

**The Infants' Home, Ashfield**  
**ABN: 71 174 918 661**  
**Financial Statements**  
**for the year ended**  
**31 December 2017**

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**THE INFANTS' HOME, ASHFIELD**

**ABN 71 174 918 661**

**Responsible entities details**

The following persons are Responsible entities of The Infants' Home, Ashfield during or since end of the financial year.

Mary Verschuier MBA, MScSoc, BAppSc, GAICD, President, member since 2008, resigned January 2015, returned November 2016.

Anthony Kutra BEc (Hons), MBA, FAICD, FAIM, member since 2008

Leah Fricke MBA, LLB(Hons), BA, FCIS, MAICD, member since 2012, resigned May 2017

Carolyn Swindell MA, BA(Hons), GAICD, member since 2012

Hugh Humphrey MBA, BCOMM(Economics&Marketing), member since 2015

Sandra Cheeseman PhD, PG Cert Research (EC), B.Ed, Dip Tch, member since 2015

Lindsay Smartt BA, FIAA, FNZSA, ASA, GAICD, Treasurer, member since 2016

Peter Hendy B.Econ(Hons), PhD, MAICD, FAIM, member since November 2017

Hilary Johnston-Croke B.Sc(Hons), Cert Ed, M.Ed, Grad.Dip Min, MACE, MACEA, GAICD, member since November 2017

Denise Taylor M.Ed, Dip Tch, Cert Tch, Grad Dip Sch Lib, FAICD, FAIM, Immediate Past President, member since 2010, resigned July 2017

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## Auditor's independence declaration To the Responsible Entities of The Infants' Home Ashfield

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of The Infants' Home Ashfield for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



James Winter  
Partner - Audit & Assurance

Sydney, 28 March 2018

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**The Infants' Home, Ashfield**  
**ABN: 71 174 918 661**

**Statement of Profit or Loss and Other Comprehensive Income**  
**for the year ended 31 December 2017**

	Note	2017	2016
		\$	\$
<b>Revenue from operations excluding other income</b>			
Government grants for operating purposes	2	628,997	772,263
Charges & fees	3	8,198,974	8,255,526
Interest on investment	4	34,473	30,113
Dividends - other parties		208,178	109,595
Donations & fundraising	5	361,363	423,120
Sundry operating income	6	143,577	150,244
<b>Total</b>		<u>9,575,562</u>	<u>9,740,861</u>
<b>Expenditure from operating activities</b>			
Employee costs	7	7,975,375	7,935,352
Materials & services	8	1,265,515	1,108,830
Depreciation		333,059	341,223
Finance costs	9	42,035	99,663
<b>Total expenditure from operating activities</b>		<u>9,615,984</u>	<u>9,485,068</u>
<b>Net Surplus/(Deficit) for the year before other revenue and realised loss</b>		<u>(40,422)</u>	<u>255,793</u>
<b>Other Revenue &amp; realised loss</b>			
Government grants for capital use purposes	2	15,000	20,000
Bequests		923	156,637
Donations for capital use purposes		-	50,000
Realised loss		(8,926)	(44,337)
		<u>6,997</u>	<u>182,300</u>
<b>Net Surplus/(Deficit) for the year</b>		<u>(33,425)</u>	<u>438,093</u>
<b>Other comprehensive income</b>			
Net change in fair value of available-for-sale financial asset		134,169	77,142
Total other comprehensive income for the year		<u>134,169</u>	<u>77,142</u>
<b>Total comprehensive income for the year</b>		<u>100,744</u>	<u>515,235</u>

The accompanying notes form part of the financial statements.

**The Infants' Home, Ashfield**  
**ABN: 71 174 918 661**

**Statement of Financial Position**  
**for the year ended 31 December 2017**

	Note	2017 \$	2016 \$
<b>Current Assets</b>			
Cash and cash equivalents	10	680,992	1,240,854
Trade and other receivables	11	223,217	240,666
Prepayments		77,007	42,805
<b>Total Current Assets</b>		<u>981,216</u>	<u>1,524,325</u>
<b>Non-Current Assets</b>			
Financial assets	12	4,128,626	3,800,117
Property, plant & equipment	13	9,581,117	9,172,168
<b>Total Non-Current Assets</b>		<u>13,709,743</u>	<u>12,972,285</u>
<b>Total Assets</b>		<u>14,690,959</u>	<u>14,496,610</u>
<b>Current Liabilities</b>			
Trade and other payables	14	1,230,183	1,123,025
Provisions	15	585,170	590,145
<b>Total Current Liabilities</b>		<u>1,815,353</u>	<u>1,713,170</u>
<b>Non-Current Liabilities</b>			
Trade and other payables	14	26,644	34,875
Provisions	15	229,585	229,932
<b>Total Non-Current Liabilities</b>		<u>256,229</u>	<u>264,807</u>
<b>Total Liabilities</b>		<u>2,071,582</u>	<u>1,977,977</u>
<b>Net Assets</b>		<u>12,619,377</u>	<u>12,518,633</u>
<b>Funds</b>			
Available-for-sale reserve	21	326,588	192,419
Accumulated funds		12,292,789	12,326,214
<b>Total Funds</b>		<u>12,619,377</u>	<u>12,518,633</u>

The accompanying notes form part of the financial statements.

**The Infants' Home, Ashfield**  
**ABN: 71 174 918 661**

**Statement of Changes In Equity**  
**for the year ended 31 December 2017**

	<b>Accumulated Funds</b>	<b>Available-for-sale reserve</b>	<b>Total Funds</b>
	\$	\$	\$
At 1 January 2016	11,888,121	115,277	12,003,398
Surplus for the year	438,093	-	438,093
Other comprehensive income - revaluation decrement	-	77,142	77,142
<b>At 31 December 2016</b>	<u>12,326,214</u>	<u>192,419</u>	<u>12,518,633</u>
Surplus/(Deficit) for the year	(33,425)	-	(33,425)
Other comprehensive income - revaluation increment	-	134,169	134,169
<b>At 31 December 2017</b>	<u>12,292,789</u>	<u>326,588</u>	<u>12,619,377</u>

The accompanying notes form part of the financial statements

**The Infants' Home, Ashfield**  
**ABN: 71 174 918 661**

**Statement of Cash Flows**  
**for the year ended 31 December 2017**

	Note	2017 \$	2016 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from fees & charges and grants, fundraising & other income		11,119,166	11,337,620
Receipts from government capital grants		16,500	20,000
Payments to suppliers and employees		(11,351,300)	(11,100,405)
Interest expense paid		<u>(4,846)</u>	<u>(66,343)</u>
Operating Cashflows before donations, bequests and fundraising and capital grants		(220,480)	190,872
Donations, bequests & fundraising		362,287	629,758
Net cash from operating activities	19	<u>141,807</u>	<u>820,630</u>
<b>Cash Flows from Investing Activities</b>			
Proceeds from disposals of investments		1,101,788	720,947
Purchase of investments		(1,296,128)	(797,456)
Interest received		22,072	30,903
Dividend received		195,059	106,474
Proceeds from disposals of plant & equipment		500	-
Payment for plant & equipment		<u>(724,960)</u>	<u>(100,808)</u>
Net cash used in investing activities		<u>(701,669)</u>	<u>(39,940)</u>
<b>Cash Flows from Financing Activities</b>			
Repayment of loans		<u>-</u>	<u>(1,000,000)</u>
Net cash used in financing activities		<u>-</u>	<u>(1,000,000)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(559,862)</u>	<u>(219,310)</u>
Cash and cash equivalents at the beginning of the financial year		<u>1,240,854</u>	<u>1,460,164</u>
<b>Cash and Cash Equivalents at the end of the Financial Year</b>		<u>680,992</u>	<u>1,240,854</u>

The accompanying notes form part of the financial statements.

**The Infants' Home, Ashfield**  
**ABN: 71 174 918 661**

**Notes to the Financial Statements**  
**for the year ended 31 December 2017**

**Note 1 - Summary of Accounting Policies**

**Basis of Preparation**

The Infants' Home, Ashfield is a not-for-profit entity incorporated by NSW Act of Parliament – The Infants' Home Ashfield, Act 1924 and is domiciled in Australia. The entity is registered with the Australian Charities and Not-for-profits Commission (ACNC).

Its registered office and principal place of business is:

The Infants' Home, Ashfield  
17 Henry Street  
Ashfield NSW 2131

This financial report of the entity are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB - RDRs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB), and other authoritative pronouncements of the Australian Accounting Standards Board and complies with other requirements of Australian Charities and Not-for-profits Commission Act 2012.

The financial statements were authorised for issue by the Board of Directors on 28 March 2018.

**Adoption of New and Revised Accounting Standards**

The entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

**Reporting Basis and Conventions**

The financial statements have been prepared on an accruals basis and are based on historical cost and, except where stated, do not take into account changing money values and current valuations of non-current assets. Cost is the amount of cash paid or the fair values of the consideration given in exchange for assets.

**Presentation currency**

These financial statements are presented in Australian dollars (\$).

The following is a summary of the material accounting policies adopted by The Infants' Home, Ashfield in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

**Significant accounting policies**

**a) Cash and cash equivalents**

For purposes of the Statement of Cash Flows, cash includes short-term money market securities, deposits at call and deposits in bank accounts with an original maturity of 3 months or less, which are readily convertible to cash on hand and subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

**b) Trade receivables**

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms of 28 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the entity will not be able to collect all amounts due according to the original terms.



**Notes to the Financial Statements**  
**for the year ended 31 December 2017**

**Note 1 - Summary of accounting policies (continued)**

**c) Property, Plant and Equipment**

Assets acquired are carried at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition, less any accumulated depreciation and impairment losses. Where an item of property, plant or equipment is disposed of, the gain or loss recognised in profit or loss is calculated as the difference between the net sales price and the carrying amount of the asset. Capital works in progress include expenditure in relation to construction of an asset that is still in its construction phase and is not yet ready for use. When the construction is complete and the asset is commissioned, it is transferred to the relevant asset classification.

**d) Depreciation**

Depreciation is provided on property, furniture, plant and equipment, including improvements to the buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life.

The following estimated useful lives are used in the calculation of depreciation:

- |                                  |               |
|----------------------------------|---------------|
| · Buildings and improvements     | 10 - 40 years |
| · Furniture, plant and equipment | 3 - 10 years  |

**e) Impairment of Assets**

At each reporting date the entity reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. For the purpose of assessing value in use, this represents depreciated current replacement costs as the entity is a not-for-profit entity.

**f) Financial instruments**

Financial instruments are recognised initially at fair value plus transaction costs, financial instruments not at fair value are recognised through profit or loss. Subsequent to initial recognition these instruments are measured as set out below.

A financial instrument is recognised if the entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the entity's contractual rights to the cash flows from the financial assets expire or if the entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are recognised on trade-date, i.e. the date that the entity commits itself to purchase or sell the asset.

**Loans and receivables**

Loans and receivables consist of term deposits which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

**Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Available-for-sale financial assets are reflected at fair market value. Unrealised gains and losses arising from changes in fair value are taken directly to equity. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses from investments.

**Notes to the Financial Statements**  
**for the year ended 31 December 2017**

**Note 1 - Summary of accounting policies (continued)**

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments.

**Impairment**

At each reporting date the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on financial instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

**g) Payables**

Trade payables and other accounts payables are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services. These amounts are unsecured and have repayment terms between 14-30 days.

**h) Employee Benefits**

A provision is made for the entity's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Other employees 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. Expected future payments are discounted using national government bond rates at reporting date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions required by law are made by the entity to employee's nominated superannuation funds or a default fund on their behalf and are charged as expenses when incurred.

**i) Leases**

Operating lease payments are charged to the statement of profit or loss and other comprehensive income in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

**j) Revenue**

Interest revenue is recognised as it accrues, using the effective interest method.

Dividend revenue is recognised on a receivable basis.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Government funding received for specific services is considered reciprocal and brought to account in accordance with AASB 118.

Other non-recurrent grants to The Infants' Home, Ashfield are recognised as income when control of the contribution or right to receive the contribution is obtained and it is probable that the economic benefits will flow to the entity in accordance with AASB 1004.

Donations and bequests are recognised as income as and only when received or deposited to the Home's bank account. As specified in the Charitable Fundraising Act 1991, donations from Clubs, members' donations and bequests are not treated as fundraising income when determining information required under the Act.

Donated Services: various services are donated to the Home. Donations in kind are not brought to accounts unless the amount is material and reliably measurable.

**The Infants' Home, Ashfield**  
**ABN: 71 174 918 661**

**Notes to the Financial Statements**  
**for the year ended 31 December 2017**

**Note 1 - Summary of accounting policies (continued)**

**k) Taxes**

Goods and Services Tax: Revenues, costs and assets are recognised net of the amount of GST except:

- Where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

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

The Infant's Home, Ashfield is as an income tax exempt charity.

**l) Comparatives**

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosure.

**m) Accounting standards issued but not yet effective**

There are no Australian Accounting Standards or Interpretations that have been issued since the reporting date, which are not yet effective that could have a significant impact on the financial statements of the The Infants' Home, Ashfield.

**n) Critical accounting estimates and judgements**

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Notes to the Financial Statements  
 for the year ended 31 December 2017

	2017	2016
	\$	\$
<b>Note 2 - Government grants for operating purposes</b>		
Australian Government		
Inclusion support subsidy	97,248	149,008
Professional development program	26,695	65,298
	<u>123,943</u>	<u>214,306</u>
NSW Government		
DEC ECEC funding	337,427	388,053
FaCS CGSP funding	131,845	128,315
DEC grant for Young children with disabilities	33,782	39,589
	<u>503,054</u>	<u>555,957</u>
Local Government		
Local councils	2,000	2,000
	<u>2,000</u>	<u>2,000</u>
	<u>628,997</u>	<u>772,263</u>
<b>Government grants for capital purposes</b>		
Australian Government		
DoLaR SCC Capital grant	-	20,000
	<u>-</u>	<u>20,000</u>
NSW Government		
Community Building Partnerships	15,000	-
	<u>15,000</u>	<u>-</u>
<b>Note 3 - Charges &amp; fees</b>		
Early Education and Care Centres		
Fees collected from families	4,374,815	4,303,901
Child care benefits and Rebates	2,805,545	2,832,987
	<u>7,180,360</u>	<u>7,136,888</u>
Family Day Care		
Administration fees	992,709	1,082,019
Enrolment fees	20,890	23,654
	<u>1,013,599</u>	<u>1,105,673</u>
Health Services		
Fees from customers and Health funds	5,015	12,965
	<u>5,015</u>	<u>12,965</u>
	<u>8,198,974</u>	<u>8,255,526</u>

**The Infants' Home, Ashfield**  
**ABN: 71 174 918 661**

**Notes to the Financial Statements**  
**for the year ended 31 December 2017**

		<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
<b>Note 4</b>	<b>- Interest on investment</b>		
	Interest income	34,473	30,113
		<u>34,473</u>	<u>30,113</u>
<b>Note 5</b>	<b>- Donations &amp; fundraising</b>		
	Donations & fundraising	130,467	251,608
	Grants	230,896	221,512
		<u>361,363</u>	<u>473,120</u>
<b>Note 6</b>	<b>- Sundry operating income</b>		
	Net gain on non current financial assets	37,858	38,423
	Sundry income	105,719	111,821
		<u>143,577</u>	<u>150,244</u>
<b>Note 7</b>	<b>- Employees cost</b>		
	Wages and salaries	6,294,018	6,347,566
	Employees' entitlements	646,984	580,016
	Superannuation	586,907	599,956
	Workers compensation	183,585	150,732
	Staff training	42,789	52,609
	Staff recruitment	105,255	57,498
	Contract staff	98,492	121,523
	Others	17,345	25,452
		<u>7,975,375</u>	<u>7,935,352</u>
<b>Note 8</b>	<b>- Materials &amp; services</b>		
	Audit fee	20,641	17,616
	Consumables	161,992	168,993
	Food & drink	284,163	270,039
	Insurance	59,565	56,664
	Light, gas & fuel	87,311	63,643
	Repairs & maintenance	116,862	77,695
	Scholarship expenses	137,543	129,270
	IT expenses	104,249	23,489
	Others	293,189	301,421
		<u>1,265,515</u>	<u>1,108,830</u>

**The Infants' Home, Ashfield**  
**ABN: 71 174 918 661**

**Notes to the Financial Statements**  
**for the year ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 9 - Finance costs</b>		
Interest expenses and loan account fees	4,846	66,343
Finance expenses	<u>37,189</u>	<u>33,320</u>
	<u><u>42,035</u></u>	<u><u>99,663</u></u>
<b>Note 10 - Cash and cash equivalents</b>		
Cash on hand	1,840	2,414
Cash at bank	<u>679,152</u>	<u>1,238,440</u>
	<u><u>680,992</u></u>	<u><u>1,240,854</u></u>
<b>Note 11 - Trade and other receivables - Current</b>		
Trade receivables	<u>186,670</u>	<u>176,661</u>
	186,670	176,661
Goods and services tax (GST) receivable	14,632	16,403
Other debtors-Accrued income	<u>21,915</u>	<u>47,602</u>
<b>Total trade and other receivables (net)</b>	<u><u>223,217</u></u>	<u><u>240,666</u></u>
<b>Note 12 - Non current financial assets</b>		
Available for Sale financial assets - managed funds, fixed interest securities and listed equity investments at fair value	<u>4,128,626</u>	<u>3,800,117</u>
	<u><u>4,128,626</u></u>	<u><u>3,800,117</u></u>

**The Infants' Home, Ashfield**  
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**Notes to the Financial Statements**  
**for the year ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 13 - Property, plant and equipment</b>		
Freehold land & buildings		
At cost	379,800	379,800
Improvement at cost	10,687,655	9,961,593
(Less Accumulated depreciation)	<u>(1,584,641)</u>	<u>(1,327,611)</u>
	<u>9,482,814</u>	<u>9,013,782</u>
Furniture & plant		
At cost	165,996	165,996
(Less Accumulated depreciation)	<u>(153,147)</u>	<u>(127,559)</u>
	<u>12,849</u>	<u>38,437</u>
Computer equipment at cost	289,426	276,488
(Less Accumulated depreciation)	<u>(236,571)</u>	<u>(213,822)</u>
	<u>52,855</u>	<u>62,666</u>
Equipment at cost	200,121	200,121
(Less Accumulated depreciation)	<u>(180,719)</u>	<u>(161,994)</u>
	<u>19,402</u>	<u>38,127</u>
Motor vehicles at cost	74,361	78,275
(Less Accumulated depreciation)	<u>(68,621)</u>	<u>(65,564)</u>
	<u>5,740</u>	<u>12,711</u>
Program area equipment at cost	49,271	45,676
(Less Accumulated depreciation)	<u>(41,814)</u>	<u>(39,231)</u>
	<u>7,457</u>	<u>6,445</u>
Total Property, Plant & Equipment	<u>9,581,117</u>	<u>9,172,168</u>

Notes to the Financial Statements  
 for the year ended 31 December 2017

	2017	2016
	\$	\$
<b>13 - Property, plant and equipment (continued)</b>		
<b>Note Reconciliation 2017</b>		
Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:		
Freehold land & buildings		
Carrying amount at beginning		
At cost	379,800	379,800
Improvements at cost	8,606,354	8,862,171
Additions	19,729	1,950
Transfer from Capital works in progress	536,983	-
Depreciation expense	(257,030)	(257,767)
	<u>9,285,836</u>	<u>8,986,154</u>
Furniture & plant		
Carrying amount at beginning		
At cost	38,437	64,026
Depreciation expense	(25,588)	(25,589)
	<u>12,849</u>	<u>38,437</u>
Computer equipment		
Carrying amount at beginning	62,666	33,158
Additions	12,937	57,625
Depreciation expense	(22,748)	(28,117)
	<u>52,855</u>	<u>62,666</u>
Equipment		
Carrying amount at beginning	38,127	49,712
Additions	-	8,725
Depreciation expense	(18,725)	(20,310)
	<u>19,402</u>	<u>38,127</u>
Motor vehicles at cost		
Carrying amount at beginning	12,711	16,879
Additions		2,000
Disposal		
cost	(3,914)	-
accumulated depreciation	3,327	-
Depreciation expense	(6,384)	(6,168)
	<u>5,740</u>	<u>12,711</u>
Program area equipment at cost		
Carrying amount at beginning	6,445	6,449
Additions	3,595	2,880
Depreciation expense	(2,583)	(2,884)
	<u>7,457</u>	<u>6,445</u>
Capital works in progress		
Carrying amount at beginning	27,628	-
Additions	706,333	27,628
transfer to buildings	(536,982)	-
	<u>196,979</u>	<u>27,628</u>
<b>Total Property, Plant &amp; Equipment</b>	<u><u>9,581,117</u></u>	<u><u>9,172,168</u></u>



**The Infants' Home, Ashfield**  
**ABN: 71 174 918 661**

**Notes to the Financial Statements**  
**for the year ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 14 - Trade and Other Payables</b>		
Fees in advance	194,462	139,509
Deferred grants	245,831	183,241
GST payable	12,373	12,240
Creditors & accruals	465,934	419,075
Lease liability - current	8,231	7,454
Enrolment deposits	303,352	361,506
<b>Total trade and other payables - current</b>	<u>1,230,183</u>	<u>1,123,025</u>
Lease liability - non current	26,644	34,875
<b>Total trade and other payables</b>	<u>1,256,827</u>	<u>1,157,900</u>
<b>Note 15 - Provisions</b>		
Annual leave	486,878	468,058
Long service leave	327,877	352,019
	<u>814,755</u>	<u>820,077</u>
Provision for employee benefits are represented by:		
Current	585,170	590,145
Non-current	229,585	229,932
	<u>814,755</u>	<u>820,077</u>
<b>Note 16 - Interest bearing loans and borrowings</b>		
Bank Loans secured	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
The bank loan was secured by a fixed and floating charge in favour of National Bank Australia over the property at 17 Henry Street Ashfield NSW 2131. The loan was paid out in 2016, but the loan facility is still open.		
<b>Note 17 - Leases</b>		
<b>Operating leases</b>		
Leasing Arrangements		
Operating leases relate to the Home's photocopy machines with lease terms of up to 5 years.		
Non-cancellable operating leases		
Not longer than 1 year	8,835	7,702
Longer than 1 year and not longer than 5 years	26,427	13,542
	<u>35,262</u>	<u>21,243</u>
<b>Finance leases</b>		
Leasing Arrangements		
Finance leases relate to the Home's telephone equipment with lease terms of up to 5 years.		
Not longer than 1 year	8,231	7,454
Longer than 1 year and not longer than 5 years	26,644	34,875
	<u>34,875</u>	<u>42,329</u>

**The Infants' Home, Ashfield**  
**ABN: 71 174 918 661**

**Notes to the Financial Statements**  
**for the year ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Note 18 - Economic dependency</b>		
The entity is significantly dependent on the Australian Government and NSW State Government for funding for the purpose of providing child and family services.		
<b>Note 19 - Reconciliation of cash flow</b>		
For the purposes of this Statement of Cash Flow		
Cash includes		
a) Cash on hand, net bank overdrafts; and		
b) Investments in money market instruments		
with less than three months to maturity		
Cash and cash equivalents at the end of the year is shown as:		
Cash at bank and on hand	<u>680,992</u>	<u>1,240,854</u>
<b>Reconciliation of Cash Flow from Operating Activities with Operating result from continuing operations</b>	(33,425)	438,093
Non-cash flows in operating surplus/(deficit):		
Depreciation	333,059	341,223
(Gain)/Loss on sale of investments	(28,932)	5,914
Loss on disposal	87	-
Adjustment to operating result from investing activities	(205,834)	(132,864)
Changes in assets & liabilities		
(Increase)/Decrease in receivables	17,449	4,121
(Increase)/Decrease in prepayments	(34,202)	43,235
Increase/(Decrease) in trade creditors & accruals	98,927	55,750
Increase/(Decrease) in provisions	(5,322)	65,158
<b>Net cash flows from operating activities</b>	<u><b>141,807</b></u>	<u><b>820,630</b></u>

**Note 20 Key management personnel compensation**

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity.

Key Management Persons (KMP) have been taken to comprise the Directors and the Chief Executive Officer who is responsible for the day to day financial and operational management of the entity. Directors who acted for the entity during the financial year are listed in the Directors' report.

Directors receive no compensation for their services.

The aggregate compensation of Key Management Persons during the year comprising amounts paid or payable or provided for was as follows:

Total compensation	<u>214,714</u>	<u>216,400</u>
	<u>214,714</u>	<u>216,400</u>

**The Infants' Home, Ashfield**

ABN: 71 174 918 661

**Notes to the Financial Statements  
for the year ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Note 21 Available-for-sale financial assets revaluation reserve</b>		
Balance at start of year	192,419	115,277
Revaluation of financial assets (including reduction in reserve on disposal of investments)	134,169	77,142
Balance at end of year	<u>326,588</u>	<u>192,419</u>

**Note 22 Contingent liabilities**

A minor capital upgrade grant for the sum of \$114,686 was received in June 2009 from NSW Department of Education and Training, which may be repayable should the entity cease operations prior to June 2029. No provision has been made.

**Note 23 Fundraising income and expenses**

For the purposes of the Charitable Fundraising Act 1991, fundraising excludes bequests, donations from clubs, and donations from existing members.

**Details of aggregate gross income and total expenses in fundraising appeals**

Gross proceeds from fundraising appeals		
Fete and Events	8,279	28,731
Appeal for capacity building	-	-
Appeal for capital projects	34,372	75,000
Appeal for early intervention	272,613	312,274
	<u>315,264</u>	<u>416,005</u>
Fundraising costs		
Fete and Events	7,417	16,726
Appeal for capacity building	3,442	2,691
Appeal for capital projects	6,883	4,038
Appeal for early intervention	165,193	130,552
Less Total costs of fundraising	<u>182,935</u>	<u>154,007</u>
Net surplus from fundraising	<u>132,329</u>	<u>261,998</u>
<b>Application of funds for charitable purpose</b>		
Opening balance	-	-
Net proceeds from fundraising for the year	132,329	261,998
Capital project	(27,489)	(70,962)
Early Intervention, centres improvement and equipments	(104,840)	(191,036)
Closing balance	<u>-</u>	<u>-</u>

**THE INFANTS' HOME, ASHFIELD**  
ABN 71 174 918 661  
**RESPONSIBLE ENTITIES' DECLARATION**

In the opinion of the Responsible Entities' of The Infants' Home, Ashfield:

- a) The attached financial statements and notes of The Infants' Home, Ashfield are in accordance with the Australian Charities and Not-for-profit Commission Act 2012, including:
- i. Giving a true and fair view of its financial position as at 31 December 2017 and of its performance for the financial year ended on that date; and
  - ii. Complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- b) There are reasonable grounds to believe that The Infants' Home, Ashfield will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Responsible Entities:

  
.....  
Mary Verschuier  
Director

  
.....  
Lindsay Smartt  
Director

28 March 2018

**THE INFANTS' HOME, ASHFIELD**  
ABN 71 174 918 661

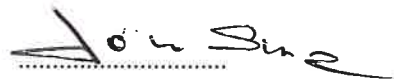
**Declaration by Principal Officers in respect of fundraising appeals**

We, Elizabeth Robinson, Chief Executive Officer and John Shen, Finance Manager, of The Infants' Home, Ashfield declare that in our opinion:

- a) The Statement of Profit or Loss and Other comprehensive income gives a true and fair view of all income and expenditure of The Infants' Home, Ashfield with respect to fundraising appeals;
- b) The Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeals;
- c) The provision of the *Charitable Fundraising Act 1991* and the *Regulations* under that Act and the conditions attached to the authority have been complied with by the organisation; and
- d) The internal controls exercised by The Infants' Home, Ashfield are appropriate and effective in accounting for all income received and applied by the Organisation from any of its fundraising appeals.



Elizabeth Robinson  
Chief Executive Officer



John Shen  
Finance Manager

28 March 2018

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## Independent Auditor's Report To the Members of The Infants' Home Ashfield

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report of The Infants' Home Ashfield (the "Entity") which comprises the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Responsible Entities' declaration.

In our opinion, the accompanying financial report of The Infants' Home Ashfield is in accordance with the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 ("ACNC Act"), including:

- a) Giving a true and fair view of the registered entity's financial position as at 31 December 2017 and of its performance for the year ended on that date;
- b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013, and
- c) The financial report gives a true and fair view of the financial result of fundraising appeals of The Infants' Home Ashfield for the year ended 31 December 2017, in accordance with the requirements of the Charitable Fundraising Act 1991;
- d) The financial statements and associated records of The Infants' Home Ashfield have been properly kept during the year, in all material respects, in accordance with the Charitable Fundraising Act 1991 and its Regulations;
- e) Money received by The Infants' Home Ashfield, as a result of fundraising appeals conducted during the year ended 31 December 2017, have been accounted for and applied, in all material aspects, in accordance with the Charitable Fundraising Act 1991 and its Regulations; and
- f) There are reasonable grounds to believe that The Infants' Home Ashfield is able to pay its debts as and when they fall due.

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**Basis for Auditor's Opinion**

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 Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to 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 audit opinion.

**Responsibilities of the Responsible Entities for the Financial Report**

The Responsible Entities of the Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the ACNC Act, and the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2015, and for such internal control as the Responsible Entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Responsible Entities are responsible for assessing the Entity'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 Responsible Entities either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Entities.
- Conclude on the appropriateness of the Responsible Entities' 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 Registered Entity'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 audit report. However, future events or conditions may cause the Entity 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Entity's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



James Winter  
Partner - Audit & Assurance  
Sydney, 28 March 2018