



Birth for Humankind Limited

(A company limited by guarantee)

ACN 605 254 340

Financial Report
Year ended 30 June, 2020

Birth for Humankind Limited
(A company limited by guarantee)
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FINANCIAL REPORT

FOR THE YEAR ENDED
30 June, 2020

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DIRECTORS' REPORT

The Directors present their report on the financial statements of the Company for the year ended 30 June, 2020.

DIRECTORS

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

- Joanne Kirk, Chair (current)
- Kirstan Flannery, Chair and Co-Founder (outgoing, resigned July 2019)
- Jeanette Royce, Treasurer
- Kirsty Burke, Company Secretary (resigned July 2019)
- Joanne Askham, Director
- Grant Fenton, Director
- Raj Gopiraj, Director
- Olivia Mason, Director (resigned September 2019)
- Mei Lai Swan, Director and Founder

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

Joanne Kirk – Chair (since 30 July 2019)

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.

Kirstan Flannery – Chair and Co-Founder (resigned 30 July 2019)

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.

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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.

Kirsty Burke – Company Secretary (resigned 30 July 2019)

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 joined 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.

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 Executive Officer at Environment Education Victoria. He is a former 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 the advocacy and policy space 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 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.

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Olivia Mason – Director (resigned 3 September 2019)

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.

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. For Mei Lai, it's a simple

Lauren King – Company Secretary (Not a Director)

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.

Meetings of Directors

Director	Meetings eligible to attend	Meetings attended	Notes
Joanne Kirk	8	8	
Kirstan Flannery	1	1	<i>Resigned 30 July 2019</i>
Jeanette Royce	8	8	
Kirsty Burke	1	1	<i>Resigned 30 July 2019</i>
Joanne Askham	8	8	
Grant Fenton	8	6	
Raj Gopiraj	8	7	
Olivia Mason	2	2	<i>Resigned 3 September 2019</i>
Mei Lai Swan	8	5	

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Year Ended 30 June, 2020

PRINCIPAL ACTIVITIES

Who we are

We strive for 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 \$109,709 (2019 - \$341,960).

REVIEW OF OPERATIONS AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In FY19-20, Birth for Humankind employed a total of eight part-time staff members (seven as of March 2020) to manage our support and education programs, advocacy, research, communications, fundraising, operations and administration.

From March 2020 COVID-19 restrictions have impacted the organisation: all staff have been working more flexible hours from home and we have had limited ability to provide face-to-face client support. Our post-natal service has moved to an online format. We have created new multi-lingual resources on how COVID-19 may affect client maternity care. We have developed a range of new policies and procedures based on COVID-19 government advice and hospital guidelines.

MATTERS SUBSEQUENT TO THE YEAR END

Since the end of the financial year with additional COVID-19 restrictions we have continued to limit face-to-face client support. Staff continue to work from home.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATION

In FY21 we face some funding uncertainty, with grant makers limiting giving for the remainder of 2020 and potentially delaying grant-making opportunities until 2021. All contract staff have been recipients of Job Keeper payments since its commencement, as a result of a reduction in revenue greater than 15% (this remains the case at time of writing). Therefore, our income generation goals for FY21 are unlikely to be achieved and we will instead look at consolidating our position through other cost saving and recovery efforts. We also expect to continue to provide and adapt our services and programs to an online format.

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.

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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 \$1028.

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 of the Board

Date: ~~30 September, 2020~~

8 October



Jeanette Royce, Treasurer and Director

Date: ~~30 September, 2020~~

8 October

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, 2020, 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, 2020, 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, 2020, 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.

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email admin@aheadforbusiness.com.au

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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: 23 October, 2020

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

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**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, 2020, 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: 23 October, 2020

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Year Ended 30 June, 2020

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, 2020 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: ~~30 September~~, 2020
8 October

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STATEMENT OF FINANCIAL POSITION
AS AT 30 June, 2020

	Note	2020	2019
CURRENT ASSETS			
Cash and cash equivalents	13	265,093	258,172
Term deposits		245,234	200,655
Trade & other receivables	4	48,010	13,500
TOTAL CURRENT ASSETS		<u>558,337</u>	<u>472,327</u>
NON CURRENT ASSETS			
Security deposit		<u>3,000</u>	<u>3,000</u>
TOTAL NON CURRENT ASSETS		<u>3,000</u>	<u>3,000</u>
TOTAL ASSETS		<u>561,337</u>	<u>475,327</u>
CURRENT LIABILITIES			
Trade & other payables	5	8,527	29,816
Short term provisions	6	23,833	26,243
TOTAL CURRENT LIABILITIES		<u>32,360</u>	<u>56,059</u>
TOTAL LIABILITIES		<u>32,360</u>	<u>56,059</u>
NET ASSETS		<u>528,977</u>	<u>419,268</u>
ACCUMULATED FUNDS			
Unrestricted Reserves	15	274,505	189,268
Restricted Reserves	15	254,472	230,000
TOTAL ACCUMULATED FUNDS		<u>528,977</u>	<u>419,268</u>

Notes to and forming part of these accounts are set out on pages 14 to 25.

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STATEMENT OF PROFIT AND LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 June, 2020

	Note	2020	2019
CLASSIFICATION OF EXPENSES BY NATURE			
Revenue	2	762,486	898,922
Program Costs			
Doula Support		153,386	193,785
Education		142,002	23,631
Research		51,129	45,111
Personnel and Operations		234,334	235,759
Communications and Fundraising		71,926	58,676
Surplus before income tax expense	3	109,709	341,960
Income tax expense		-	-
Net surplus for the year		109,709	341,960

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 June, 2020

	Note	Unrestricted Reserves	Restricted Reserves	Total
Balance at 30 June, 2019		189,268	230,000	419,268
Surplus for the year		109,709	-	109,709
Transfer to/from Restricted Reserves	15	(24,472)	24,472	-
Balance at 30 June, 2020		274,505	254,472	528,977

Notes to and forming part of these accounts are set out on pages 14 to 25.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 June, 2020**

	Note	2020	2019
Cash flows from operating activities:			
Payments to suppliers and employees		(687,450)	(530,666)
Receipts from customers		733,479	661,684
Interest received		5,470	3,571
Interest paid		-	-
		<hr/>	<hr/>
Net cash (absorbed)/provided from operating activities	12	51,499	134,589
		<hr/>	<hr/>
Cash flows from investing activities:			
Investment in Term Deposits		(44,578)	(655)
		<hr/>	<hr/>
Net cash used in investing activities		(44,578)	(655)
		<hr/>	<hr/>
Net increase in cash held		6,921	133,934
Cash at beginning of year/period		258,172	124,238
		<hr/>	<hr/>
Cash at end of year/period	13	265,093	258,172
		<hr/> <hr/>	<hr/> <hr/>

Notes to and forming part of these accounts are set out on pages 14 to 25.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2020

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, 2020

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, 2020

e) Leases

Accounting policy applicable from 1 July, 2019

The Company as a lessee

For any new contracts entered into on or after 1 July 2019, 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, 2020

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.

First Year Adoption

AASB 16 'Leases' which came into effect for financial years commencing after 1 January, 2019 has been adopted for the first time this year. Prior to that date, operating leases, where substantially all the risks and benefits remain with the lessor, were charged as expenses in the periods in which they were incurred.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight line basis over the remaining lease term. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2020

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 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, 2020

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 and has grown its funding sources significantly over the past 2 years. 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 \$528,977 which will allow the Company to continue operating.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2020

2. REVENUE

	2020	2019
<i>Operating activities:</i>		
Restricted Use Donations		
Donations brought forward	-	200,000
Donations received	254,472	390,000
Donations carried forward	-	-
	<hr/>	<hr/>
Total Restricted Use Donations	254,472	590,000
Unrestricted Use Donations		
Foundations, philanthropic & public donations	452,536	306,496
Interest received from banks	5,470	2,426
Government grants and subsidies	50,008	-
	<hr/>	<hr/>
Total Unrestricted Use Donations	508,014	308,922
Total revenue	<hr/> <hr/>	<hr/> <hr/>

3. SURPLUS BEFORE INCOME TAX EXPENSE

	2020	2019
Surplus from ordinary activities before income tax expense has been determined after:		
Movement provision for employee entitlements	2,410	11,120
Rental expense on operating leases	33,956	16,800
	<hr/>	<hr/>
Remuneration of Auditors:		
Audit of the financial report	4,200	4,000
Other services	1,000	1,000
	<hr/>	<hr/>

4. TRADE & OTHER RECEIVABLES

CURRENT	2020	2019
Trade debtors	28,350	4,812
Prepayments and recoverable	4,712	8,688
GST receivable	14,948	-
	<hr/>	<hr/>
	48,010	13,500
	<hr/>	<hr/>

Birth for Humankind Limited
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2020

5. TRADE & OTHER PAYABLES

CURRENT

	2020	2019
<i>Unsecured liabilities</i>		
Trade creditors and accrued expenses	8,527	29,816
	<u>8,527</u>	<u>29,816</u>

6. PROVISIONS

CURRENT

	2020	2019
Employee entitlements at start of period	26,243	15,123
Employee entitlements used	(27,845)	(12,858)
Additional provisions	25,435	23,978
TOTAL	<u>23,833</u>	<u>26,243</u>

7. LEASES

	\$	\$
Not later than 1 year	4,800	28,800
Later than 1 year but not later than 5 years	-	4,800
TOTAL	<u>4,800</u>	<u>33,600</u>

The organisation has a non – cancellable licence agreement for the rent of shared office space commencing 1 July, 2019 for 14 months. Rent is payable in advance. At 30 June, 2020, there was a remaining lease term of 2 months. In accordance with the accounting policy, the Directors have applied the optional exemption to not recognise right-of-use assets for short term leases and low-value assets but to account for the lease on a straight line basis over the remaining lease term.

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, 2020, the number of members was 6.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2020

9. KEY MANAGEMENT PERSONNEL COMPENSATION

	2020	2019
Short term benefits	135,776	125,851
Other long term benefits	-	-
	<hr/>	<hr/>
Total	135,776	125,851
	<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	
	2020	2019	2020	2019	2020	2019
	%	%	%	%	%	%
Financial Assets						
Cash at Bank	.00	.05	.00	.05	-	-
Term Deposits	1.70	2.67	-	-	1.70	2.67

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, 2020

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 AFTER INCOME TAX

	2020	2019
Surplus after income tax	109,709	341,960
Depreciation	-	-
(Increase)/decrease in debtors	(20,965)	(6,194)
(Decrease)/Increase in creditors	(34,835)	17,703
(Decrease)/Increase in funding in advance	-	(230,000)
Increase/(decrease) in provisions	(2,410)	11,120
	<hr/>	<hr/>
Net cash (absorbed)/ provided from operating activities	<hr/> 51,499	<hr/> 134,589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2020

13. CASH & CASH EQUIVALENTS

	2020	2019
Cash at bank and in hand	265,093	258,172

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	265,093	258,172
Cash per cash flow statement	265,093	258,172

Credit Standby Arrangement & Loan Facilities

The Company had a \$4,000 (2019 - \$4,000) credit card facility at year end.

14. RELATED PARTY TRANSACTIONS

A significant amount of the income for the year was received from philanthropic funding from Ms Kirstan Flannery, Chair and Co-Founder. Kirstan Flannery resigned as a Member, Director and Chair of the Company on 30 July 2019. Kirstan Flannery has a personal connection to The Flannery Foundation. The terms and conditions of Kirstan Flannery's appointment were set on merit and are no more favourable than those available to other parties.

Details:

	Flannery Foundation	Kirstan Flannery
Pledges received in year	190,000	
Pledges received to date of resignation		-
One off donations	50,000	-

A generous donation and ongoing pledged commitment was received this year 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.

	Joanne Kirk
Donation received in year (after date of appointment)	50,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2020

15. RESERVES

Restricted Reserves record philanthropic funds, donations, grants and other funding to be expended only on specific program activities and operational needs or capital projects in future years as specified by the donor or determined by the Board.

The balance of reserves is unrestricted and may be retained or spent in future years at the discretion of the Board.

16. SEGMENT REPORTING

The Company acts solely within Australia.

17. CAPITAL COMMITMENTS

As at 30 June, 2020, 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 8 with a full time equivalent of 3.5.