

# **Australian Breastfeeding Association**

**ABN 64 005 081 523**

## **Financial Report**

**For the Year Ended 30 June 2019**

# Australian Breastfeeding Association

ABN 64 005 081 523

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# Australian Breastfeeding Association

ABN 64 005 081 523

## Directors' Report

30 June 2019

The Directors present their report on the Australian Breastfeeding Association (Association) for the financial year ended 30 June 2019.

### Directors

The names of each person who has been a director during the year and to the date of this report are:

M Grove

K Collinson

F Maher

S Miller

A Picone (appointed on 25 August 2018)

H Hovenga (appointed on 25 August 2018)

M Peterson (elected on 23 November 2018)

A Smith (elected on 24 November 2018)

K Anderson (appointed on 25 May 2019)

S Day (term ended on 23 November 2018)

G Corbiau (term ended on 23 November 2018)

L Pennisi (term ended on 23 November 2018)

S Williams (term ended on 23 November 2018)

D Sykes (appointed on 24 November 2018, resigned on 14 March 2019)

L Copeland (appointed on 24 November 2018, resigned on 4 May 2019)

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

### Principal Activities

All activities undertaken by the Association are determined by the objectives, priorities and measurable outcomes identified in the 2013-2019 Strategic Plan and are fitting with the objects of the Association.

Principal activities are determined in accordance with the strategic priorities, identified for each Key Result Area and include:

- Advocacy
- Breastfeeding Helpline - 24 hour mum-to-mum assistance and support for breastfeeding mothers
- Community Education - hospital visits, school visits, educational sessions
- Breastfeeding Education Classes - evidence based information for mums and dads to be
- Training and Education for Health Professionals, including national Health Professional Seminar Series
- Group meetings - planned, coordinated and facilitated by trained volunteers
- Nationally recognised training for ABA volunteers
- Breast pump hire
- Local events such as feed and change tents
- Breastfeeding Friendly Workplace

### Company Objectives and Strategy

The Australian Breastfeeding Association is a voluntary organisation established for charitable purposes, originating in 1964 as the Nursing Mothers' Association. The Association is a company limited by guarantee. The replaceable rules in the Corporations Act do not apply to the Association. ABA is a registered training organisation.

# Australian Breastfeeding Association

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## Directors' Report

30 June 2019

### Our Vision

Breastfeeding is recognised as important by all Australians and is culturally normal.

### Our Mission

As Australia's leading authority on breastfeeding, we support, educate and advocate for a breastfeeding inclusive society.

### Key Result Areas

- Advocacy
- Breastfeeding support
- Organisational viability
- Training, education and resources
- Public awareness and profile

### Measurement of Performance

The Board of Directors and Chief Executive Officer monitor progress toward achieving the Association's objectives through reporting to an Operational Plan. This plan links activities and services to strategic priorities and desired outcomes of each Key Result Area and is reviewed at quarterly Board meetings.

### Association Financial Performance During Year

The deficit of the Association amounted to \$ 23,961 (2018: surplus of \$ 78,420). This result takes into account the operations of the Association (the Association National Head Office and its Branches).

### Events After the Reporting Date

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 those operations or the state of affairs of the Company in future financial years

### Information on Directors

The names of the Directors in office at any time during or since the year end, with particulars of the qualifications, experience and special responsibilities of each Director, are:

Director	Margaret Grove (elected on 24 November 2017)
Qualifications	B.A. (Hons), Dip Ed, M.A., Certificate IV in Breastfeeding Education, Certificate IV in Training and Assessment
Special Responsibilities	President, effective from 24 November 2018
Director	Karin Collinson (elected on 24 November 2017)
Qualifications	BCom, MAdvTax, CTA, Cert IV TAE, Cert IV Breastfeeding (Counselling), Cert IV Breastfeeding (Community)
Special Responsibilities	Honorary Treasurer (from 1 July 2018)
Director	Frieda Maher
Qualifications	CPA, BSc (Business Information Technology), MBA (Executive) TAE Cert IV Breastfeeding (Counselling), Cert IV Breastfeeding (Community)

# Australian Breastfeeding Association

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## Directors' Report

30 June 2019

### Information on Directors (continued)

Director	Steve Miller
Qualifications	Bachelor Computing (Info Sys) Honours, Masters of Business Administration (Executive)
Special Responsibilities	Company Secretary
Director	Adrienne Picone (appointed on 25 August 2018)
Qualifications	BA, Dip Ed
Director	Helen Hovenga (appointed on 25 August 2018)
Qualifications	BA (Psychology & Politics), Master of Business (HR), Grad. Dip. HR Management and Industrial Relations
Director	Mary Peterson (elected on 23 November 2018)
Qualifications	BA Public Relations/Advertising, Cert IV Breastfeeding Education, Dip Childbirth
Special Responsibilities	Honorary Secretary
Director	Alexandra Smith (elected on 24 November 2018)
Qualifications	B.A. (Hons), Grad. Cert. Higher Education, PhD, Certificate IV in Breastfeeding Education
Director	Keith Anderson (appointed on 25 May 2019)
Qualifications	BSc(Hons), GradDipSciEd, DipEd
Director	Susan Day (term ended on 23 November 2018)
Qualifications	Adv Dip Management, IBCLC, Education, Diploma of Breastfeeding Management, Cert IV TAE Cert IV Breastfeeding(Counselling), Cert IV Breastfeeding (Community)
Special Responsibilities	President, until 23 November 2018
Director	Grace Corbiau (term ended on 23 November 2018)
Qualifications	LLM (Public International Law), BA Hons (International Relations)
Special Responsibilities	Honorary Secretary (from 24 November 2017 until 23 November 2018)
Director	Louise Pennisi (term ended on 23 November 2018)
Qualifications	LLB/BA (Italian & Japanese) LLM TEP GAICD, GIA (Cert)
Director	Scott Williams (term ended on 23 November 2018)
Qualifications	Exec MBA, Masters Advanced Practice Nursing, BA Paediatric Nursing, GAICD
Director	Deborah Sykes (appointed on 24 November 2018, resigned on 14 March 2019)
Qualifications	BA, Grad Dip of Human Business Management, Grad Dip of Quality Management Health Care, Executive Masters in Public Administration
Director	Laura Copeland (appointed on 24 November 2018, resigned on 4 May 2019)
Qualifications	Bachelor of Laws and Legal Practice (Hons), Graduate Diploma in Psychology, Bachelor of Behavioural Science (Hons)

# Australian Breastfeeding Association

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## Directors' Report

30 June 2019

### Meetings of Directors

During the financial year, 11 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
M Grove	11	11
K Collinson	11	10
F Maher	11	10
S Miller	11	10
A Picone (elected on 25 August 2018, resigned 8 July 2019, re-appointed 28 July 2019)	10	9
H Hovenga (elected on 25 August 2018)	10	8
M Peterson (elected on 23 November 2018)	8	8
A Smith (elected on 24 November 2018)	8	7
K Anderson (elected on 25 May 2019)	2	2
S Day (term ended on 23 November 2018)	3	3
G Corbiau (term ended on 23 November 2018)	3	3
L Pennisi (term ended on 23 November 2018)	3	3
S Williams (term ended on 23 November 2018)	3	1
D Sykes (elected on 24 November 2018, term ended on 14 March 2019)	4	2
L Copeland (elected on 24 November 2018, term ended on 4 May 2019)	6	6

### Membership

The Association has only 1 class of membership. Each member of the Association undertakes to contribute to the property of the Association in the event of it being wound up while the person is a member or within one year after the person ceases to be a member for payment of the debts and liabilities of the Association contracted before the person ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories amongst themselves, such amounts as may be required not exceeding \$20. At 30 June 2019, the total amount members of the Association are liable to contribute if the Association is wound up is \$33,460 (2018: \$35,320).

### Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Australian Breastfeeding Association.

### Auditor's independence declaration

A copy of the Auditors' Independence Declaration as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 5 of the financial report.

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





\_\_\_\_\_  
Margaret Grove

\_\_\_\_\_  
Karin Collinson

President

Honorary Treasurer

Dated this 13<sup>th</sup> day of October 2019

## **Auditor's Independence Declaration to the directors of Australian Breastfeeding Association**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

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

LDAssurance  
Chartered Accountants



Stephen O'Kane – Partner  
Dated this 16<sup>th</sup> day of October 2019  
250 Collins Street, Melbourne.

# Australian Breastfeeding Association

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## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

	<b>2019</b>	<b>2018</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenue	2(a) <b>3,215,355</b>	3,345,559
Cost of sales	<b>(65,344)</b>	(72,034)
Employee expenses	<b>(1,562,892)</b>	(1,557,066)
Depreciation and amortisation expense	<b>(62,356)</b>	(64,164)
Occupancy expenses	<b>(157,216)</b>	(161,657)
Other expenses	2(b) <b>(1,391,508)</b>	(1,412,218)
<b>Surplus/(deficit) for the year</b>	<b>(23,961)</b>	78,420
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>(23,961)</b>	78,420

The accompanying notes form part of these financial statements.



# Australian Breastfeeding Association

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## Statement of Financial Position

As At 30 June 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	1,784,406	1,658,108
Trade and other receivables	5	247,496	150,973
Inventories	6	67,336	58,803
Prepayments	7	25,415	75,230
TOTAL CURRENT ASSETS		<u>2,124,653</u>	<u>1,943,114</u>
NON-CURRENT ASSETS			
Intangible assets	8	52,588	56,242
Plant and equipment	9	14,099	69,854
TOTAL NON-CURRENT ASSETS		<u>66,688</u>	<u>126,096</u>
TOTAL ASSETS		<u>2,191,341</u>	<u>2,069,210</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	307,144	358,776
Borrowings	11	7,716	7,319
Provisions	12	208,657	184,408
Other liabilities	13	658,351	482,004
TOTAL CURRENT LIABILITIES		<u>1,181,868</u>	<u>1,032,507</u>
NON-CURRENT LIABILITIES			
Borrowings	11	5,787	12,199
Long-term provisions	12	19,253	5,592
Other liabilities	13	24,594	35,112
TOTAL NON-CURRENT LIABILITIES		<u>49,634</u>	<u>52,903</u>
TOTAL LIABILITIES		<u>1,231,502</u>	<u>1,085,410</u>
NET ASSETS		<u>959,839</u>	<u>983,800</u>
<b>EQUITY</b>			
Retained earnings		<u>959,839</u>	<u>983,800</u>
<b>Total equity</b>		<u>959,839</u>	<u>983,800</u>

The accompanying notes form part of these financial statements.

# Australian Breastfeeding Association

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## Statement of Changes in Equity

For the Year Ended 30 June 2019

	Retained Earnings	Total Equity
	\$	\$
<b>Balance at 1 July 2017</b>	905,380	905,380
Total comprehensive surplus for the year	78,420	78,420
<b>Balance at 30 June 2018</b>	<b>983,800</b>	<b>983,800</b>
Total comprehensive deficit for the year	(23,961)	(23,961)
<b>Balance at 30 June 2019</b>	<b>959,839</b>	<b>959,839</b>

The accompanying notes form part of these financial statements.

# Australian Breastfeeding Association

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## Statement of Cash Flows

For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members and customers	1,663,291	1,670,130
Grant receipts	1,776,587	1,668,026
Interest received	14,274	13,660
Payments to suppliers and employees	<u>(3,345,093)</u>	<u>(3,444,177)</u>
Net cash (used in)/provided by operating activities	14(a) <u>135,261</u>	<u>(92,361)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for intangible asset	(2,948)	(41,280)
Payment for plant and equipment	<u>-</u>	<u>(21,127)</u>
Net cash provided by/(used in) investing activities	<u>(2,948)</u>	<u>(21,127)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	<u>(6,015)</u>	<u>(2,717)</u>
Net cash used in financing activities	<u>(6,015)</u>	<u>(2,717)</u>
Net (decrease)/increase in cash and cash equivalents held	126,298	(157,485)
Cash and cash equivalents at beginning of year	<u>1,658,108</u>	<u>1,815,593</u>
Cash and cash equivalents at end of financial year	4 <u>1,784,406</u>	<u>1,658,108</u>

The accompanying notes form part of these financial statements.

# Australian Breastfeeding Association

ABN 64 005 081 523

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

The financial report covers Australian Breastfeeding Association ('the Association'). Australian Breastfeeding Association is a not for profit company limited by guarantee, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors as at date of the Director's Report.

#### Basis of Preparation

The Directors have prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the Directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### 1 Summary of Significant Accounting Policies

##### (a) Principles of Consolidation

The financial statements include the financial position and performance of head office and branches from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between branches and/or head office in the Association have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to the Association's financial position, performance and cash flows where the accounting policies used by that branch were different from those adopted by the Association. All branches have a June financial year end.

The financial statements of the Association do not include the financial position and performance of the Groups and Regions of the Association. The directors have concluded that they do not have control of the Groups and Regions, and as such are not required to consolidate under AASB 10.

# Australian Breastfeeding Association

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## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies (continued)

#### (b) Revenue recognition

Revenue from the sale of goods is recognised when the Association has transferred to the buyer the significant risks and rewards of ownership of the goods.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

#### Rendering of Services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from members' subscriptions is recognised on a time proportionate basis that takes into account the period of the subscription.

Donations are recognised as revenue when received.

#### Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Australian Breastfeeding Association receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

#### (c) Income Tax

The Association is exempt from income tax in accordance with Subdivision 50-A (ITAA 1997).

#### (d) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

#### (e) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

# Australian Breastfeeding Association

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## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies (continued)

#### (f) Loans and Receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

#### (g) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price and costs to be incurred in marketing, selling and distribution.

#### (h) Software

Software are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. Amortisation shall begin when the software are available for use; that is when they are in the condition of being capable of being operated by management. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years.

#### (i) 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. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets.

#### Depreciation

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Plant and Equipment	20-40%

#### (j) Impairment of Assets

At each reporting date, the entity reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use.

In respect of not-for-profit entities, where the future economic benefits of an asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciable replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

# Australian Breastfeeding Association

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## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies (continued)

#### (j) Impairment of Assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

#### (k) Payables

Trade payables and other accounts payable are recognised when the Association becomes obliged to make future payments resulting from the purchase of goods and services.

#### (l) Employee Benefits

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

Provisions made in respect of employee benefits expected to be settled wholly within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

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

#### (m) Goods and Services Tax (GST)

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 Tax 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 statement of financial position are shown inclusive of GST.

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

#### (n) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed. Comparatives are consistent with prior years, unless otherwise stated.

#### (o) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial statements 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 Association.

# Australian Breastfeeding Association

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## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 1 Summary of Significant Accounting Policies (continued)

##### (p) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the company. The Association has decided not to early adopt any of the new and amended pronouncements. The Association's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases and related Interpretations*. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right to use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
- depreciation of right to use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The directors anticipate that the adoption of AASB 16 will impact the Association's financial statements will be recognition of a right-to-use asset and lease liability to an approximate value of the commitments note disclosed in note 15 (excluding GST).



# Australian Breastfeeding Association

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## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 1 Summary of Significant Accounting Policies (continued)

##### (p) New Accounting Standards for Application in Future Periods (continued)

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2019 for not-for-profit entities).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Association's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019)

AASB 1058 applies to transactions where the consideration to purchase an asset is significantly less than its fair value in order to support the entity to further its objectives. It also applies to volunteer services.

The following are the key requirements in this standard:

1. Income arising from the excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets, and revenue should be immediately recognised in profit or loss. For this purpose assets, liabilities and revenue are to be measured in accordance with the applicable standard;
2. A liability is recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with other standards. This liability has to be amortised to profit or loss as the entity satisfies its obligations under the transfer; and
3. An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services shall be measured at fair value and any excess over the related amounts (such as contribution by owners or revenue) should be immediately recognised in profit or loss.

Although the directors anticipate that the adoption of AASB 1058 may have an impact on the Association's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

# Australian Breastfeeding Association

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## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019 \$	2018 \$
<b>2 Result for the Year</b>		
<b>(a) Revenue and Other Income</b>		
<b>Revenue</b>		
Grant income	1,615,079	1,599,566
Subscription	492,495	544,369
Workshops and seminars	386,908	323,243
ABA training including branch conferences	148,874	154,019
Raffle	(295)	81,811
Endorsement, sponsorship and advertising	92,705	120,584
Donations	115,632	103,304
Breastfeeding Friendly Workshops	180,152	119,223
Equipment hire	67,602	58,143
Shop sales	87,063	132,159
Other revenue	14,866	92,978
	<b>3,201,081</b>	<b>3,329,399</b>
<b>Other income</b>		
Interest income	14,274	16,160
	<b>14,274</b>	<b>16,160</b>
<b>Total revenue</b>	<b>3,215,355</b>	<b>3,345,559</b>
<b>(b) Other Expenses</b>		
Training ABA volunteers	345,871	379,364
Membership services	36,492	36,981
Membership offers and promotion	37,764	42,910
Raffle expenses	2,554	45,660
Workshops and seminars offered outside ABA	273,618	189,593
National Breastfeeding Helpline	445,745	418,649
Breastfeeding Friendly Workplaces	10,797	14,938
Other funded project expenses	30,274	55,244
Office administration and overheads	23,051	41,387
Bad and doubtful debts expenses	-	(50,000)
Information and communication technology	95,847	127,012
Other expenses	89,495	110,480
<b>Total other expenses</b>	<b>1,391,508</b>	<b>1,412,218</b>

# Australian Breastfeeding Association

ABN 64 005 081 523

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019 \$	2018 \$
<b>3 Remuneration of Auditors</b>		
Audit of the financial report	20,000	37,900
Audit of grant expenditure and raffle income	-	7,350
Other services	7,000	3,600
	<u>27,000</u>	<u>48,850</u>
<b>4 Cash and Cash Equivalents</b>		
Cash on hand	133	190
Cash at bank	1,784,273	1,657,918
	<u>1,784,406</u>	<u>1,658,108</u>
<b>5 Trade and Other Receivables</b>		
CURRENT		
Trade receivables	195,165	123,032
Allowance for doubtful debts	-	-
Other receivables	52,331	4,688
Goods and services tax receivable (GST)	-	23,253
	<u>274,496</u>	<u>150,973</u>
<b>6 Inventories</b>		
CURRENT		
Books, manuals and publications	67,336	58,803
	<u>67,336</u>	<u>58,803</u>
<b>7 Other Assets</b>		
CURRENT		
Prepayments	25,415	75,230
	<u>25,415</u>	<u>75,230</u>
<b>8 Intangible Assets</b>		
Software database:		
At cost	312,061	345,257
Amortisation	(297,962)	(289,015)
	<u>14,099</u>	<u>56,242</u>

# Australian Breastfeeding Association

ABN 64 005 081 523

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019 \$	2018 \$
<b>9 Property, Plant and Equipment</b>		
Plant and Equipment		
At cost	462,932	496,191
Accumulated depreciation	<u>(410,344)</u>	<u>(426,337)</u>
	<u>52,588</u>	<u>69,854</u>
<b>10 Trade and Other Payables</b>		
CURRENT		
Trade payables	137,335	138,505
GST	3,918	-
Other payables and accruals	<u>165,891</u>	<u>220,271</u>
	<u>307,144</u>	<u>358,776</u>
<b>11 Borrowings</b>		
CURRENT		
Lease liabilities	<u>7,716</u>	7,319
NON-CURRENT		
Lease liabilities	<u>5,787</u>	<u>12,199</u>
<b>12 Provisions</b>		
CURRENT		
Employee provisions	<u>208,657</u>	184,408
NON-CURRENT		
Employee provisions	<u>19,253</u>	<u>5,592</u>
<b>13 Other Liabilities</b>		
CURRENT		
Deferred government grants	260,595	78,688
Deferred income, subscriptions	248,366	282,673
Other income received in advance	<u>149,390</u>	<u>120,643</u>
	<u>658,351</u>	<u>482,004</u>
NON-CURRENT		
Deferred income, subscriptions	<u>24,594</u>	<u>35,112</u>
	<u>24,594</u>	<u>35,112</u>

# Australian Breastfeeding Association

ABN 64 005 081 523

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019 \$	2018 \$
<b>14 Cash Flow Information</b>		
<b>(a) Reconciliation of surplus/(deficit) for the year to net cash flows from operating activities</b>		
Surplus/(deficit) for the year	(23,961)	78,420
Depreciation & amortisation	62,356	64,164
Bad and doubtful debts	-	(50,000)
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	(119,776)	22,387
Current inventories	(8,533)	13,064
Other current assets	49,815	(45,804)
Increase/(decrease) in liabilities:		
Current payables	(28,379)	16,688
Provisions	37,910	2,783
Other liabilities	165,829	(194,063)
Net cash (outflow)/inflow from operating activities	<u>135,261</u>	<u>(92,361)</u>
<b>(b) Borrowing Facilities</b>		
Credit Card facility	10,000	10,000
Facilities used	(3,311)	(3,486)
Unused facilities	<u>6,689</u>	<u>6,514</u>
<b>(c) There were no non-cash financing or investing activities during the year.</b>		

## 15 Capital and Leasing Commitments

Non-cancellable operating lease payments:

Future operating lease rentals of premises and photocopier not provided for in the accounts, and payable:

- not later than one year	167,680	99,652
- between one year and five years	125,780	392,129
- later than five years	-	131,153
	<u>293,460</u>	<u>622,934</u>

The property lease is a non-cancellable lease with a four-year term, with rent payable monthly in advance and will be increased by 3.5% per annum. An option exists to renew the lease at the end of the four-year term for an additional term of four years. The photocopiers are on a five-year lease term.

# Australian Breastfeeding Association

ABN 64 005 081 523

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019 \$	2018 \$
<b>16 Contingent Liabilities</b>		
Guarantees in respect of the Association's premises rental agreement, secured by a term deposit.	10,842	10,627

### 17 Members' Guarantee

The Association is incorporated as a company limited by guarantee and not having share capital.

Each member of the Association undertakes to contribute to the property of the Association in the event of it being wound up while the person is a member or within one year after the person ceases to be a member for payment of the debts and liabilities of the Association contracted before the person ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories amongst themselves, such amounts as may be required not exceeding \$20. As at 30 June 2019 there were 1,673 members (2018: 1,766).

### 18 Events Occurring After the Reporting Date

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

### 19 Company Details

The registered office of the Association and the principal place of business is:

Suite 2, Level 3, 150 Albert Road  
South Melbourne VIC 3205

# Australian Breastfeeding Association

ABN 64 005 081 523

## Directors' Declaration

The directors have determined that the Association is not a reporting entity and that this special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the Association declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes of the Association as set out on pages 6 to 20, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - (a) comply with Accounting Standards as stated in Note 1 to the financial statements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
  - (b) give a true and fair view of the Association's financial position as at 30 June 2019 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Directors' opinion, there are reasonable grounds to believe that the Association 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:

Margaret Grove

Karin Collinson

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Margaret Grove

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Karin Collinson

President

Honorary Treasurer

Dated this 13<sup>th</sup> day of October 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN BREASTFEEDING ASSOCIATION**

### **Opinion**

We have audited the accompanying financial report of Australian Breastfeeding Association ('the Company'), which comprises the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Company.

In our opinion, the accompanying financial report of Australian Breastfeeding Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-For-Profit Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 to the financial report and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Other Matter**

The financial report of Australian Breastfeeding Association for the year ended 30 June 2018 was audited by another auditor who expressed a qualified opinion on that financial report on 25 October 2018. The qualified opinion was on the basis of non-consolidation of the Groups and Regions that operate throughout Australia.



## Responsibility of the Directors for the Financial Report

The Directors are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*. The Directors' responsibility also includes such internal control as it determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the 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 have 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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

LDAssurance  
Chartered Accountants



Stephen O'Kane – Partner  
Dated this 16<sup>th</sup> day of October 2019  
250 Collins Street, Melbourne.