

Australian Breastfeeding Association and Controlled Entity

ABN 64 005 081 523

Financial Statements

For the Year Ended 30 June 2017

Australian Breastfeeding Association and Controlled Entity

ABN 64 005 081 523

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Australian Breastfeeding Association and Controlled Entity

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Directors' Report

30 June 2017

The Directors present their report on the Australian Breastfeeding Association (Association) and its controlled entity (group) for the financial year ended 30 June 2017.

Directors

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

Susan Day

Grace Corbiau (elected on 25 November 2016)

Rachel Fuller (term ended on 25 November 2016)

Judith Gifford (appointed on 20 June 2017)

Robyn Hamilton

Deborah Holtham

Sarah Lowndes

Elizabeth Oei (appointed on 30 June 2017)

Louise Pennisi

Leanne Taylor (resigned on 26 May 2017)

Cate Uhe (resigned on 30 October 2016)

Scott Williams

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 2013-2016 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.

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
- Governance and organisational development.

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Directors' Report

30 June 2017

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 consolidated profit of the Group amounted to \$ 289,563 (2016: \$ 113,138). This result takes into account the operations of the Association (the Association National Head Office and its Branches) and Mothers Direct Pty Ltd ("the Consolidated Entity" or "the group"). Mothers Direct was closed during the 2014/15 financial year and is expected to be formally wound up in the 2017/18 financial year.

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	Susan Day
Qualifications	Adv Dip Management, IBCLC, Diploma of Breastfeeding Management, Cert IV TAE Cert IV Breastfeeding (Counselling), Cert IV Breastfeeding (Community)
Special Responsibilities	President (from 25 November 2016) Vice President (until 24 November 2016)

Director	Grace Corbiau (elected on 25 November 2016)
Qualifications	LLM (Public International Law), BA Hons (International Relations)

Director	Rachel Fuller (term ended on 25 November 2016)
Qualifications	IBCLC, Cert IV TAE, Cert IV Breastfeeding (Counselling), Cert IV Breastfeeding (Community) Cert III Advertising Studies (Media)
Special Responsibilities	President (until 24 November 2016)

Director	Judith Gifford (appointed on 20 June 2017)
Qualifications	BA (Hons) Dip Ed, Cert 1V Breastfeeding (Counselling), Cert 1V Breastfeeding (Community)

Director	Robyn Hamilton
Qualifications	M App Sc (Library & Info Mgt), Grad Dip Lib Sc, BA (Hons) Musicology, Cert IV AWT, Cert IV Breastfeeding (Counselling), Cert IV Breastfeeding (Community)
Special Responsibilities	Honorary Secretary (from 27 November 2015)

Director	Deborah Holtham
Qualifications	MBA (Tech Mgt), BEng (Elec)

Director	Sarah Lowndes
Qualifications	BEc, MArts (Public Policy and Management), GAICD
Special Responsibilities	Honorary Treasurer

Director	Elizabeth Oei (appointed on 30 June 2017)
Qualifications	BA, Dip Ed, Breastfeeding Counsellor

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Directors' Report

30 June 2017

Information on Directors (continued)

Director	Louise Pennisi
Qualifications	LLB/BA (Italian & Japanese) LLM TEP GAICD, GIA (Cert) Vice President (from 25 November 2016)
Director	Leanne Taylor (Resigned on 26 May 2017)
Qualifications	BA, Dip Ed, Grad Dip Psych, Post-grad Dip Psych, Cert IV TAE, Cert IV Breastfeeding (Counselling), Cert IV Breastfeeding (Community)
Director	Cate Uhe (resigned on 30 October 2016)
Qualifications	BSc(Hons), Grad Dip Ed, Dip Business Management, Dip Breastfeeding Management, Cert IV TAE, Cert IV Breastfeeding (Counselling), Cert IV Breastfeeding (Community)
Director	Scott Williams
Qualifications	Exec MBA, Masters Advanced Practice Nursing, BA Paediatric Nursing, GAICD

Meetings of Directors

During the financial year, 6 meetings of Directors including committees of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
S Day	8	8
G Corbiau (elected on 25 November 2016)	5	5
R Fuller (term ended on 25 November 2016)	3	3
J Gifford (appointed on 20 June 2017)	--	--
R Hamilton	8	8
D Holtham	8	7
S Lowndes	8	8
E Oei (appointed on 30 June)	-	-
L Pennisi	8	8
L Taylor (resigned on 26 May 2017)	5	4
C Uhe (resigned on 30 October 2016)	3	3
S Williams	8	6

Membership

The Association has only 1 class of membership and on wind up each member must contribute \$20 amounting to a total contribution by members of \$34,800 (2016: \$39,220).

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Directors' Report

30 June 2017

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:



Director:

Susan Day
President



Director:

Sarah Lowndes
Honorary Treasurer

Dated this 3rd day of November 2017

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 2017, 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.

ShineWing Australia

ShineWing Australia
Chartered Accountants

Hayley Underwood

Hayley Underwood
Partner

Melbourne, 3 November 2017

Australian Breastfeeding Association and Controlled Entity

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Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2017

		Consolidated	
	Note	2017	2016
		\$	\$
Revenue	2(a)	3,299,912	3,541,589
Cost of sales		(35,728)	(181,264)
Employee expenses		(1,409,956)	(1,426,595)
Depreciation and amortisation expense		(49,128)	(72,042)
Occupancy expenses		(120,194)	(122,137)
Other expenses	2(b)	(1,395,343)	(1,639,374)
Surplus before income tax		289,563	100,177
Income tax expense	1(c)	-	-
Surplus from continuing operations		289,563	100,177
Surplus/(loss) from discontinued operations		-	12,961
Surplus/(loss) for the year		289,563	113,138
Other comprehensive income		-	-
Total comprehensive income for the year		289,563	113,138

The accompanying notes form part of these financial statements.

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Consolidated Statement of Financial Position As At 30 June 2017

		Consolidated	
		2017	2016
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,815,593	1,707,525
Trade and other receivables	5	123,360	76,356
Inventories	6	71,867	77,097
Prepayments	7	29,426	28,607
TOTAL CURRENT ASSETS		<u>2,040,246</u>	<u>1,889,585</u>
NON-CURRENT ASSETS			
Intangible assets	8	53,266	71,065
Plant and equipment	9	52,350	65,138
TOTAL NON-CURRENT ASSETS		<u>105,616</u>	<u>136,203</u>
TOTAL ASSETS		<u>2,145,862</u>	<u>2,025,788</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	342,086	216,964
Provisions	11	172,405	240,971
Deferred Liabilities	12	699,290	588,615
TOTAL CURRENT LIABILITIES		<u>1,213,781</u>	<u>1,046,550</u>
NON-CURRENT LIABILITIES			
Long-term provisions	11	14,812	305,740
Other liabilities	12	11,889	57,681
TOTAL NON-CURRENT LIABILITIES		<u>26,701</u>	<u>363,421</u>
TOTAL LIABILITIES		<u>1,240,482</u>	<u>1,409,971</u>
NET ASSETS		<u>905,380</u>	<u>615,817</u>
EQUITY			
Retained earnings		<u>905,380</u>	<u>615,817</u>
Total equity		<u>905,380</u>	<u>615,817</u>

The accompanying notes form part of these financial statements.

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Consolidated Statement of Changes in Equity For the Year Ended 30 June 2017

	Consolidated	
	Retained Earnings	Total Equity
	\$	\$
Balance at 30 June 2015	502,679	502,679
Total comprehensive profit for the year	113,138	113,138
Balance at 30 June 2016	<u>615,817</u>	<u>615,817</u>
Total comprehensive profit for the year	289,563	289,563
Balance at 30 June 2017	<u>905,380</u>	<u>905,380</u>

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows For the Year Ended 30 June 2017

	Consolidated	
	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and customers	1,791,980	1,719,787
Grant receipts	1,648,925	1,496,225
Interest received	14,282	20,338
Receipts from other sources	-	26,487
Payments to suppliers and employees	(3,282,660)	(3,536,686)
Net cash provided by/(used in) operating activities	13 <u>172,527</u>	<u>(273,849)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible asset	(16,545)	(6,180)
Payment for plant and equipment	(32,733)	(36,223)
Payment for Other Non Current Assets	(12,397)	
Payment to ACT NSW region for discontinuation of operation, net of cash	-	-
Net cash used by investing activities	<u>(61,675)</u>	<u>(42,403)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Repayments)/Proceeds from related party payables	<u>(2,784)</u>	6,228
Net cash (used in)/provided by financing activities	<u>(2,784)</u>	<u>6,228</u>
Net increase/(decrease) in cash and cash equivalents held	108,068	(310,024)
Cash and cash equivalents at beginning of year	<u>1,707,525</u>	<u>2,017,549</u>
Cash and cash equivalents at end of financial year	4 <u>1,815,593</u>	<u>1,707,525</u>

The accompanying notes form part of these financial statements.

Australian Breastfeeding Association and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2017

The financial report covers Australian Breastfeeding Association and its controlled entities ('the Group'). 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 on 3 November 2017.

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 consolidated financial statements include the financial position and performance of controlled entity from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

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

Separate financial statements for Australian Breastfeeding Association as an individual entity are no longer presented as a consequence of a change to the *Corporations Act 2001*, however, limited financial information for Australian Breastfeeding Association as an individual entity is included in Note 19.

In accordance with advice and practice of previous audits, and with the belief that the amounts were not material the consolidated financial statements do not include the financial position of the Groups or Regions of the Australian Breastfeeding Association. As a matter of governance this policy will be reviewed by the Directors of the Australian Breastfeeding Association during the 2017/18 financial year. The Directors anticipate that the review of the policy may have an impact on the group's financial statements, however it is impracticable at this stage to provide a reasonable estimate of such impact.

(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.

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Notes to the Financial Statements

For the Year Ended 30 June 2017

(b) Revenue recognition (continued)

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

When grant revenue is received whereby the entity 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 consolidated 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 consolidated statement of financial position, with a corresponding amount of income recognised in the consolidated statement of profit or loss and other comprehensive income.

(c) Income Tax

The Association and its controlled entity are exempt from income tax in accordance with Subdivision 50-A (Income Tax Assessment Act 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.

(f) Loans and Receivables

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

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Notes to the Financial Statements

For the Year Ended 30 June 2017

(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:

Fixed asset class	Depreciation rate
Plant and Equipment	20-40%

(j) Impairment of Assets

At each reporting date, the consolidated 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 consolidated 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.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2017

(k) Payables

Trade payables and other accounts payable are recognised when the consolidated entity 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 group 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 consolidated statement of financial position are shown inclusive of GST.

Cash flows in the consolidated 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 group.

Key judgements - *Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal company policy that requires annual leave to be used within 18 months), the Directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

Australian Breastfeeding Association and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2017

(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 company has decided not to early adopt any of the new and amended pronouncements. The company'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 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non financial items. Should the company elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- 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.

Although the Directors anticipate that the adoption of AASB 16 will impact the group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

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Notes to the Financial Statements

For the Year Ended 30 June 2017

(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 2018).

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 group'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 1st 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 group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

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Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Result for the Year

	Consolidated	
	2017	2016
	\$	\$
(a) Revenue and Other Income		
Revenue		
Grant income	1,458,383	1,741,813
Subscription	615,486	666,643
Workshops and seminars	397,616	233,767
ABA training including branch conferences	123,274	155,115
Raffle	96,093	103,004
Endorsement, sponsorship and advertising	104,370	57,080
Donations	126,649	107,881
Breastfeeding Friendly Workshops	130,846	117,904
Equipment hire	146,995	49,724
Shop sales	22,045	-
Other revenue	63,873	288,320
	<u>3,285,630</u>	<u>3,521,251</u>
Other income		
Interest income	14,282	20,338
	<u>14,282</u>	<u>31,314</u>
Total revenue	<u>3,299,912</u>	<u>3,541,589</u>
(b) Other Expenses		
Training ABA volunteers	298,913	429,620
Membership services	68,739	103,237
Membership offers and promotion	46,365	48,015
Raffle expenses	48,131	59,724
Workshops and seminars offered outside ABA	268,395	183,742
National Breastfeeding Helpline	425,706	429,928
Breastfeeding Friendly Workplaces	19,196	26,041
Other funded project expenses	28,401	70,716
Office administration and overheads	164,601	62,838
Bad and doubtful debts expenses	47,640	-
Reversal of onerous lease expense	(330,706)	-
Loss on sale of assets	41,881	-
Other expenses	270,081	255,513
Total other expenses	<u>1,395,343</u>	<u>1,639,374</u>

Australian Breastfeeding Association and Controlled Entity

ABN 64 005 081 523

Notes to the Financial Statements

For the Year Ended 30 June 2017

3 Remuneration of Auditors

	Consolidated	
	2017	2016
	\$	\$
Auditor of the Head Office and Mothers Direct		
Audit of the financial report	29,500	28,500
Audit of grant expenditure and raffle income	4,500	8,850
Other services	3,500	-
	<u>37,500</u>	<u>37,350</u>
Audit of the Branches		
Audit of the financial report	-	16,000
		<u>16,000</u>
4 Cash and Cash Equivalents		
Cash on hand	535	535
Cash at bank	1,815,058	1,706,990
	<u>1,815,593</u>	<u>1,707,525</u>
5 Trade and Other Receivables		
CURRENT		
Trade receivables	158,220	68,055
Allowance for doubtful debts	(50,000)	-
Other receivables	5,385	8,301
Goods and services (GST) receivable	9,755	-
	<u>123,360</u>	<u>76,356</u>
6 Inventories		
CURRENT		
Finished goods	71,867	77,097
	<u>71,867</u>	<u>77,097</u>
7 Other Assets		
CURRENT		
Prepayments	29,426	28,607
	<u>29,426</u>	<u>28,607</u>
8 Intangible Assets		
Software database:		
At cost	303,976	287,432
Amortisation	(250,710)	(216,367)
	<u>53,266</u>	<u>71,065</u>

Australian Breastfeeding Association and Controlled Entity

ABN 64 005 081 523

Notes to the Financial Statements

For the Year Ended 30 June 2017

9 Property, Plant and Equipment

	Consolidated	
	2017	2016
	\$	\$
PLANT AND EQUIPMENT		
At cost	452,827	491,699
Accumulated depreciation	(400,477)	(426,561)
	<u>52,351</u>	<u>65,138</u>

10 Trade and Other Payables

CURRENT		
Trade payables	150,852	103,611
Goods and services tax (GST) payable	-	8,735
Other	191,234	104,618
	<u>342,086</u>	<u>216,964</u>

11 Provisions

CURRENT		
Onerous lease	-	57,500
Employee provisions	172,405	183,471
	<u>172,405</u>	<u>240,971</u>
NON-CURRENT		
Onerous lease	-	297,595
Employee provisions	14,812	8,145
	<u>14,812</u>	<u>305,740</u>

The provision for onerous contracts relates to the future net cash outflows expected to be incurred on the remaining lease term of the Mothers Direct retail site, which was closed in April 2015. A provision was recognised as the expected benefits to be derived from the contract are less than the unavoidable cost of meeting the contract obligations. During the financial year, the provision for onerous lease was reversed when the lease was surrendered in November 2016.

Australian Breastfeeding Association and Controlled Entity

ABN 64 005 081 523

Notes to the Financial Statements

For the Year Ended 30 June 2017

12 Other Liabilities

	Consolidated	
	2017	2016
	\$	\$
CURRENT		
Deferred government grants	170,185	125,481
Deferred income, subscriptions	368,928	370,455
Other income received in advance	160,177	92,679
	<u>699,290</u>	<u>588,615</u>
NON-CURRENT		
Deferred income, subscriptions	-	43,008
Related Party Payables	11,889	14,673
	<u>11,889</u>	<u>57,681</u>

13 Cash Flow Information

(a) Reconciliation of surplus for the year to net cash flows from operating activities

	2017	2016
	\$	\$
Surplus for the year	289,563	113,138
Depreciation & amortisation	49,128	72,042
Inventories valuation	-	(3,400)
Bad and doubtful debts	47,640	(2,430)
Loss on sale of assets	41,880	-
Reversal of onerous leases	(330,706)	-
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	(104,637)	9,274
Current inventories	3,587	24,418
Other current assets	(3,306)	(1,764)
Increase/(decrease) in liabilities:		
Current payables	140,499	(144,830)
Provisions	(28,788)	37,082
Other liabilities	67,667	(303,215)
Net cash inflow/(outflow) from operating activities	<u>172,527</u>	<u>(273,849)</u>

(b) There are no credit standby arrangements with banks.

(c) There were no non-cash financing or investing activities during the year.

(d) The cash and cash equivalents not immediately available to be utilised as they are held as security through term deposits by the bank for rental guarantee and credit card facilities are \$23,375 (2016:\$55,000).

Australian Breastfeeding Association and Controlled Entity

ABN 64 005 081 523

Notes to the Financial Statements

For the Year Ended 30 June 2017

14 Capital and Leasing Commitments

	Consolidated	
	2017	2016
	\$	\$
<u>Non-cancellable operating lease payments</u>		
Future operating lease rentals of premises and photocopier not provided for in the accounts, and payable:		
- not later than one year	78,826	80,420
- between one year and five years	245,098	299,820
- later than five years	370,809	204,631
	694,733	584,871

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 end of the four-year term for an additional term of four years. The photocopiers are on a five-year lease term.

15 Contingent Liabilities

	Consolidated	
	2017	2016
	\$	\$
Guarantees in respect of the company's premises rental agreement, secured by a term deposit - face value	23,375	55,000

16 Members' Guarantee

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

If the Association is wound up, the Constitution states that each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the company. As at 30 June 2017 there were 1,740 members (2016: 1,961).

17 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 Group, the results of those operations, or the state of affairs of the Group in future financial years.

18 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 and Controlled Entity

ABN 64 005 081 523

Notes to the Financial Statements

For the Year Ended 30 June 2017

19 Parent Entity Information

The following details and information related to the parent entity, Australian Breastfeeding Association, at 30 June 2017. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2017	2016
	\$	\$
Statement of Financial Position		
ASSETS		
Current assets	2,040,246	1,889,585
Non-current assets	105,616	149,304
Total Assets	2,145,862	2,038,889
LIABILITIES		
Current liabilities	1,213,781	1,046,557
Non-current liabilities	26,701	363,421
Total Liabilities	1,240,482	1,409,978
EQUITY		
Retained earnings	905,380	628,911
Total Equity	905,380	628,911
Statement of Comprehensive Income		
Surplus for the year	289,563	100,177
Other comprehensive income for the year	-	-
Total comprehensive income for the year	289,563	100,177

The variance in the comparative equity positions from 2016 to 2017 relate to the consolidating elimination entries in 2016.

20 Related Party Information

(a) Parent entity

The parent entity within the group is Australian Breastfeeding Association, a company limited by guarantee and domiciled in Australia.

(b) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1(j):

Name of entity	Country of Incorporation	Equity holding	Equity holding
		(%)	(%)
		2017	2016
Mothers Direct Pty Ltd	Australia	100	100

Australian Breastfeeding Association and Controlled Entity

ABN 64 005 081 523

Directors' Declaration

The Directors have determined that the Association is not a reporting entity and that these 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:

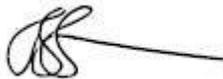
1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes of the consolidated entity as set out on pages 6 to 21, are in accordance with the *Australian 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 2017 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:



Director

Susan Day
President



Director

Sarah Lowndes
Honorary Treasurer

Dated this 3rd day of November 2017

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

Qualified Opinion

We have audited the financial report of Australian Breastfeeding Association ("the Company"), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company is 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 Company's financial position as at 30 June 2017 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 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

The financial performance and financial position of the Company do not include the assets and liabilities and operating results of the Groups or Regions that operate throughout Australia. The financial information of these Groups and Regions have never been consolidated refer to Note 1(a) in the financial report for further information. This view has now changed and the Groups or Regions should form part of the Company's financial performance and position. Due to the lateness of discovery, sufficient and appropriate audit evidence for the Groups and Regions was not presented to us to enable us to form an opinion. Accordingly, our opinion is qualified in respect to this limitation of scope.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described 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 the auditor independence 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.

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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the special purpose 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 Charities and Not-for Profits Commission Regulations 2013* and the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The director's responsibility also includes such internal control as the directors determine 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 special purpose financial report, the directors are responsible for assessing the ability of the Company 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 this financial report.

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

We 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.

We 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.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

We conclude on the appropriateness of the director's 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.

We 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 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them, all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

ShineWing Australia

ShineWing Australia
Chartered Accountants



Hayley Underwood
Partner

Melbourne, 3 November 2017