Reduced Disclosure Requirements. The Company being classed as Tier 2, continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2 and later amending Standards, as relevant.

The following is a summary of the material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation

The accounting policies have been consistently applied to all periods presented.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on a cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2021

b) Depreciation

The depreciation amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, are depreciated over their useful lives to the economic entity commencing from the time the assets are held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation Rate
Plant and equipment	25 – 50% pa Straight line

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c) Income Tax

The Company is exempt from income tax pursuant to Section 50-5 of the Income Tax Assessment Act 1997.

d) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2021

e) Leases

The Company as a lessee

For any new contracts entered into, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 June, 2021**

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment (except those meeting the definition of investment property) and lease liabilities have been included in trade and other payables.

Lease commitments are shown in Note 7.

At the date of initial application, the Company held no finance leases.

f) Employee Entitlements

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Long service leave is accrued on a pro-rata basis after 5 years.

g) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefit will result and that outflow can be reliably measured.

h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

i) Revenue

Funding that meets the enforceability and 'sufficiently specific' criteria under AASB15 is deferred under AASB15 and recognised when (or as) the performance obligations are satisfied over time. The Company has determined that no funding received during the year meets the enforceability and 'sufficiently specific' criteria under AASB15.

Donations, pledges, and grants that are not enforceable or the performance obligations are not sufficiently specific, are recognised immediately in the statement of profit and loss account under AASB1058 when the funds are received. Within the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2021

reserves, funding received for future years or for specific purposes, as determined by the donor or the Board, is identified. See Reserves note 15.

Interest and services fees are accounted for on an accruals basis.

j) Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

k) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2021

I) Going Concern

The financial statements are prepared on a going concern basis, which contemplates continuation of normal operations and the realisation of assets and settlement of liabilities in the ordinary course of operations. In making this assessment, the Directors considered future events and conditions for a period of at least one year following the approval of these financial statements.

The Company relies on pledges, grants and donations to fund its operations. The Company has very strong relationships with long-standing financial supporters. The Company prepares budgets and forecasts which are closely monitored against actual income, expenditure and cash flow.

COVID-19 restrictions have impacted the organisation's operations financially in that there has been a decrease in donations and new funding opportunities since March 2020. The Company has adjusted its operations and expenditure to meet this challenge.

Long-standing and recent financial supporters have made pledges up to July, 2025 and the Company has reserves of \$634,794 which will allow the Company to continue operating.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June, 2021

2. REVENUE

	2021	2020
Operating activities:		
Donations		
Foundations, philanthropic & public donations	184,529	254,472
Pledges	397,000	452,536
	<u>581,529</u>	<u>707,008</u>
Total Donations	581,529	707,008
Other Income		
Interest received from banks	3,218	5,470
Government grants and subsidies	174,494	50,008
	<u>177,712</u>	<u>55,478</u>
Total Other Income	177,712	55,478
Total revenue	<u>759,241</u>	<u>762,486</u>

3. SURPLUS BEFORE INCOME TAX EXPENSE

	2021	2020
Surplus from ordinary activities before income tax expense has been determined after:		
Movement provision for employee entitlements	11,880	(2,410)
Rental expense on operating leases	24,000	33,956
	<u>35,880</u>	<u>31,546</u>
Remuneration of Auditors:		
Audit of the financial report	4,200	4,200
Other services	1,000	1,000
	<u>5,200</u>	<u>5,200</u>

4. TRADE & OTHER RECEIVABLES

CURRENT	2021	2020
Trade debtors	-	28,350
Prepayments and recoverable	6,065	4,712
GST receivable	1,817	14,948
	<u>7,882</u>	<u>48,010</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June, 2021

5. TRADE & OTHER PAYABLES

CURRENT

	2021	2020
<i>Unsecured liabilities</i>		
Trade creditors and accrued expenses	28,356	8,527
	28,356	8,527
	28,356	8,527

6. PROVISIONS

<i>CURRENT</i>	2021	2020
Employee entitlements at start of period	23,833	26,243
Employee entitlements used	(28,049)	(27,845)
Additional provisions	35,122	25,435
TOTAL	30,906	23,833
	30,906	23,833
	30,906	23,833

<i>NON CURRENT</i>	2021	2020
Employee entitlements at start of period	-	-
Employee entitlements used	-	-
Additional provisions	4,807	-
TOTAL	4,807	-
	4,807	-
	4,807	-

7. LEASES

	\$	\$
Not later than 1 year	3,000	4,800
Later than 1 year but not later than 5 years	-	-
TOTAL	3,000	4,800
	3,000	4,800
	3,000	4,800

The organisation's lease for shared office space expired on 31 August, 2020. From that date, the rent became renewable on a month by month basis.

8. MEMBERS' GUARANTEE

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. At 30 June, 2021, the number of members was 7.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June, 2021

9. KEY MANAGEMENT PERSONNEL COMPENSATION

	2021	2020
Short term benefits	141,343	135,776
Other long term benefits	4,807	-
	<hr/>	<hr/>
Total	146,150	135,776
	<hr/>	<hr/>

Key personnel roles are Chief Executive Officer and Chief Operating Officer.

10. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events after the financial year end.

11. FINANCIAL RISK MANAGEMENT

Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rate and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate		Floating Interest Rate		Fixed Interest Rate	
	2021	2020	2021	2020	2021	2020
	%	%	%	%	%	%
Financial Assets						
Cash at Bank	.00	.05	.00	.05	-	-
Term Deposits	0.93	1.70	-	-	0.93	1.70

Interest rate risk is managed using a combination of floating rate and fixed interest rate finance and varying deposit terms. The fixed interest rate deposit represents a longer term investment.

Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in meeting its fixed spending obligations. The Company manages this risk through tight budgetary control.

Credit Risk

Exposure to credit risk relating to financial assets arises from the non performance of counterparties of contract obligations that could lead to financial loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2021

Credit risk is managed by ensuring that an adequate level of funding is received prior to providing services. Risk is also minimised by investing surplus funds only in institutions with a high credit rating.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Company receives its funding primarily from private foundations. Donations are received in advance of provision of services.

Price Risk

The Company is not exposed to any material commodity price risk.

Net Fair Value

The net fair value of assets and liabilities approximates to their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the accounts.

12. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH SURPLUS

	2021	2020
Surplus after income tax	105,817	109,709
Depreciation	-	-
(Increase)/decrease in debtors	40,128	(20,965)
(Decrease)/Increase in creditors	19,829	(34,835)
(Decrease)/Increase in funding in advance	-	-
Increase/(decrease) in provisions	11,880	(2,410)
	<hr/>	<hr/>
Net cash (absorbed)/ provided from operating activities	<u>177,654</u>	<u>51,499</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June, 2021

13. CASH & CASH EQUIVALENTS

	2021	2020
Cash at bank and in hand	239,538	265,093
The weighted average interest rate on bank balances was 0.00%pa (2019 – 0.05%pa)		
Reconciliation of Cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash at bank and in hand	239,538	265,093
Cash per cash flow statement	239,538	265,093

Credit Standby Arrangement & Loan Facilities

The Company had a \$4,000 (2020: \$4,000) credit card facility at year end.

14. RELATED PARTY TRANSACTIONS

Ongoing pledged commitment from the Red Rocketship Association, of which Joanne Kirk, Chair (since 30 July 2019) is a Director. The terms and conditions of Joanne Kirk's appointment were set on merit, prior to knowledge of the upcoming donations and are no more favourable than those available to other parties.

Donation received in year (after date of appointment)	\$50,000
---	----------

15. RESERVES

Reserves include grants, pledges and donations of \$35,203 received for projects which are to be completed during 2021 – 2022 financial year.

16. SEGMENT REPORTING

The Company acts solely within Australia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2021

17. CAPITAL COMMITMENTS

As at 30 June, 2021, the Company had no capital commitments.

18. COMPANY DETAILS

The Company is a company limited by guarantee and incorporated in Australia. Its registered office and principal place of business are:

Our Community House
552 Victoria Street
North Melbourne VIC 3051

The average number of employees during the year was 9 with a full time equivalent of 4.8.