Australian Breastfeeding Association

ABN 64 005 081 523

Financial Statements

For the Year Ended 30 June 2020

Australian Breastfeeding Association

ABN 64 005 081 523

Contents

For the Year Ended 30 June 2020

LDAssurance
CHARTERED ACCOUNTANTS

LDAssurance Pty Ltd
Level 6, 330 Collins Street
Melbourne Victoria 3000
TELEPHONE +61 3 9988 2090
www.ldassurance.com.au
ABN 89 146 147 202

LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SUBDIVISION 60-C OF THE
AUSTRALIAN CHARITIES AND NOT-FOR-PROFIT COMMISSION ACT 2012

To the Directors of Australian Breastfeeding Association:

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2020 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-For-Profit 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 4th day of November 2020
330 Collins Street, Melbourne.

Australian Breastfeeding Association

ABN 64 005 081 523

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
Revenue	5(a)	**3,855,718**	3,215,355
Cost of sales		**(84,103)**	(65,344)
Gross profit		**3,771,615**	3,150,011
Employee expenses		**(1,589,892)**	(1,562,892)
Depreciation expense	9(a)	**(27,436)**	(53,408)
Amortisation expense - intangible assets	10(a)	**(5,167)**	(8,948)
Amortisation expense - right-of-use assets	12	**(134,732)**	-
Lease interest		**(5,795)**	-
Occupancy costs		**(14,123)**	(157,217)
Other expenses	5(b)	**(1,615,986)**	(1,391,508)
Profit for the year		**378,484**	(23,962)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**378,484**	(23,962)

The accompanying notes form part of these financial statements.

Australian Breastfeeding Association

ABN 64 005 081 523

Statement of Financial Position

As At 30 June 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**2,812,223**	1,784,406
Trade and other receivables	7	**205,807**	247,496
Inventories	8	**89,412**	67,336
Other assets	11	**2,093**	25,415
TOTAL CURRENT ASSETS		**3,109,535**	2,124,653
NON-CURRENT ASSETS			
Property, plant and equipment	9	**30,430**	52,589
Intangible assets	10	**8,933**	14,100
Right-of-use assets	12	**138,979**	-
TOTAL NON-CURRENT ASSETS		**178,342**	66,689
TOTAL ASSETS		**3,287,877**	2,191,342
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**354,964**	307,145
Lease liabilities	12	**123,281**	7,715
Employee benefits	15	**239,521**	208,658
Other financial liabilities	14	**1,178,728**	658,351
TOTAL CURRENT LIABILITIES		**1,896,494**	1,181,869
NON-CURRENT LIABILITIES			
Lease liabilities	12	**14,974**	5,787
Employee benefits	15	**20,009**	19,253
Other financial liabilities	14	**18,077**	24,594
TOTAL NON-CURRENT LIABILITIES		**53,060**	49,634
TOTAL LIABILITIES		**1,949,554**	1,231,503
NET ASSETS		**1,338,323**	959,839
EQUITY			
Retained earnings		**1,338,323**	959,839
TOTAL EQUITY		**1,338,323**	959,839

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained Earnings	Total
	$	$
Balance at 1 July 2019	**959,839**	**959,839**
Profit/(loss) for the year	**378,484**	**378,484**
Balance at 30 June 2020	**1,338,323**	**1,338,323**

2019

	Retained Earnings	Total
	$	$
Balance at 1 July 2018	983,801	983,801
Profit/(loss) for the year	(23,962)	(23,962)
Balance at 30 June 2019	959,839	959,839

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from members and customers		**2,217,724**	1,663,291
Grant receipts		**2,524,614**	1,776,587
Interest received		**9,634**	14,274
Payments to suppliers and employees		**(3,564,124)**	(3,318,891)
Net cash provided by/(used in) operating activities	22(a)	**1,187,848**	135,261
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for intangible asset		**-**	(2,948)
Purchase of property, plant and equipment		**(5,277)**	-
Net cash provided by/(used in) investing activities		**(5,277)**	(2,948)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities		**(154,754)**	(6,015)
Net cash provided by/(used in) financing activities		**(154,754)**	(6,015)
Net increase/(decrease) in cash and cash equivalents held		**1,027,817**	126,298
Cash and cash equivalents at beginning of year		**1,784,406**	1,658,108
Cash and cash equivalents at end of financial year	6	**2,812,223**	1,784,406

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers Australian Breastfeeding Association as an individual entity. Australian Breastfeeding Association is a not-for-profit Company limited by guarantee, registered and domiciled in Australia.

The functional and presentation currency of Australian Breastfeeding Association is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012.*

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts* with Customers and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

Leases - Adoption of AASB 16

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

2 Change in Accounting Policy

Leases - Adoption of AASB 16

Impact of adoption of AASB 16

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

Financial statement impact of adoption of AASB 16

The Company has recognised right-of-use assets of $273,711 and lease liabilities of $273,711 at 1 July 2019, for leases previously classified as operating leases.The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 2.95%.

	$
Operating lease commitments at 30 June 2019 financial statements	293,460
Discounted using the incremental borrowing rate at 1 July 2019	278,081
Add:	
Extension options not included in commitments at 30 June 2019	32,984
Less:	
Short-term leases included in commitments note	10,675
GST within the commitments note	26,679
Lease liabilities recognised at 1 July 2019	273,711

3 Summary of Significant Accounting Policies

(a) Basis for 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 head office and/or branches have been eliminated in full for the purpose of these financial statements.

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

The financial statements of the Company do not include the financial position and performance of the groups and regions of the Company. The Directors have concluded that they do not have control over the groups and regions, and as such are not required to consolidate under AASB 10.

(b) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from contracts with customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Specific revenue streams

Grant income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied. The performance obligations are varied based on the agreement but may include management of education events, vaccinations, presentations at symposiums.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Membership income

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

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control of the asset.

(c) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated 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.

3 Summary of Significant Accounting Policies

(e) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(g) 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.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Plant and Equipment	20-25%
Furniture, Fixtures and Fittings	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

3 Summary of Significant Accounting Policies

(h) Financial instruments

Financial assets

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

3 Summary of Significant Accounting Policies

(h) Financial instruments

Financial assets

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(i) 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.

3 Summary of Significant Accounting Policies

(j) Leases

For comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

For current year

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

3 Summary of Significant Accounting Policies

(k) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(l) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note 2 for details of the changes due to standards adopted.

4 Critical Accounting Estimates and Judgements

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management’s best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Result for the Year

(a) Revenue and other income

	2020	2019
	$	$
Revenue		
Grant income	**2,003,827**	1,615,079
Membership subscription	**456,782**	492,496
Workshops and seminars	**385,872**	386,908
ABA training	**111,294**	148,875
Endorsement, sponsorship & advertising	**142,171**	92,705
Donations	**112,138**	115,632
Breastfeeding friendly workplaces	**130,726**	180,152
Equipment hire	**56,223**	67,602
Sale of goods	**129,783**	87,063
Government assistance	**291,277**	-
Other revenue	**25,991**	14,571
	3,846,084	3,201,083
Other income		
Interest income	**9,634**	14,274
Total revenue	**3,855,718**	3,215,357

(b) Other expenses

	2020	2019
Training ABA volunteers	**339,474**	345,871
Membership expenses	**49,321**	36,492
Membership offers & promotion	**32,645**	37,764
Workshop and seminar expenses	**346,424**	273,618
National Breastfeeding Helpline	**503,494**	445,745
BFW expenses	**2,610**	10,797
Other funded project expenses	**64,051**	30,274
Office administration	**110,598**	23,051
Information technology	**80,915**	95,847
Other expenses	**86,454**	92,049
	1,615,986	1,391,508

6 Cash and Cash Equivalents

	2020 $	2019 $
Cash on hand	**93**	133
Bank balances	**2,373,267**	1,287,832
Short-term deposits	**438,863**	496,441
	2,812,223	1,784,406

7 Trade and other receivables

CURRENT		
Trade receivables	**35,878**	195,165
Other receivables	**169,929**	52,331
Total current trade and other receivables	**205,807**	247,496

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Inventories

CURRENT		
At cost:		
Books, manuals and publications	**89,412**	67,336

9 Property, plant and equipment

Plant and equipment		
At cost	**153,789**	153,789
Accumulated depreciation	**(143,050)**	(130,444)
Total plant and equipment	**10,739**	23,345
Furniture, fixtures and fittings		
At cost	**312,359**	309,143
Accumulated depreciation	**(292,668)**	(279,899)
Total furniture, fixtures and fittings	**19,691**	29,244
Total property, plant and equipment	**30,430**	52,589

Notes to the Financial Statements

For the Year Ended 30 June 2020

9 Property, plant and equipment

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Furniture, Fixtures and Fittings	Total
	$	$	$
Year ended 30 June 2020			
Balance at the beginning of year	**23,345**	**29,244**	**52,589**
Additions	**-**	**5,277**	**5,277**
Depreciation expense	**(12,606)**	**(14,830)**	**(27,436)**
Balance at the end of the year	**10,739**	**19,691**	**30,430**

10 Intangible Assets

	2020	2019
	$	$
Software database		
Cost	**312,062**	312,062
Accumulated amortisation	**(303,129)**	(297,962)
	8,933	14,100

(a) Movements in carrying amounts of intangible assets

	Software database	Total
	$	$
Year ended 30 June 2020		
Balance at the beginning of the year	**14,100**	**14,100**
Amortisation	**(5,167)**	**(5,167)**
Closing value at 30 June 2020	**8,933**	**8,933**

11 Other Assets

	2020	2019
	$	$
CURRENT		
Prepayments	**2,093**	25,415

Notes to the Financial Statements

For the Year Ended 30 June 2020

12 Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

The Company has chosen not to apply AASB 16 to leases of intangible assets.

Terms and conditions of leases

The Company leases office buildings for their corporate offices and other activities, the leases are generally between 3 - 5 years and some of the leases include a renewal option to allow the Company to renew for up to twice the non-cancellable lease term.

The Company has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability.

Right-of-use assets

	Buildings	Total
	$	$
Year ended 30 June 2020		
Balance recognised at 1 July 2019	**273,711**	**273,711**
Amortisation charge	**(134,732)**	**(134,732)**
Balance at end of year	**138,979**	**138,979**

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 Year	1-5 Years	Total undiscounted lease liabilities	Lease liabilities included in this statement of financial position
	$	$	$	$
2020				
Lease liabilities	125,886	15,031	140,917	138,255

Notes to the Financial Statements

For the Year Ended 30 June 2020

13 Trade and Other Payables

	2020	2019
	$	$
CURRENT		
Trade payables	**152,400**	149,519
GST payable	**107,858**	3,918
Other payables and accruals	**45,327**	128,471
PAYG payable	**34,132**	14,402
Superannuation payable	**15,247**	10,835
	354,964	307,145

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

14 Other Financial Liabilities

	2020	2019
CURRENT		
Deferred government grants	**806,756**	260,595
Deferred membership income	**225,028**	248,366
Other income received in advance	**146,944**	149,390
Total	**1,178,728**	658,351
NON-CURRENT		
Deferred membership income	**18,077**	24,594

15 Employee Benefits

	2020	2019
Current liabilities		
Long service leave	**99,190**	74,864
Annual and time in lieu leave	**140,331**	133,794
	239,521	208,658
Non-current liabilities		
Long service leave	**20,009**	19,253

16 Leasing Commitments

(a) Operating leases

	2020	2019
	$	$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**4,697**	167,680
- between one year and five years	**2,348**	125,780
	7,045	293,460

Operating leases are in place for photocopiers and normally have a term of 3 years. Lease payments are increased on an annual basis to reflect market rentals. Property leases have been recognised on the balance sheet due to the application of AASB 16.

17 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $ 20 each towards meeting any outstandings and obligations of the Company. At 30 June 2020 the number of members was 1,508 (2019: 1,673).

18 Key Management Personnel Disclosures

The total remuneration, including termination payments, paid to key management personnel of the Company is $ 142,038 (2019: $ 154,747).

19 Auditors' Remuneration

	2020	2019
Remuneration of the auditor LDAssurance, for:		
- auditing and assistance with the preparation of the financial statements	**26,000**	26,000

20 Contingencies

Contingent Liabilities

	2020	2019
Guarantees in respect of the Association’s premises rental agreement, secured by a term deposit	**23,345**	10,842

21 Events after the end of the Reporting Period

In March 2020, COVID-19 was declared a global pandemic by the World Health Organisation. This is expected to have an impact on the company's operations and cash flows in the 2020/21 financial year. The extent of the impact on the 2020/21 financial year cannot yet be determined.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

22 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	$	$
Profit for the year	**378,484**	(23,961)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation & amortisation	**167,335**	62,356
- lease interest	**5,795**	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**41,688**	(119,776)
- (increase)/decrease in prepayments	**23,322**	49,815
- (increase)/decrease in inventories	**(22,076)**	(8,533)
- increase/(decrease) in income in advance	**513,860**	165,829
- increase/(decrease) in trade and other payables	**47,820**	(28,379)
- increase/(decrease) in employee benefits	**31,620**	37,910
Cashflows from operations	**1,187,848**	135,261

(b) Borrowing facilities

The following facilities were available at the end of the reporting period:

	2020	2019
Total facilities		
Credit Card	**-**	10,000
Used at reporting date		
Credit Card	**-**	3,486
Unused at reporting date		
Credit Card	**-**	6,514

23 Statutory Information

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

Australian Breastfeeding Association
Suite 2
Level 3, 150 Albert Street
South Melbourne Vic 3205

Australian Breastfeeding Association

ABN 64 005 081 523

Directors' Declaration

The Directors of the Company declare that:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Margaret Grove	Karin Ellison
President	Treasurer

Dated: 1 November 2020

LDAssurance
CHARTERED ACCOUNTANTS

LDAssurance Pty Ltd
Level 6, 330 Collins Street
Melbourne Victoria 3000
TELEPHONE +61 3 9988 2090
www.ldassurance.com.au
ABN 89 146 147 202

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

Report on the Audit of the Financial Report

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 2020, 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 2020 and of its performance for the year ended on that date; and
(b) complying with Australian accounting standards and Division 60 of the *Australian Charities and Not-For-Profit 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Stephen O'Kane – Partner
Dated this 4th day of November 2020
330 Collins Street, Melbourne.