



Birth for Humankind Limited

(A company limited by guarantee and registered with ACNC)

ACN 605 254 340

**Financial Report
Year ended 30 June, 2022**

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

FINANCIAL REPORT
FOR THE YEAR ENDED
30 June, 2022

CONTENTS

	Page
Directors' Report	2 – 5
Auditor's Independence Declaration	6 - 7
Directors' Declaration	8
Statement of Financial Position	9
Statement of Profit and Loss & Other Comprehensive Income	10
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 20

DIRECTORS' REPORT

The directors present their report on the financial statements of the Company for the year ended 30 June 2022.

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
- Joanne Askham, Director
- Grant Fenton, Director
- Raj Gopiraj, Director
- Mei Lai Swan, Director, until 14 February 2022

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.

Joanne co-founded the Red Rocketship Foundation in 2011, which has funded and worked with several organisations in Australian 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 and inspired by the work of Birth for Humankind.

Jeanette Royce – Treasurer

Jeanette has more than 15 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 A\$30bn in debt. From December 2019, Jeanette joined Atlas Arteria, an international toll road owner, operator and developer, as the Director, Investor Relations. In January 2022, Jeanette returned to Macquarie to join the Private Capital Markets team as a Division Director.

Jeanette brings a vast array of skills in corporate treasury, financial analysis, business development and financial 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.

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ACN 605 254 340
Year Ended 30 June, 2022

Lauren King – *Company Secretary*

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 'doulaing' 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 General Manager, Volunteers & Event Health Services at St John 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. 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 (until 14 February 2022).*

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.

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ACN 605 254 340
Year Ended 30 June, 2022

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 deficit after tax of \$73,767 (2021 – surplus of \$105,817).

REVIEW OF OPERATIONS AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Birth for Humankind deliberately operated to a financial deficit in this financial year, in order to prioritise delivering on commitments of funding received to income in FY20-21 but earmarked to fund activities in this financial year. Additionally, throughout the year the organisation intentionally drew on reserves to provide consistency to staff and program deliverables, during a continuing period of disruption caused by COVID-19. Throughout the year, Birth for Humankind prepared to consolidate its programming and operations to respond to a changing environment and the impacts of this will be seen in FY22-23.

In FY21-22, Birth for Humankind employed a total of eight part-time staff members to manage our support and education programs, advocacy, research, communications, fundraising, operations and administration.

For much of FY21-22 COVID-19 restrictions and subsequent impacts continued to affect the organisation. Staff have been working from home when required and have reduced their in-office hours. We have developed and adapted our policies and procedures based on evolving COVID-19 government advice and hospital guidelines.

Since the year end, we have continued to adapt to the evolving long-term impacts of COVID-19, including adapting to reduced in-person contact; reduced availability of volunteers, and requesting staff work from home when necessary.

MATTERS SUBSEQUENT TO THE YEAR END

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Birth for Humankind Limited
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ACN 605 254 340
Year Ended 30 June, 2022

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATION

In FY22-23 we continue to face some funding uncertainty, with prospective funders limiting giving and delaying grant-making opportunities as a result of the pandemic. With a consolidated budget and focus on core activities, whilst retaining our service delivery capacity, we will continue to build partnerships with hospitals and other service providers, to pilot a new service delivery model with a paid doula workforce, to enable service sustainability and expansion. Meanwhile we will continue to apply for grant funding and raise public and philanthropic donations, as well as developing our fee-for-service doula training.

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 wild breach of duty in relation to the Company. The premium amounted to approximately \$1041.

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.

This directors' report is signed in accordance with a resolution of the Directors :



Joanne Kirk, Chair
Date: 11/10/2022



Jeanette Royce, Treasurer
Date: 11/10/22

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, 2022, 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, 2022, 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, 2022 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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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: 28 October, 2022

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Year Ended 30 June, 2022

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. In the directors' opinion, the attached financial statements and notes, as set out on pages 10 to 21 satisfy the requirements of the Australian Charities and Not for Profits Commission Act 2012 and:
 - a) Comply with the Australian Accounting Standards and
 - b) Give a true and fair view of the Company's financial position as at 30 June, 2022 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 is able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s60.15(2) of the Australian Charities and Not for Profits Commission Regulation 2013.

On behalf of the Directors:



Joanne Kirk **Director**



Jeanette Royce **Director**

Place: Melbourne

Date: 11/10/22

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STATEMENT OF FINANCIAL POSITION
AS AT 30 June, 2022

	Note	2022	2021
CURRENT ASSETS			
Cash and cash equivalents	9	257,524	239,538
Term deposits		324,907	448,443
Trade & other receivables	4	12,316	7,882
TOTAL CURRENT ASSETS		594,747	695,863
NON CURRENT ASSETS			
Security deposit		1,287	3,000
TOTAL NON CURRENT ASSETS		1,287	3,000
TOTAL ASSETS		596,034	698,863
CURRENT LIABILITIES			
Trade & other payables	5	10,081	28,356
Employee provisions	6	24,926	30,906
TOTAL CURRENT LIABILITIES		35,007	59,262
NON CURRENT LIABILITIES			
Employee provisions	6	-	4,807
TOTAL NON CURRENT LIABILITIES		-	4,807
TOTAL LIABILITIES		35,007	64,069
NET ASSETS		561,027	634,794
ACCUMULATED FUNDS			
Reserves		561,027	634,794
TOTAL ACCUMULATED FUNDS		561,027	634,794

Notes to and forming part of these accounts are set out on pages 12 to 20.

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STATEMENT OF PROFIT AND LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 June, 2022

	Note	2022	2021
CLASSIFICATION OF EXPENSES BY NATURE			
Revenue	2	515,167	759,241
Program Costs			
Doula Support		202,397	187,862
Education		97,700	111,207
Research		164	31,666
Personnel and Operations		206,417	233,904
Communications and Fundraising		82,256	88,785
		588,934	653,424
Surplus/(Deficit) before income tax expense	3	(73,767)	105,817
Income tax expense		-	-
Net (Deficit)/Surplus for the year		(73,767)	105,817
STATEMENT OF CHANGES IN ACCUMULATED FUNDS			
FOR THE YEAR ENDED 30 June, 2022			
		2022	2021
Opening Balance at 30 June		634,794	528,977
Surplus/(Deficit) for the year		(73,767)	105,817
Closing Balance at 30 June	15	561,027	634,794

Notes to and forming part of these accounts are set out on pages 12 to 20.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 June, 2022

	Note	2022	2021
Cash flows from operating activities:			
Payments to suppliers and employees		(617,152)	(624,505)
Receipts from customers		509,734	798,941
Interest received		1,867	3,218
Net cash (absorbed)/provided from operating activities	10	(105,551)	177,654
Cash flows from investing activities:			
Investment in Term Deposits		123,537	(203,209)
Net cash used in investing activities		123,537	(203,209)
Net increase in cash held		17,986	(25,555)
Cash at beginning of year/period		239,538	265,093
Cash at end of year/period	9	257,524	239,538

Notes to and forming part of these accounts are set out on pages 12 to 20.

Birth for Humankind Limited
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2022

Company Information

ABN 75 605 254 340

The Company is a company limited by guarantee and is registered and domiciled in Australia. It is a charity registered with the Australian Charities and Not for Profit Commission (ACNC) as a Public Benevolent Institution (PBI). It holds deductible gift recipient status and is exempt from income tax and fringe benefits tax and is eligible for GST concessions.

Principal Activities

The principal activities of the company are providing and advocating for respectful pregnancy, birth and early parenting support for women experiencing social and financial disadvantage.

Members' Guarantee

The Company is limited by guarantee. In the event of the company being wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the company. At 30 June, 2022, the number of members was 6.

Directors

The following were in office during the year from the beginning of the year to the date of this report unless otherwise stated :

Joanne Kirk, Chair

Jeanette Royce

Lauren King, Company Secretary

Joanne Askham

Grant Fenton

Raj Gopiraj

Mei Lai Swan, resigned 14 February, 2022.

Registered office and principal place of business

Our Community House

552 Victoria Street

North Melbourne VIC 3051

Banker

Bank Australia, Little Collins Street, Melbourne Vic 3000

ME Bank, Elizabeth Street, Melbourne Vic 3000

Auditor

Wendy Hancox

Registered Company Auditor

Melbourne Vic 3004

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2022

1. BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Charities and Not for profits Commission (ACNC) 2012, Australian Accounting Standards – Simplified Disclosures, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

Historical Cost Convention

The financial report has been prepared on the basis of historical cost (based on fair value of the consideration given in exchange for assets).

Currency and rounding of amounts

The financial report is presented in Australian dollars, which is the company's functional and presentation currency.

Significant Accounting Policies

The significant accounting policies documenting the measurement basis used in preparing the financial information and other accounting information relevant to an understanding of the financial report are discussed in the relevant note.

a) 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.

b) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2022

c) Significant accounting judgements, estimates and assumptions

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

Specific accounting judgements and estimates are discussed in the relevant note.

d) Income Tax

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

2. REVENUE

	2022	2021
Operating activities:		
Donations		
Foundations, philanthropic & public donations	152,300	184,529
Pledges	350,000	397,000
Total Donations	502,300	581,529
Other Income		
Interest received from banks	1,867	3,218
Doula Training	11,000	-
Government grants and subsidies	-	174,494
Total Other Income	12,867	177,712
Total revenue	515,167	759,241

Revenue recognition policy

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2022

Going Concern and Economic Dependency

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 \$561,027 which will allow the Company to continue operating.

3. SURPLUS BEFORE INCOME TAX EXPENSE

	2022	2021
Surplus from ordinary activities before income tax expense has been determined after:		
Movement provision for employee entitlements	(10,787)	11,880
Rental expense on operating leases	19,781	24,000
Remuneration of Auditors:		
Audit of the financial report	3,250	4,200
Other services	750	1,000

All expenditure is accounted for on an accruals basis and has been classified under headings reflecting the function of the company which incurred the costs.

4. TRADE & OTHER RECEIVABLES

	2022	2021
CURRENT		
Doula training receivables	5,133	-
Prepayments	7,275	6,065
GST receivable	(92)	1,817
	12,316	7,882

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2022

5. TRADE & OTHER PAYABLES

CURRENT	2022	2021
<i>Unsecured liabilities</i>		
Trade creditors and accrued expenses	10,081	28,356

6. PROVISIONS – EMPLOYEE ENTITLEMENTS

CURRENT	2022	2021
Annual leave at start of period	30,906	23,833
Annual leave used	(29,759)	(28,049)
Annual leave additional provisions	23,779	35,122
TOTAL	24,926	30,906
NON CURRENT	2022	2021
Long service leave at start of period	4,807	-
Long service leave released	(4,807)	-
Long service leave additional provisions	-	4,807
TOTAL	-	4,807

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.

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.

7. LEASES

	2022	2021
Not later than 1 year	-	3,000
TOTAL	-	3,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2022

From 1 September, 2020, the rent has been on a month by month basis.

Leases policy

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2022

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.

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.

8. 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	
	2022	2021	2022	2021	2022	2021
	%	%	%	%	%	%
Financial Assets						
Cash at bank	0	0	-	-	0	0
Term deposits	0.61	0.93	-	-	0.61	0.93

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2022

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.

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.

9. CASH & CASH EQUIVALENTS

	2022	2021
Cash at bank and in hand	257,524	239,538
The weighted average interest rate on bank balances was 0%pa (2021 – 0%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	257,524	239,538
Cash per cash flow statement	257,524	239,538

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.

Credit Standby Arrangement & Loan Facilities

The Company had a \$4,000 (2021: \$4,000) credit card facility at the year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June, 2022

10. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH SURPLUS

	2022	2021
Surplus/(Deficit) after income tax	(73,765)	105,817
(Increase)/decrease in debtors	(2,630)	40,128
(Decrease)/Increase in creditors	(18,369)	19,829
Increase/(decrease) in provisions	(10,787)	11,880
Net cash (absorbed)/ provided from operating activities	<u>(105,551)</u>	<u>177,654</u>

11. KEY MANAGEMENT PERSONNEL COMPENSATION

	2022	2021
Total	<u>139,846</u>	<u>146,150</u>

Key personnel roles are Chief Executive Officer and Chief Operating Officer. The decrease in key management personnel compensation is due to the release of long service provisions to which the Chief Operating Officer was not entitled on resignation on 30 June, 2022.

12. RELATED PARTY TRANSACTIONS

During the year, Red Rocketship Foundation, of which Joanne Kirk, Chair is a director, made a donation of \$50,000 as part of an ongoing pledge commitment plus an additional donation of \$50,000. 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.

13. POST BALANCE SHEET EVENTS

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

14. SEGMENT REPORTING

The Company acts solely within Australia.

15. OTHER DISCLOSURES

As at 30 June, 2022, the Company had no capital commitments, no assets pledged as security and no contingent liabilities and assets.