

The Infants' Home, Ashfield
ABN: 71 174 918 661
Financial Statements
for the year ended
31 December 2016

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THE INFANTS' HOME, ASHFIELD

ABN 71 174 918 661

Corporate Information

The names of the Directors in office at any time during the year were:

Denise Taylor M.Ed, Dip Tch, Cert Tch, Grad Dip Sch Lib, FAICD, FAIM, President, member since 2010
Mary Verschuer MBA, MScSoc, BAppSc, GAICD, 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
Carolyn Swindell M.A, BA(Hons), GAICD, member since 2012
Hugh Humphrey MBA, BCOMM(Economics&Marketing), member since 2015
Sandra Cheeseman PG Cert Research (EC), B.Ed, Dip Tch, member since 2015
Lindsay Smartt, BA, FIAA, FNZSA, ASA, GAICD, Treasurer, member since 2016

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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 2016, 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, 6 April 2017

Grant Thornton Audit Pty Ltd ACN 130 913 594
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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 2016

	Note	2016	2015
Revenue from operations excluding other income		\$	\$
Government grants for operating purposes	2	772,263	933,042
Charges & fees	3	8,255,526	7,728,709
Interest on investment	4	30,113	38,228
Dividends - other parties		109,595	108,903
Donations & fundraising		423,120	434,175
Sundry operating income	5	150,244	147,950
Total		<u>9,740,861</u>	<u>9,391,007</u>
Expenditure from operating activities			
Employee costs	6	7,935,352	7,532,810
Materials & services	7	1,094,796	1,147,230
Depreciation		341,223	347,515
Finance costs	8	99,663	132,775
Other expenses	9	14,034	42,056
Total expenditure from operating activities		<u>9,485,068</u>	<u>9,202,386</u>
Net Surplus for the year before other revenue and realised loss		<u>255,793</u>	<u>188,621</u>
Other Revenue & realised loss			
Government grants for capital use purposes	2	20,000	-
Bequests		156,637	508,331
Donations for capital use purposes		50,000	176,860
Realised loss		(44,337)	(210,520)
		<u>182,300</u>	<u>474,671</u>
Net Surplus for the year		<u>438,093</u>	<u>663,292</u>
Other comprehensive income			
Net change in fair value of available-for-sale financial asset		77,142	201,249
Total other comprehensive income for the year		<u>77,142</u>	<u>201,249</u>
Total comprehensive income for the year		<u>515,235</u>	<u>864,541</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 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	10	1,240,854	1,460,164
Trade and other receivables	11	240,666	244,787
Prepayments		42,805	86,040
Total Current Assets		<u>1,524,325</u>	<u>1,790,991</u>
Non-Current Assets			
Financial assets	12	3,800,117	3,652,380
Property, plant & equipment	13	9,172,168	9,417,096
Total Non-Current Assets		<u>12,972,285</u>	<u>13,069,476</u>
Total Assets		<u>14,496,610</u>	<u>14,860,467</u>
Current Liabilities			
Trade and other payables	14	1,123,025	1,102,150
Provisions	15	590,145	544,815
Total Current Liabilities		<u>1,713,170</u>	<u>1,646,965</u>
Non-Current Liabilities			
Trade and other payables	14	34,875	-
Provisions	15	229,932	210,104
Interest bearing loans and borrowings	16	-	1,000,000
Total Non-Current Liabilities		<u>264,807</u>	<u>1,210,104</u>
Total Liabilities		<u>1,977,977</u>	<u>2,857,069</u>
Net Assets		<u>12,518,633</u>	<u>12,003,398</u>
Funds			
Available-for-sale reserve	21	192,419	427,276
Accumulated funds		12,326,214	11,576,122
Total Funds		<u>12,518,633</u>	<u>12,003,398</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 2016

	Accumulated Funds	Available-for-sale reserve	Total Funds
	\$	\$	\$
At 1 January 2015	10,912,830	226,027	11,138,857
Surplus for the year	663,292	-	663,292
Other comprehensive income - revaluation decrement	-	201,249	201,249
At 31 December 2015	<u>11,576,122</u>	<u>427,276</u>	<u>12,003,398</u>
Surplus for the year	438,093	-	438,093
Other comprehensive income - revaluation increment	-	77,142	77,142
Reallocation of reserve	311,999	(311,999)	-
At 31 December 2016	<u>12,326,214</u>	<u>192,419</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 Cash Flows
for the year ended 31 December 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from fees & charges and grants, fundraising & other income		11,337,620	10,643,771
Receipts from government capital grants		20,000	-
Payments to suppliers and employees		(11,100,405)	(10,672,887)
Interest expense paid		<u>(66,343)</u>	<u>(100,853)</u>
Operating Cashflows before donations, bequests and fundraising and capital grants		190,872	(129,969)
Donations, bequests & fundraising		629,758	1,119,367
Net cash from operating activities	19	<u>820,630</u>	<u>989,398</u>
Cash Flows from Investing Activities			
Proceeds from disposals of investments		720,947	807,843
Purchase of investments		(797,456)	(893,915)
Interest received		30,903	38,318
Dividend received		106,474	108,903
Payment for plant & equipment		(100,808)	(20,472)
Net cash used in investing activities		<u>(39,940)</u>	<u>40,677</u>
Cash Flows from Financing Activities			
Repayment of loans		<u>(1,000,000)</u>	<u>(1,000,000)</u>
Net cash used in financing activities		<u>(1,000,000)</u>	<u>(1,000,000)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(219,310)</u>	<u>30,075</u>
Cash and cash equivalents at the beginning of the financial year		<u>1,460,164</u>	<u>1,430,089</u>
Cash and Cash Equivalents at the end of the Financial Year		<u>1,240,854</u>	<u>1,460,164</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 2016

Note 1 - Summary of Accounting Policies

Basis of Preparation

The Infants' Home is a non-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 6 April 2017.

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 based on 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.

c) Inventories

Inventories held for sale or distribution are valued at the lower of cost and net realisable value.

Notes to the Financial Statements
for the year ended 31 December 2016

Note 1 - Summary of accounting policies (continued)

d) Property, Furniture, 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.

e) 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 |

f) 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.

g) 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 2016

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.

h) 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.

i) Employee Benefits

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 statutory superannuation funds and are charged as expenses when incurred.

j) Operating 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. The entity has no finance lease obligations.

k) 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 1004.

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.

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
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Notes to the Financial Statements
for the year ended 31 December 2016

Note 1 - Summary of accounting policies (continued)

l) 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.

m) Comparatives

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

n) 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.

o) 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 2016

	2016	2015
	\$	\$
Note 2 - Government grants for operating purposes		
Australian Government		
Operating assistance	-	172,560
Inclusion support subsidy	149,008	114,654
Professional development program	65,298	143,838
	<u>214,306</u>	<u>431,052</u>
NSW Government		
DEC ECEC funding	388,053	337,588
FaCS CGSP funding	128,315	123,406
DEC grant for Young children with disabilities	39,589	38,096
	<u>555,957</u>	<u>499,090</u>
Local Government		
Local councils	2,000	2,900
	<u>2,000</u>	<u>2,900</u>
	<u>772,263</u>	<u>933,042</u>
Government grants for capital purposes		
NSW Government		
DoLaR SCC Capital grant	20,000	-
	<u>20,000</u>	<u>-</u>
Note 3 - Charges & fees		
Early Education and Care Centres		
Fees collected from families	4,303,901	4,138,831
Child care benefits and Rebates	2,832,987	2,579,976
	<u>7,136,888</u>	<u>6,718,807</u>
Family Day Care		
Administration fees	1,082,019	958,665
Enrolment fees	23,654	19,675
	<u>1,105,673</u>	<u>978,340</u>
Health Services		
Fees from customers and Health funds	12,965	31,562
	<u>12,965</u>	<u>31,562</u>
	<u>8,255,526</u>	<u>7,728,709</u>

The Infants' Home, Ashfield
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Notes to the Financial Statements
for the year ended 31 December 2016

		2016	2015
		\$	\$
Note 4	- Interest on investment		
	Interest income	30,113	38,228
		<u>30,113</u>	<u>38,228</u>
Note 5	- Sundry operating income		
	Net Gain on non current financial assets	38,423	5,112
	Sundry income	111,821	142,838
		<u>150,244</u>	<u>147,950</u>
Note 6	- Employees cost		
	Wages and salaries	6,347,566	6,078,931
	Employees' entitlements	580,016	508,928
	Superannuation	599,956	566,706
	Workers compensation	150,732	133,470
	Staff training	52,609	36,139
	Staff recruitment	57,498	38,003
	Contract staff	121,523	145,285
	Others	25,452	25,348
		<u>7,935,352</u>	<u>7,532,810</u>
Note 7	- Materials & services		
	Audit fee	17,616	16,806
	Consumables	168,993	169,440
	Food & drink	270,039	283,969
	Insurance	56,664	60,191
	Light, gas & fuel	63,643	65,514
	Repairs & maintenance	77,695	99,576
	Scholarship expenses	129,270	76,563
	Others	310,876	375,171
		<u>1,094,796</u>	<u>1,147,230</u>

The Infants' Home, Ashfield
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Notes to the Financial Statements
for the year ended 31 December 2016

	2016	2015
	\$	\$
Note 8 - Finance costs		
Interest expenses and loan account fees	66,343	100,853
Finance expenses	<u>33,320</u>	<u>31,922</u>
	<u><u>99,663</u></u>	<u><u>132,775</u></u>
Note 9 - Other expenses		
Fundraising expenses	<u>14,034</u>	<u>42,056</u>
	<u><u>14,034</u></u>	<u><u>42,056</u></u>
Note 10 - Cash and cash equivalents		
Cash on hand	2,414	1,960
Cash at bank	<u>1,238,440</u>	<u>1,458,204</u>
	<u><u>1,240,854</u></u>	<u><u>1,460,164</u></u>
Note 11 - Trade and other receivables - Current		
Trade receivables	<u>176,661</u>	<u>187,239</u>
	176,661	187,239
Goods and services tax (GST) receivable	16,403	13,545
Other debtors-Accrued income	<u>47,602</u>	<u>44,003</u>
Total trade and other receivables (net)	<u><u>240,666</u></u>	<u><u>244,787</u></u>
Note 12 - Non current financial assets		
Available for Sale financial assets - managed funds, fixed interest securities and listed equity investments at fair value	<u>3,800,117</u>	<u>3,652,380</u>
	<u><u>3,800,117</u></u>	<u><u>3,652,380</u></u>

Fair value

The fair values of available for sale assets have been valued at the quoted market bid price at balance date.

The Infants' Home, Ashfield
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Notes to the Financial Statements
for the year ended 31 December 2016

	2016	2015
	\$	\$
Note 13 - Property, plant and equipment		
Freehold land & buildings		
At cost	379,800	379,800
Improvement at cost	9,961,593	9,936,916
(Less Accumulated depreciation)	<u>(1,327,611)</u>	<u>(1,069,844)</u>
	<u>9,013,782</u>	<u>9,246,872</u>
Furniture & plant		
At cost	165,996	165,996
(Less Accumulated depreciation)	<u>(127,559)</u>	<u>(101,970)</u>
	<u>38,437</u>	<u>64,026</u>
Computer equipment at cost	276,488	218,862
(Less Accumulated depreciation)	<u>(213,822)</u>	<u>(185,704)</u>
	<u>62,666</u>	<u>33,158</u>
Equipment at cost	200,121	191,396
(Less Accumulated depreciation)	<u>(161,994)</u>	<u>(141,684)</u>
	<u>38,127</u>	<u>49,712</u>
Motor vehicles at cost	78,275	76,275
(Less Accumulated depreciation)	<u>(65,564)</u>	<u>(59,396)</u>
	<u>12,711</u>	<u>16,879</u>
Program area equipment at cost	45,676	42,797
(Less Accumulated depreciation)	<u>(39,231)</u>	<u>(36,348)</u>
	<u>6,445</u>	<u>6,449</u>
Total Property, Plant & Equipment	<u>9,172,168</u>	<u>9,417,096</u>

Notes to the Financial Statements
 for the year ended 31 December 2016

	2016	2015
	\$	\$
Note 13 - Property, plant and equipment (continued)		
Reconciliation 2016		
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	8,862,171	9,122,130
Additions	1,950	5,538
Transfer from Capital works in progress	-	-
Depreciation expense	(257,767)	(260,596)
	<u>8,986,154</u>	<u>9,246,872</u>
Furniture & plant		
Carrying amount at beginning		
at cost	64,026	89,752
Depreciation expense	(25,589)	(25,726)
	<u>38,437</u>	<u>64,026</u>
Computer equipment		
Carrying amount at beginning	33,158	57,912
Additions	57,625	8,440
Disposal		
cost	-	-
accumulated depreciation	-	-
Depreciation expense	(28,117)	(33,194)
	<u>62,666</u>	<u>33,158</u>
Equipment		
Carrying amount at beginning	49,712	62,540
Additions	8,725	6,495
Disposal		
cost		(2,160)
accumulated depreciation		2,160
Depreciation expense	(20,310)	(19,323)
	<u>38,127</u>	<u>49,712</u>
Motor vehicles at cost		
Carrying amount at beginning	16,879	22,824
Additions	2,000	-
Depreciation expense	(6,168)	(5,945)
	<u>12,711</u>	<u>16,879</u>
Program area equipment at cost		
Carrying amount at beginning	6,449	9,178
Additions	2,880	-
Depreciation expense	(2,884)	(2,729)
	<u>6,445</u>	<u>6,449</u>
Capital works in progress		
Carrying amount at beginning	-	-
Additions	27,628	-
transfer to buildings	-	-
	<u>27,628</u>	<u>-</u>
Total Property, Plant & Equipment	<u>9,172,168</u>	<u>9,417,096</u>

Notes to the Financial Statements
 for the year ended 31 December 2016

	2016	2015
	\$	\$
Note 14 - Trade and Other Payables		
Fees in advance	139,509	174,886
Deferred grants	183,241	88,168
GST payable	12,240	9,091
Creditors & accruals	419,075	470,714
Lease liability - current	7,454	-
Enrolment deposits	361,506	359,291
Total trade and other payables - current	<u>1,123,025</u>	<u>1,102,150</u>
Lease liability - non current	34,875	-
Total trade and other payables - non current	<u>1,157,900</u>	<u>1,102,150</u>
Note 15 - Provisions		
Annual leave	468,058	435,860
Long service leave	352,019	319,059
	<u>820,077</u>	<u>754,919</u>
Provision for employee benefits are represented by:		
Current	590,145	544,815
Non-current	229,932	210,104
	<u>820,077</u>	<u>754,919</u>
Note 16 - Interest bearing loans and borrowings		
Bank Loans-secured	-	1,000,000
	<u>-</u>	<u>1,000,000</u>
<p>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 during the year.</p>		
Note 17 - Leases		
Operating leases		
Leasing Arrangements		
Operating leases relate to the Home's photocopier machines with lease terms of up to 5 years.		
Non-cancellable operating leases		
Not longer than 1 year	7,702	6,476
Longer than 1 year and not longer than 5 years	13,542	14,739
	<u>21,243</u>	<u>21,215</u>
Finance leases		
Leasing Arrangements		
Finance leases relate to the Home's telephone equipments with lease terms of up to 5 years.		
Not longer than 1 year	7,454	-
Longer than 1 year and not longer than 5 years	34,875	-
	<u>42,329</u>	<u>-</u>

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

Notes to the Financial Statements
for the year ended 31 December 2016

	2016	2015
	\$	\$
Note 18 - Economic dependency		
The entity is significantly dependent on the Australian Government and NSW State Government for funding for the purpose of providing child and family services.		
Note 19 - Reconciliation of cash flow		
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>1,240,854</u>	<u>1,460,164</u>
Reconciliation of Cash Flow from Operating Activities with		
Operating result from continuing operations after income tax	438,093	663,292
Non-cash flows in operating surplus/(deficit):		
Depreciation	341,223	347,515
(Gain)/Loss on sale of investments	5,914	205,408
Adjustment to operating result from investing activities	(132,864)	(147,225)
Changes in assets & liabilities		
(Increase)/Decrease in receivables	4,121	(31,363)
(Increase)/Decrease in prepayments	43,235	(22,062)
Increase/(Decrease) in trade creditors & accruals	55,750	(116,013)
Increase/(Decrease) in provisions	<u>65,158</u>	<u>89,846</u>
Net cash flows from operating activities	<u>820,630</u>	<u>989,398</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>216,400</u>	<u>198,188</u>
	<u>216,400</u>	<u>198,188</u>

The Infants' Home, Ashfield

ABN: 71 174 918 661

**Notes to the Financial Statements
for the year ended 31 December 2016**

	2016	2015
	\$	\$
Note 21 Available-for-sale financial assets revaluation reserve		
Balance at start of year	427,276	226,027
Revaluation of financial assets (including reduction in reserve on disposal of investments)	77,142	201,249
Transfer to accumulated funds	(311,999)	-
Balance at end of year	<u>192,419</u>	<u>427,276</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.

Note 23 Fundraising income and expenses

For the purposes of the Charitable Fundraising Act, 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	28,731	46,292
Appeal for capacity building	-	-
Appeal for capital projects	75,000	176,860
Appeal for early intervention	312,274	343,795
	<u>416,005</u>	<u>566,947</u>
Fundraising costs		
Fete	16,726	9,292
Appeal for capacity building	2,692	2,578
Appeal for capital projects	4,038	44,658
Appeal for early intervention	130,552	107,592
Less Total costs of fundraising	<u>154,007</u>	<u>164,120</u>
Net surplus from fundraising	<u>261,998</u>	<u>402,828</u>

Application of funds for charitable purpose

Opening balance	-	-
Net proceeds from fundraising for the year	261,998	402,826
Capital project	(70,962)	(132,202)
Early Intervention, centres improvement and equipments	(191,037)	(270,624)
Closing balance	<u>-</u>	<u>-</u>

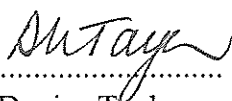
THE INFANTS' HOME, ASHFIELD
ABN 71 174 918 661

RESPONSIBLE ENTITIES' DECLARATION

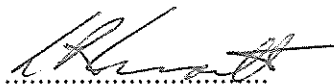
In the opinion of the Responsible Entities' of The Infants' Home, Ashfield:

- 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 2016 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:



Denise Taylor
Director



Lindsay Smartt
Director

06 April 2017

THE INFANTS' HOME, ASHFIELD
ABN 71 174 918 661

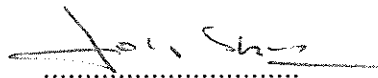
Declaration by Principal Officers in respect of fundraising appeals

We, Lynn Farrell, Acting 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 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;
- d) The internal controls exercised by The Infants' Home are appropriate and effective in accounting for all income received and applied by the Organisation from any of its fundraising appeals.



.....
Lynn Farrell
Acting Chief Executive Officer



.....
John Shen
Finance Manager

06 April 2017

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To the Members of The Infants' Home Ashfield

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Infants' Home Ashfield (the "registered entity"), which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and 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 addition, we have audited The Infants' Home Ashfield's compliance with the requirements of the Charitable Fundraising Act 1991 and its regulations.

In our opinion:

1. the financial report of The Infants' Home Ashfield has been prepared in accordance with 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 2016 and of its financial performance for the year then ended; and
 - b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013;
2. the financial report agrees to the underlying records of The Infants' Home Ashfield, that have been maintained, in all material aspects, in accordance with the Charitable Fundraising Act 1991 and its Regulations, for the year ended 31 December 2016; and
3. monies received by The Infants' Home Ashfield, as a result of fundraising appeals conducted during the year ended 31 December 2016, have been accounted for and applied, in all material aspects, in accordance with the Charitable Fundraising Act 1991 and its Regulations.

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Basis for 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 registered entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Responsible Entities and Those Charged with Governance for the Financial Report

The Responsible Entities of the registered 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 Regulations, 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, Responsible Entities are responsible for assessing the registered 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 intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditor's report. However, future events or conditions may cause the registered 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.

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, 6 April 2017