BEARS OF HOPE PREGNANCY & INFANT LOSS INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. Summary of significant accounting policies

(a) Basis of Preparation
The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative Amounts
Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

(c) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings
Land and buildings are measured using the cost model.

Depreciation
The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

(d) Inventories
Inventories are measured at the lower of cost and net realisable value.

(e) Financial instruments
Financial instruments are recognised initially using trade date accounting, i.e. on the date that the organisation becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets
Financial assets are divided into the following categories which are described in detail below:

• loans and receivables;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The organisation's trade and most other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.
Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the organisation renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the organisation does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial liabilities
Financial liabilities are recognised when the organisation becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities ‘at fair value through profit or loss’ or other financial liabilities depending on the purpose for which the liability was acquired.

The organisation‘s financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets
At the end of the reporting period the organisation assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost
If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

(f) Impairment of non-financial assets
At the end of each reporting period the organisation determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(g) Employee benefits
Provision is made for the organisation’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 settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(h) 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.

(i) Revenue and other income
All revenue is stated net of the amount of goods and services tax (GST).

Revenue is recognised to the extent that is probably that the economic benefits will flow to the organisation and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Events Revenue
In some cases, revenue is received in respect of an event that falls into the following financial year. In such cases, the revenue and any associated costs is deferred and recognised as deferred income.

Interest revenue
Revenue is recognised as interest accrues using the effective interest method. This is a method of calculation the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the

rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the net carrying amount of the financial asset.

Donated Goods
Goods are donated to be sold at auctions, or to be used in events or functions. In both cases, they are recognised as Revenue from Fundraising at their replacement cost, and expensed when the goods are sold, or otherwise used.

(j) Borrowing costs
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(k) Rounding of Amounts
The organisation has not applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report have not been rounded off to the nearest $1.

(l) Income Tax
No provision for income tax has been raised as the organisation is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(m) 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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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) Trade and Other Payables
Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the organisation during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Provisions
Provisions are recognised when the organisation has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(p) Deferred Income
Deferred Income, classified as current, consists of amounts received during the year in relation to fundraising events which are to be held in the following financial year.

(q) Key Judgments
Apportionment of employment costs
The costs of employing staff are allocated across the different core areas of the organisation's operations – administration, events and fundraising. Where a staff member is employed in a specific area (such as coordinating a particular event) the costs of their employment are allocated to that area. For staff not employed in a specific area, the costs of their employment allocated equally across the different areas of the organisation's operations.

(r) Going concern basis of accounting
At balance date, the organisation had a surplus of current assets over current liabilities and as a result the committee believes that the organisation remains a going concern, and that the going concern basis of accounting remains appropriate.

2. Key Management Personnel
The total remuneration paid to key management personnel of the organisation during the year is as follows:

Short-term employee benefits	68,589	50,000
Post-employment benefits	6,516	4,740
	$75,105	**$54,740**

3. Contingent liabilities

There are no contingent liabilities at date of this report.

4. Related party transactions

There were no transactions between related parties during the year other than remuneration paid to key management personnel.

5. Events Occurring After the Reporting Date
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the organisation, the results of those operations, or the state of affairs of the organisation in future financial years.

6. Segment Information
The organisation operates in one business and geographical segment, being the provision of material aid and assistance to families who experience the loss of their baby in Australia.

7. Significant changes in state of affairs
There have been no significant changes in the state of affairs of the organisation during the year.

8. Future developments and results
Likely developments in the operations of the organisation and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the organisation.

9. Environmental matters
The organisation's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Declaration of Financial Accuracy

The committee of Bears of Hope Pregnancy and Infant Loss Inc declare that:

(a) the statement of financial performance gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals;

(b) the statement of financial position gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals conducted by the organisation;

(c) the provisions of the Act, the regulations under the Act and the conditions attached to the authority have been complied with by the organisation; and

(d) the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the committee.

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President – Amanda Bowles **Vice President – Toni Tattis**

Dated 2016