



Birth for Humankind Limited

(A company limited by guarantee)

ACN 605 254 340

**Financial Report
Year ended 30 June, 2017**

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

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 June, 2017**

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Year Ended 30 June, 2017

DIRECTORS' REPORT

The directors present their report on the financial statements of the Company for the year ended 30 June, 2017.

DIRECTORS

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

Kirsty Burke, General Director & Company Secretary – appointed August 2017

Olivia Mason, General Director – appointed August 2017

Mei Lai Swan, *Founding Director*

Kirstan Flannery, *Co-Founder and Chair of the Board*

Raj Gopiraj, *Treasurer*

Carly Lord, *General Director*

Sarah Jefford, General Director & Company Secretary - *resigned July 2016*

Kerryn O'Rourke, *General Director – resigned May 2017*

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

INFORMATION ON DIRECTORS

The following are particulars of the qualifications of each of the Directors:

Kirstan Flannery – Co-Founder and Chairperson of the Board

Kirstan is the Co-founder of Birth for Humankind and a certified doula working in private practice as Birth Wise. She believes 'mothering the mother' and nurturing babies within thriving environments is a significant key to creating healthy communities. Motivated by and committed to social change in action, Kirstan has provided mentoring and philanthropic support to various non-profit enterprises. She ensures projects are designed with sustainable foundations in order to generate long-term service and availability in the community. Collaborative projects include Centre for Social Change and Recre8 Bush Adventure Therapy. Her community spirit and special interest in maternal child health care prevails in both her work and personal relationships.

Mei Lai Swan – General Director & Founder

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. For Mei Lai, it's a simple equation: Birth for Humankind = Birth Support + Social Justice + Heart. She is currently a Founding Director on the board.

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Raj Gopiraj – Treasurer

Raj has more than 10 years experience in both commercial and non-for-profit sectors and has lived and worked in Australia and USA. Raj serves as a non-executive director for Asha Global (appointed March 2015) and Bendigo Bank – Prahran and Windsor branch (appointed May 2015), and is an advisor to Australian Red Cross on corporate partnerships and relationship management. Raj began his career as a consultant at AECOM and interned with the United Nations in New York on Project Umoja. He is currently the priority account portfolio manager within PwC. Raj brings a vast array of skills in business development, financial & risk management, business strategy planning and partnerships. Raj has previously been nominated and shortlisted for the International New Face of Engineering Award, sponsored by the US National Engineers Week Foundation.

Carly Lord – General Director

Carly is the young mum who was the inspiration behind Birth for Humankind, after Mei Lai was her volunteer doula in 2013. Carly has been involved as an adviser, advocate and presenter for various projects at the Royal Women’s Hospital. She is a powerful spokesperson and advocate for young mums, and currently works in mental health facilitating peer support groups. Carly is also involved with Birth for Humankind’s education program, creating resources and programs for young parents.

Kirsty Burke – General Director & Company Secretary

Kirsty has over 20 years experience in senior management roles, leading large, multi-disciplinary teams in the not-for-profit and private sectors. As a General Manager and Human Resources generalist, Kirsty has experience managing people and culture, finance, business development, sales, communications and ICT. Having previously served as Assistant Company Secretary to the Board of a youth mental health Cooperative Research Centre, Kirsty joins Birth for Humankind as Company Secretary and Director. With a strong passion for social justice, equality and wellbeing, Kirsty is committed to Birth for Humankind’s vision of empowerment, care, support and education for mothers, and their growing families.

Olivia Mason – General Director

Olivia is an Australian qualified lawyer with extensive experience in corporate and commercial law. She has advised a wide range of businesses both in Australia and overseas in relation to corporate structure, compliance, intellectual property, fundraising and contract law. Olivia brings to the Board knowledge of the not-for-profit regulatory environment and has been fortunate to have been involved with advising a number of not-for-profit and charitable organisations on a pro-bono basis. Pregnancy and childbirth have been incredible and life-changing experiences for Olivia and she is passionate that all women have access to the kind of support that enables a happy and celebrated birth experience.

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Board member	No of meetings attended	No of meetings eligible to attend
<i>Mei Lai Swan</i>	5	7
<i>Kirstan Flannery</i>	6	7
<i>Raj Gopiraj</i>	7	7
<i>Carly Lord</i>	7	7
<i>Kerryn O'Rouke</i>	5	6

PRINCIPAL ACTIVITIES

Who We Are

We are a non-profit organisation powered by people who are passionate about promoting better birth outcomes for women in need. We aspire to bring a culture of celebration, inclusion, equity and kindness to birth culture and work to fill the current gaps in the Australian maternal health system.

There is no one doing what we are doing in the way we are doing it.

Guided by our values and by observing the highest standards of integrity and professionalism, we are committed to providing wholehearted support, education and care for free to the women in our community who need it the most.

Together we can put the kindness back into birth culture and make sure that every woman in our community, regardless of the colour of her skin, her age or her bank balance, has access to the support she needs during pregnancy, birth and early parenting.

Our Vision

Every mother has the care and support she needs to make empowered choices and to have the best birth and early parenting experience possible for herself, her baby and her growing family.

Our Mission

To foster healthy families and communities by providing mother centred support, education and holistic care throughout pregnancy, birth and after the baby comes.

Our Values

Trust, Respect, Equity, Connection, Celebration.

What We Do

We take what we know about the gaps in the Australian maternal health system and the positive impacts of quality education, support and care during pregnancy, birth and early parenting and we put this knowledge into action by delivering projects targeted at women experiencing socio-economic disadvantage. Our programs include:

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- Doula Support Program: mobilising and supervising a team of volunteer doulas who provide one-to-one support for women experiencing socio-economic disadvantage before, during and after birth.
- Education Programs: delivering tailored and accessible programs and workshops for key client groups including Mothering 101: A Crash Course for Young Pregnant Women and Navigating the Maternal Health System in Australia for women from newly arrived, refugee and asylum seeker backgrounds.

In addition to filling the gaps that currently exist for women experiencing socio-economic disadvantage, we also advocate for systemic change in the maternal health system so that, one day, every mother will receive the support she needs as she enters motherhood. To that end we run:

- Research Program: engaging in and commissioning research to underpin our programs and to inform our advocacy efforts for more mother-centred and continuity of care
- Advocacy: we aim to raise awareness of the gaps in the maternal health system and of the need for mother-centered and continuous care through social and traditional media and campaigns such as World Doula Week and World Refugee Week.

Highlights for The Year

- Provided 83 women and their families with dedicated 1:1 doula support, making it 159 since 2014
- Celebrated supporting our 100th client - a Syrian-born refugee named Hana [picture available]
- Received referrals from over 24 different agencies throughout greater Melbourne
- Grew our team of volunteer doulas to 40
- Ran four Mothering 101 programs across three different suburbs to a total of 27 women
- Piloted our Navigating the Maternal Health System in Australia workshops for women from migrant, refugee and asylum seeker backgrounds
- Commenced a four-year PhD research project with La Trobe University on the impact and scalability of our doula support program
- Made our first submission to a Parliamentary Inquiry as part of the Victorian Inquiry into Perinatal Services
- Brought new funding partners on board including Flemington Rotary Club and Darebin City Council's Community Grants Program
- Grew our online community by 70% to over 2,600
- Raised \$9000 from 100 individual donors during our World Doula Week campaign
- Were interviewed on ABC774 and recorded for ABC's Baby Talk during World Doula Week
- Raised our profile through extensive media coverage during World Doula Week resulting in a significant spike in referrals in the following months

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Key Performance Measures

Birth for Humankind measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

TRADING RESULTS

The attached financial statements show that the operations for the year resulted in a surplus after tax of \$30,745 (2016 - \$34,677).

REVIEW OF OPERATIONS AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In 2017, Birth for Humankind employed a total of seven part-time staff members to manage our support and education programs, advocacy, communications, fundraising, as well as our administration and operations.

Birth for Humankind has committed to a four years sponsorship of the La Trobe PhD research into birthing women's experiences of volunteer doula support.

MATTERS SUBSEQUENT TO THE YEAR END

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of the operations, or the state of affairs of the company in future years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATION

In 2018, with our new staff members and increased capacity we expect to increase the number of women and families we support through our doula support and education programs, and we will develop our relationships with referral agencies. We expect to consolidate our administration and operations functions, and grow our profile and engagement with the community.

These are some of the things we're excited about for the next year:

- Supporting even more women and their families through our Doula Support Program and responding to the ever-growing demand for our services;
- The launch of our Navigating the Maternal Health System in Australia workshops following a successful pilot of the program;
- Taking our Mothering 101 education and peer support program for young mums to new locations;
- Growing our relationships with key agencies and stakeholders in the maternal health and community sector; and
- Continuing to evaluate the impact and scalability of our doula support program through the research project at La Trobe University.

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OPTIONS

No options over issued shares or 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 of the directors and officer 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 wild breach of duty in relation to the company. The premium amounted to approximately \$2,421.

PROCEEDINGS ON BEHALF OF THE COMPANY

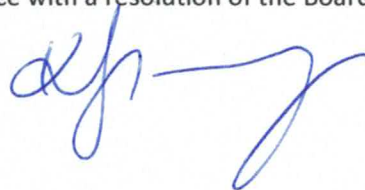
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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 at page 10 of this financial report and forms part of the Directors' report.

Signed in accordance with a resolution of the Board of Directors



Kirstan Flannery

Director



Raj Gopiraj

Director

Place: Melbourne

Date: 12 October, 2017

INDEPENDENT AUDITOR'S REPORT
To the Members of Birth For Humankind Limited

Opinion

I have audited the financial report of Birth For Humankind Limited, which comprises the statement of financial position as at 30 June, 2017, 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 presents fairly, in all material respects, the financial position of the company as at 30 June, 2017, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and 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) and the Australian Charities and Not – for – profits Commission Act 2012 (ACNC) 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, 2017, 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.

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.

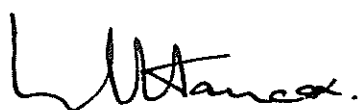
In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the company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

The Directors are responsible for overseeing the company's financial reporting process.

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 : 16 October, 2017

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

In accordance with the requirements of s 60 – 40 of the Australian Charities and Not – for – profits Commission Act 2012 (ACNC), I declare that for the year ended 30 June, 2017, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Australian Charities and Not – for – profits Commission Act 2012 (ACNC) in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Wendy Hancox

Melbourne

Date : 16 October, 2017

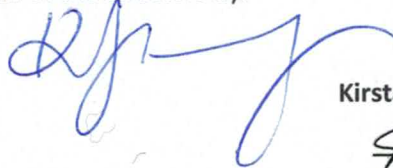
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DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 12 to 24 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, 2017 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:



Kirstan Flannery **Director**



Raj Gopiraj **Director**

Place: Melbourne

Date: 12 October, 2017

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE, 2017

	Note	2017	2016
CURRENT ASSETS			
Cash and cash equivalents	14	110,316	72,406
Term Deposits		370,000	280,000
Trade & other receivables	4	8,552	5,243
TOTAL CURRENT ASSETS		<u>488,868</u>	<u>357,649</u>
NON CURRENT ASSETS			
Property, plant & equipment		-	-
TOTAL NON CURRENT ASSETS		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>488,868</u>	<u>357,649</u>
CURRENT LIABILITIES			
Trade & other payables	6	61,820	19,134
Designated Use Donations in Advance	3	350,000	300,000
Short term provisions	7	11,626	3,838
TOTAL CURRENT LIABILITIES		<u>423,446</u>	<u>322,972</u>
NON CURRENT LIABILITIES			
Funding in advance		-	-
Long term provisions	7	-	-
TOTAL NON CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>423,446</u>	<u>322,972</u>
NET ASSETS		<u>65,422</u>	<u>34,677</u>
ACCUMULATED FUNDS			
Unrestricted Reserves	16	65,422	34,677
Restricted Reserves	16	-	-
TOTAL ACCUMULATED FUNDS		<u>65,422</u>	<u>34,677</u>

Notes to and forming part of these accounts are set out on pages 14 to 23.

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STATEMENT OF PROFIT AND LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2017

	Note	2017	2016
CLASSIFICATION OF EXPENSES BY NATURE			
Income	2	413,735	189,294
Program Costs			
Doula Support		99,763	46,003
Education		31,192	5,128
Research		41,451	0
Operations and Sustainability		145,093	99,426
Advocacy and Fundraising		65,491	4,060
Surplus before income tax expense	3	30,745	34,677
Income tax expense		-	-
Net surplus for the year		30,745	34,677

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE, 2017

	Note	Unrestricted Reserves	Restricted Reserves	Total
Balance at 30 June, 2016		34,677	-	34,677
Surplus for the year		30,745	-	30,745
Transfer to Restricted Reserves	16	-	-	-
Balance at 30 June, 2017		65,422	-	65,422

Notes to and forming part of these accounts are set out on pages 14 to 23.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2017

	Note	2017	2016
Cash flows from operating activities :			
Payments to suppliers and employees		(334,090)	(135,977)
Receipts from customers		458,642	485,913
Interest received		3,358	2470
Interest paid		-	-
		<hr/>	<hr/>
Net cash (absorbed)/provided from operating activities	13	127,910	352,406
		<hr/>	<hr/>
Cash flows from investing activities :			
Investment in Term Deposits		(90,000)	(280,000)
		<hr/>	<hr/>
Net cash used in investing activities		(90,000)	(280,000)
		<hr/>	<hr/>
Net increase in cash held		37,910	72,406
Cash at beginning of year/period		72,406	-
		<hr/>	<hr/>
Cash at end of year/period	14	110,316	72,406
		<hr/> <hr/>	<hr/> <hr/>

Notes to and forming part of these accounts are set out on pages 14 to 23.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2017

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2017

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2017

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.

e) 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.

f) 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.

g) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2017

h) Income

Income is measured at the fair value of the consideration received or receivable after taking into account any discounts or rebates allowed.

Where designated use contracted funding or donation income and the expenditure for such income during the year has not occurred or is incomplete and there is likely to be an obligation to repay, the resulting amount is carried forward in Funding in Advance and will be brought to account in future years as expenditure is incurred.

Designated use may be determined by the funder, donor or the organisation.

Non restricted use contracted funding and donations are recognised at the time of receipt.

Interest income and service fees are recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Sponsorship income is taken up in the year to which it relates on an accruals basis.

i) Goods & Services Tax

Income, 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.

j) 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, 2017

2. INCOME

	2017	2016
<i>Operating activities :</i>		
Designated Use Donations		
Donations brought forward	300,000	-
Donations received	345,000	300,000
Donations carried forward	(350,000)	(300,000)
	295,000	-
Unrestricted Use Donations		
Foundations, philanthropic & public donations	113,472	186,598
Interest received from banks	5,263	2,696
	118,735	189,294
Total income	413,735	189,294

3. SURPLUS BEFORE INCOME TAX EXPENSE

	2017	2016
Surplus from ordinary activities before income tax expense has been determined after:	30,745	34,677
Depreciation of property, plant & equipment	-	-
Movement provision for employee entitlements	7,788	3,838
Rental expense on operating leases	15,700	8,755
	34,233	47,270
Remuneration of Auditors :		
Audit of the financial report	4,000	3,500
Other services	1,000	1,500
	5,000	5,000

4. TRADE & OTHER RECEIVABLES

	2017	2016
CURRENT		
Trade debtors	138	274
Prepayments and recoverable	6,283	4,743
Interest receivable	2,131	226
	8,552	5,243
	8,552	5,243

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2017

5. PROPERTY, PLANT & EQUIPMENT

	2017	2016
Plant and equipment, at cost	-	-
Accumulated depreciation	-	-
	-	-
Total	-	-

Movements in Carrying Amounts

Balance at the beginning of the period	-	-
Additions	-	-
Disposals	-	-
Depreciation	-	-
	-	-
Balance at the end of the year/period	-	-

6. TRADE & OTHER PAYABLES

CURRENT

	2017	2016
<i>Unsecured liabilities</i>		
Trade creditors and accrued expenses	61,820	19,134
	61,820	19,134
	61,820	19,134

7. PROVISIONS

CURRENT

	2017	2016
Employee entitlements at start of period	3,838	-
Employee entitlements used	(13,411)	(4,532)
Additional provisions	21,199	8,370
	11,626	3,838
TOTAL	11,626	3,838

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2017

8. LEASE AND HIRE PURCHASE COMMITMENTS

	2017	2016
a) Operating leases		
Commitments in relation to non-cancellable Operating leases are payable as follows :		
Due within 1 year	-	-
Due within 2-5 years	-	-
Due after 5 years	-	-
	-	-
	-	-

The Nest Coworking shared office space arrangement is on monthly basis and rent is payable in advance.

9. 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, 2017, the number of members was 5.

10. KEY MANAGEMENT PERSONNEL COMPENSATION

	2017	2016
Short term benefits	25,959	41,022
Other long term benefits	-	-
	25,959	41,022
Total	25,959	41,022

11. POST BALANCE SHEET EVENTS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2017

12. 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	
	2017	2016	2017	2016	2017	2016
	%	%	\$	\$	\$	\$
Financial Assets						
Cash at Bank	.05	.05	.05	.05	-	-
Term Deposits	2.47	2.55	-	-	2.47	2.55

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2017

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.

13. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH SURPLUS AFTER INCOME TAX

	2017	2016
Surplus after income tax	30,745	34,677
Depreciation	-	-
(Increase)/decrease in debtors	(3,308)	(5,243)
(Decrease)/Increase in creditors	42,686	19,134
(Decrease)/Increase in funding in advance	50,000	300,000
Increase/(decrease) in provisions	7,787	3,838
	127,910	352,406
Net cash (absorbed)/ provided from operating activities	127,910	352,406

14. CASH & CASH EQUIVALENTS

	2017	2016
Cash at bank and in hand	110,316	72,406
	110,316	72,406

The weighted average interest rate on bank balances was 0.05%pa (2016 – 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	110,316	72,406
Cash per cash flow statement	110,316	72,406
	110,316	72,406

Credit Standby Arrangement & Loan Facilities

The company had a \$4,000 (2016 - \$4,000) credit card facility at the year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2017

15. RELATED PARTY TRANSACTIONS

Mei Lai Swan, a director was employed as the Chief Executive Officer until her resignation in February, 2017. Her salary package for that period was \$25,959. The terms and conditions of her employment were set by the Board of Directors and Ms Swan was not involved in this process. The terms and conditions of her employment were set on a commercial basis and are no more favourable than those available to other parties.

The majority of the income for the year was received from philanthropic funding from Ms Kirstan Flannery, Director and Co-Founder, and the Flannery Foundation. Details :

For Year	Flannery Foundation	Kirstan Flannery
Donations received	340,000	100,000
Included in income	(290,000)	(100,000)
Funding in advance	350,000	-

Pledges have been made for a similar level of donations until December, 2020.

16. RESERVES

Non restricted reserve records deferred income to be used in future years at the discretion of the board.

Restricted Reserves records philanthropic funds, donations and other funding to be expended only on specific program activities and operational needs or capital projects as restricted by the donor.

17. SEGMENT REPORTING

The company acts solely within Australia.

18. CAPITAL COMMITMENTS

As at 30 June, 2017, the company had no capital commitments.

19. COMPANY DETAILS

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

829A High Street
Thornbury Victoria 3071
Australia

The average number of employees during the year was 7 (2016 – 7).