

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

Financial Report
for the year ended 31 December 2020

The Infants' Home, Ashfield
ABN: 71 174 918 661
Financial Report
for the year ended
31 December 2020

CONTENTS	PAGE
Directors' Details	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6-19
Directors' Declaration	20
Principal Officers' Declaration	21
Auditor's Independence Declaration	22
Independent Auditor's Report	23-25

THE INFANTS' HOME, ASHFIELD

ABN 71 174 918 661

The Directors of The Infants' Home, Ashfield present the financial statements of the entity for the year ended 31 December 2020 and the Independent Auditor's Report thereon.

Directors' Details

The following persons were Directors of The Infants' Home, Ashfield during or since end of the financial year:

Mary Verschuer MBA, MScSoc, BAppSc, FAICD, President, member since 2008, resigned January 2015, returned November 2016

Anthony Kutra BEc (Hons), MBA, MAICD, member since 2008

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

Lindsay Smartt BA, FIAA, FNZSA, ASA, FAICD, 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

Sarah Michael RN, GAICD, member since May 2018.

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

**Statement of Profit or Loss and Other Comprehensive Income
 for the year ended 31 December 2020**

	Note	2020	2019
Revenue from operations including other income		\$	\$
Government grants for operating purposes	2	2,367,806	553,470
Charges and fees	3	7,266,549	8,259,685
Interest on investments	4	7,429	14,080
Dividends - other parties		193,030	186,721
Donations, fundraising and grants	5	258,507	339,158
Sundry operating income	6	106,606	112,329
Total revenue from operations including other income		<u>10,199,927</u>	<u>9,465,443</u>
Expenditure from operating activities			
Employee costs	7	8,035,150	8,023,776
Materials and services	8	1,121,421	1,163,381
Depreciation	9	371,196	370,058
Finance costs	10	47,954	48,267
Impairment of property, plant and equipment	15	-	190,297
Total expenditure from operating activities		<u>9,575,721</u>	<u>9,795,779</u>
Net surplus/(deficit) for the year before other revenue and fair value changes		<u>624,206</u>	<u>(330,336)</u>
Other revenue and fair value changes			
Government grants for capital use purposes	2	15,000	-
Bequests		4,497	7,480
Debt instruments at FVPL - fair value changes		(17,312)	46,640
Total other revenue and fair value changes		<u>2,185</u>	<u>54,120</u>
Net surplus/(deficit) for the year		<u>626,391</u>	<u>(276,216)</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Equity instruments at FVOCI - fair value changes		(10,595)	331,505
Total other comprehensive deficit/income for the year		(10,595)	331,505
Total comprehensive income/(deficit) for the year		<u>615,796</u>	<u>55,289</u>

The above Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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

Statement of Financial Position
 for the year ended 31 December 2020

	Note	2020	2019
		\$	\$
Current Assets			
Cash and cash equivalents	11	1,619,401	830,580
Trade and other receivables	12	287,443	232,756
Other assets	13	110,780	62,915
Total Current Assets		<u>2,017,624</u>	<u>1,126,251</u>
Non-Current Assets			
Other financial assets	14	4,776,944	4,673,241
Property, plant and equipment	15	8,703,299	9,001,521
Right-of-use assets	16	68,030	71,701
Total Non-Current Assets		<u>13,548,273</u>	<u>13,746,463</u>
Total Assets		<u>15,565,897</u>	<u>14,872,714</u>
Current Liabilities			
Trade and other payables	17	811,045	811,280
Contract liabilities	18	524,500	371,289
Lease liabilities	19	25,228	35,511
Provisions	20	600,302	683,060
Total Current Liabilities		<u>1,961,075</u>	<u>1,901,140</u>
Non-Current Liabilities			
Lease liabilities	19	45,445	39,672
Provisions	20	308,327	296,648
Total Non-Current Liabilities		<u>353,772</u>	<u>336,320</u>
Total Liabilities		<u>2,314,847</u>	<u>2,237,460</u>
Net Assets		<u>13,251,050</u>	<u>12,635,254</u>
Funds			
Reserves	25	471,419	482,014
Accumulated funds		12,779,631	12,153,240
Total Funds		<u>13,251,050</u>	<u>12,635,254</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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

**Statement of Changes in Equity
for the year ended 31 December 2020**

	Fair Value through Other Comprehensive Income Reserve	Accumulated Funds	Total Funds
	\$	\$	\$
Balance at 1 January 2019	150,509	12,429,456	12,579,965
Deficit for the year	-	(276,216)	(276,216)
Other comprehensive income for the year:			
- revaluation decrement	331,505	-	331,505
At 31 December 2019	<u>482,014</u>	<u>12,153,240</u>	<u>12,635,254</u>
Surplus for the year	-	626,391	626,391
Other comprehensive income for the year:			
- revaluation decrement	(10,595)	-	(10,595)
At 31 December 2020	<u>471,419</u>	<u>12,779,631</u>	<u>13,251,050</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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

Statement of Cash Flows
for the year ended 31 December 2020

	Note	2020 \$	2019 \$
Cash Flows from Operating Activities			
Receipts from fees and charges, grants and other income		12,423,250	11,140,512
Payments to suppliers and employees		<u>(11,900,646)</u>	<u>(11,346,572)</u>
Operating cash flows before donations, bequests and fundraising		522,604	(206,060)
Donations, bequests and fundraising		<u>283,480</u>	<u>347,310</u>
Net cash from operating activities	23	<u>806,084</u>	<u>141,250</u>
Cash Flows from Investing Activities			
Proceeds from disposals of investments		349,445	1,069,820
Purchase of investments		(471,293)	(1,190,109)
Interest received		7,429	13,465
Dividends received		175,844	155,687
Payments for Fixed Assets		<u>(42,922)</u>	<u>(125,829)</u>
Net cash from / (used) in investing activities		<u>18,503</u>	<u>(76,966)</u>
Cash Flows from Financing Activities			
Payments for lease liabilities		<u>(35,766)</u>	<u>(37,310)</u>
Net cash (used) in financing activities		<u>(35,766)</u>	<u>(37,310)</u>
Net increase in cash and cash equivalents		<u>788,821</u>	<u>26,974</u>
Cash and cash equivalents at the beginning of the financial year		<u>830,580</u>	<u>803,606</u>
Cash and Cash Equivalents at the end of the Financial Year		<u>1,619,401</u>	<u>830,580</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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

Notes to the Financial Statements for the year ended 31 December 2020

Note 1 - Summary of Accounting Policies

Basis of Preparation

The Infants' Home, Ashfield ("the entity") is a not-for-profit entity incorporated by a 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") and is a not-for-profit entity under Australian Accounting Standards.

Its registered office and principal place of business is:

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

This financial report is a general purpose financial report which has 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 24 March 2021.

Coronavirus (COVID-19) Impact

The World Health Organisation declared a global pandemic in March 2020 as a result of the COVID-19. The crisis has had a significant economic impact. The critical accounting estimates and judgements of the entity have required additional consideration and analysis due to the impact of COVID-19. Given the uncertainty of the extent of the impact of the pandemic, changes to the estimates and outcomes that have been applied in the measurement of the entity's assets and liabilities may arise in the future. Other than adjusting events that provide evidence of conditions that existed at the end of the financial year, the impacts of events that arise after the reporting period will be accounted for in future reporting periods.

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 (\$).

Adoption of New and Revised Accounting Standards

The entity has adopted all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The new or amended Accounting Standards and Interpretations adopted did not have a material impact on the entity's financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Significant Accounting Policies

a) Revenue recognition

The entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Enrolment fees

An enrolment fee is charged upon the acceptance of an offer for placement. This fee is also non-refundable upon the withdrawal of the child from the entity. Enrolment fees are recognised proportionately over the average life the children are enrolled.

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

**Notes to the Financial Statements
for the year ended 31 December 2020**

Note 1 - Summary of Accounting Policies (continued)

Significant Accounting Policies (continued)

a) Revenue recognition (continued)

Fees

Fees collected from families and administration fees fall within the scope of AASB 15 and are recognised over the period to which the fees relate, fees received in advance of a subsequent financial year would be deferred and recognised as revenue in the relevant financial year.

Childcare subsidies

Childcare subsidies are recognised as revenue in the period to which it relates.

Grants

If specific conditions are attached to the grant which must be satisfied before the entity is eligible to retain the contribution and where there is an arrangement to refund any grant that are not spent in accordance with the specific conditions under the grant agreement, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied. If there are no specific conditions which must be satisfied, and there is no arrangement to refund the grant, grant revenue is recognised on receipt.

Interest revenue

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

Dividend revenue

Dividend revenue is recognised on a receivable basis.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Donations and bequests

Donations and bequests are recognised as income as and 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

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.

b) Financial instruments

Recognition, initial measurement and derecognition

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.

Classification and subsequent measurement of financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value on the basis of the entity's business model for managing the financial assets and contractual cash flow characteristics of the financial assets.

Specifically:

- Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost.
- All other financial assets are subsequently measured at fair value through profit or loss (FVPL).

Despite the foregoing, the entity may make the following irrevocable election/designation at initial recognition of a financial asset:

- The entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income.

The entity has chosen to make the above irrevocable election at initial recognition of a financial asset. For an equity investment designated as measured at FVOCI, the accumulated gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss.

**Notes to the Financial Statements
for the year ended 31 December 2020**

Note 1 - Summary of Accounting Policies (continued)

Significant Accounting Policies (continued)

b) Financial instruments (continued)

Impairment of Financial assets

AASB 9 requires the entity to recognise a loss allowance for expected credit losses on lease receivables; and trade receivables and contract assets.

AASB 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses ("ECL") if the credit risk on the financial instrument has increased significantly since initial recognition or if the financial instrument is a purchased or originated credit impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchase or originated credit impaired financial asset), the entity is required to measure the loss allowance for the financial instrument at an amount equal to 12 months ECL.

Trade and other 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. A loss allowance is made for impairment credit loss at the amount equal to the expected lifetime credit losses. The entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

Financial liabilities

The entity's financial liabilities include leases and trade and other payables.

Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

c) 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.

d) Contract assets

Contract assets are recognised when the entity has transferred goods or services to the customer but where the entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

e) 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.

f) 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
- Motor vehicles 4-10 years

g) 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 as an impairment loss 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.

**Notes to the Financial Statements
for the year ended 31 December 2020**

Note 1 - Summary of Accounting Policies (continued)

Significant Accounting Policies (continued)

h) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

i) Contract liabilities

Contract liabilities represent the entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the entity has transferred the goods or services to the customer.

j) 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 employees' nominated superannuation funds or a default fund on their behalf and are charged as expenses when incurred.

k) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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.

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

**Notes to the Financial Statements
for the year ended 31 December 2020**

Note 1 - Summary of Accounting Policies (continued)

Significant Accounting Policies (continued)

n) Accounting standards issued but not yet effective

Certain new accounting standards of the Australian Accounting Standards Board have been published that are not mandatory for 31 December 2020 reporting periods. The directors' assessment of the impact of these new standards most relevant to the entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the entity's financial statements.

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 2020

	2020	2019
	\$	\$
Note 2 - Government grants for operating purposes		
Australian Federal Government		
COVID-19 funding	1,826,722	-
Volunteer Grants	-	1,340
Inclusion support subsidy	73,048	19,780
	<u>1,899,770</u>	<u>21,120</u>
NSW Government		
DEC ECEC funding	327,899	389,446
FaCS CGSP funding	132,993	141,404
	<u>460,893</u>	<u>530,850</u>
Local Government		
Local councils	7,144	1,500
	<u>7,144</u>	<u>1,500</u>
	<u>2,367,806</u>	<u>553,470</u>
Government grants for capital purposes		
NSW Government	-	-
Community Building Partnerships	15,000	-
	<u>15,000</u>	<u>-</u>
Note 3 - Charges and fees		
Early Education and Care Centres		
Fees collected from families	2,555,144	3,629,684
Child care subsidy	3,852,676	3,658,591
	<u>6,407,820</u>	<u>7,288,275</u>
Family Day Care		
Administration fees	853,694	956,360
Enrolment fees	5,035	14,600
	<u>858,729</u>	<u>970,960</u>
Health Services		
Fees from customers and Health funds	-	450
	<u>-</u>	<u>450</u>
	<u>7,266,549</u>	<u>8,259,685</u>
Note 4 - Interest on investments		
Interest income	7,429	14,080
	<u>7,429</u>	<u>14,080</u>
Note 5 - Donations and fundraising		
Donations and fundraising	133,081	108,231
Appeals and grants - non government	125,426	230,927
	<u>258,507</u>	<u>339,158</u>

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

Notes to the Financial Statements
 for the year ended 31 December 2020

	2020	2019
	\$	\$
Note 6 - Sundry operating income		
Playgroup income	17,727	11,818
Rental income	81,928	80,197
Sundry income	6,951	20,314
	<u>106,606</u>	<u>112,329</u>
Note 7 - Employees cost		
Wages and salaries	6,408,940	6,376,251
Employees' entitlements	666,180	696,871
Superannuation	588,516	605,833
Workers compensation	232,848	181,832
Staff training	31,746	35,918
Staff recruitment	17,753	16,724
Contract staff	74,946	86,167
Others	14,221	24,180
	<u>8,035,150</u>	<u>8,023,776</u>
Note 8 - Materials and services		
Audit fee	23,156	20,809
Cleaning & consumables	167,676	169,286
Food & drink	263,957	312,137
Insurance	70,990	66,678
Light, gas & fuel	83,362	95,560
Repairs & maintenance	136,922	126,129
Scholarship expenses	1,606	3,277
IT expenses	125,547	109,534
Others	248,205	259,971
	<u>1,121,421</u>	<u>1,163,381</u>
Note 9 - Depreciation		
Depreciation - right-of-use assets	30,052	30,586
Depreciation - others	341,144	339,472
	<u>371,196</u>	<u>370,058</u>
Note 10 - Finance costs		
Interest expenses - right-of-use assets	4,226	5,108
Interest expenses and loan account fees	4,857	4,816
Investment management fees and bank charges	38,871	38,343
	<u>47,954</u>	<u>48,267</u>

Notes to the Financial Statements
 for the year ended 31 December 2020

	2020	2019
	\$	\$
Note 11 - Cash and cash equivalents		
Cash on hand	1,490	1,840
Cash at bank	<u>1,617,911</u>	<u>828,740</u>
	<u>1,619,401</u>	<u>830,580</u>
<p>Cash at bank includes a term deposit of \$21,224 (2019: \$20,941) for a bank guarantee held as security against the entity's credit facility.</p>		
Note 12 - Trade and other receivables		
Current		
Trade receivables	165,248	147,802
(Less provision for expected credit losses)	<u>(8,237)</u>	<u>(20,000)</u>
	157,011	127,802
Goods and services tax (GST) receivable	16,523	12,599
Other debtors-Accrued income	<u>113,909</u>	<u>92,355</u>
Total trade and other receivables (net)	<u>287,443</u>	<u>232,756</u>
Note 13 - Other assets		
Current		
Prepayments	<u>110,780</u>	<u>62,915</u>
	<u>110,780</u>	<u>62,915</u>
Note 14 - Other financial assets		
Non-current		
Unit Trusts - FVPL	29,647	33,823
Debt investment - FVPL	2,066,203	1,782,738
Equity investment- FVOCI	<u>2,681,094</u>	<u>2,856,680</u>
	<u>4,776,944</u>	<u>4,673,241</u>

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

Notes to the Financial Statements
 for the year ended 31 December 2020

	2020	2019
	\$	\$
Note 15 - Property, plant and equipment		
Freehold land and buildings		
At cost	379,800	379,800
Improvement at cost	10,726,063	10,717,965
(Less Accumulated depreciation)	<u>(2,511,555)</u>	<u>(2,203,528)</u>
	<u>8,594,308</u>	<u>8,894,237</u>
Furniture and plant		
At cost	173,846	173,846
(Less Accumulated depreciation)	<u>(172,801)</u>	<u>(172,471)</u>
	<u>1,045</u>	<u>1,375</u>
Computer equipment at cost	249,773	241,831
(Less Accumulated depreciation)	<u>(229,050)</u>	<u>(220,882)</u>
	<u>20,723</u>	<u>20,949</u>
Equipment at cost	260,761	236,105
(Less Accumulated depreciation)	<u>(213,850)</u>	<u>(198,818)</u>
	<u>46,911</u>	<u>37,287</u>
Motor vehicles at cost	123,203	123,203
(Less Accumulated depreciation)	<u>(86,571)</u>	<u>(80,466)</u>
	<u>36,632</u>	<u>42,737</u>
Program area equipment at cost	49,271	49,271
(Less Accumulated depreciation)	<u>(45,591)</u>	<u>(44,335)</u>
	<u>3,680</u>	<u>4,936</u>
Capital works in progress	-	190,297
(Less Accumulated impairment)	<u>-</u>	<u>(190,297)</u>
	<u>-</u>	<u>-</u>
Total Property, Plant and Equipment	<u>8,703,299</u>	<u>9,001,521</u>

Notes to the Financial Statements
 for the year ended 31 December 2020

	2020	2019
	\$	\$
Note 15 - Property, plant and equipment(continued)		
Reconciliation 2020		
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	8,514,437	8,824,006
Additions	10,324	-
Depreciation expense	<u>(310,253)</u>	<u>(309,569)</u>
	<u>8,594,308</u>	<u>8,894,237</u>
Furniture and plant		
Carrying amount at beginning	1,375	-
Additions	-	3,200
Depreciation expense	<u>(330)</u>	<u>(1,825)</u>
	<u>1,045</u>	<u>1,375</u>
Computer equipment		
Carrying amount at beginning	20,949	36,092
Additions	7,942	21,149
Transfer to right to use asset	-	(26,273)
Depreciation expense	<u>(8,168)</u>	<u>(10,019)</u>
	<u>20,723</u>	<u>20,949</u>
Equipment		
Carrying amount at beginning	37,287	25,694
Additions	24,656	21,855
Depreciation expense	<u>(15,032)</u>	<u>(10,262)</u>
	<u>46,911</u>	<u>37,287</u>
Motor vehicles		
Carrying amount at beginning	42,737	445
Additions	-	48,842
Depreciation expense	<u>(6,105)</u>	<u>(6,550)</u>
	<u>36,632</u>	<u>42,737</u>
Program area equipment		
Carrying amount at beginning	4,936	6,192
Depreciation expense	<u>(1,256)</u>	<u>(1,256)</u>
	<u>3,680</u>	<u>4,936</u>
Capital works in progress		
Carrying amount at beginning	-	159,515
Additions	-	30,782
Impairment loss	<u>-</u>	<u>(190,297)</u>
	<u>-</u>	<u>-</u>
Total Property, Plant and Equipment	<u><u>8,703,299</u></u>	<u><u>9,001,521</u></u>

During the year ended 31 December 2019, a loss on impairment has been recognised in relation to capital works in progress, as the Board has made a decision during the financial year not to proceed with a building project.

Notes to the Financial Statements
 for the year ended 31 December 2020

	2020	2019
	\$	\$
Note 16 - Right-of-use assets		
<p>The entity has leases for offices and equipment. Each lease is reflected on the statement of finance position as a right-of-use asset and a lease liability.</p>		
Non-current		
Land and buildings - right-of-use	59,059	54,779
Less: Accumulated depreciation	<u>(6,890)</u>	<u>(14,763)</u>
	<u>52,169</u>	<u>40,016</u>
Equipment - right-of-use	47,507	47,508
Less: Accumulated depreciation	<u>(31,646)</u>	<u>(15,823)</u>
	<u>15,861</u>	<u>31,685</u>
	<u><u>68,030</u></u>	<u><u>71,701</u></u>
<p>Reconciliation of the carrying amounts for each class of right-of-use assets are set out below:</p>		
Right-of-use assets - Land and buildings		
Carrying amount at beginning	40,016	12,607
Additions	59,058	42,172
Disposal	(32,677)	-
Depreciation expense	<u>(14,228)</u>	<u>(14,763)</u>
	<u>52,169</u>	<u>40,016</u>
Right-of-use assets - equipment		
Carrying amount at beginning	31,685	47,508
Depreciation expense	<u>(15,824)</u>	<u>(15,823)</u>
	<u>15,861</u>	<u>31,685</u>
	<u><u>68,030</u></u>	<u><u>71,701</u></u>
Note 17 - Trade and other payables		
Current		
GST payable	15,214	15,591
Creditors and accruals	545,206	489,828
Enrolment deposits	<u>250,625</u>	<u>305,861</u>
Total trade and other payables	<u><u>811,045</u></u>	<u><u>811,280</u></u>

Notes to the Financial Statements
 for the year ended 31 December 2020

	2020	2019
	\$	\$
Note 18		
Contract liabilities		
Current		
Fees in advance	292,904	243,386
Deferred grants - government	186,122	100,351
Deferred grants - non- government	45,474	27,552
	<u>524,500</u>	<u>371,289</u>
Reconciliation		
Reconciliation of contract liabilities at the beginning and end of the current and previous financial year are set out below:		
Opening balance	371,289	-
Contract liabilities recognised on adoption of AASB 15	-	442,617
Payments received in advance	2,703,182	2,561,080
Transfer to revenue - performance obligations satisfied	<u>(2,549,971)</u>	<u>(2,632,408)</u>
Closing balance	<u>524,500</u>	<u>371,289</u>
Unsatisfied performance obligations		
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$524,500 as at 31 December 2020 (\$371,289 as at 31 December 2019) and is expected to be recognised as revenue in future periods as follows:		
Within 6 months	520,453	367,915
6 to 12 months	4,047	3,374
	<u>524,500</u>	<u>371,289</u>
Note 19 - Lease liability		
Lease liability - current	25,228	35,511
Lease liability - non-current	<u>45,445</u>	<u>39,672</u>
	<u>70,673</u>	<u>75,183</u>
Note 20 - Provisions		
Annual leave	501,430	512,529
Long service leave	<u>407,199</u>	<u>467,180</u>
	<u>908,629</u>	<u>979,709</u>
Provisions for employee benefits are recognised as:		
Current	600,302	683,060
Non-current	<u>308,327</u>	<u>296,648</u>
	<u>908,629</u>	<u>979,708</u>
Note 21 - Interest bearing loans and borrowings		

The entity has a loan facility, which is secured by a fixed and floating charge in favour of National Bank Australia over the property at 17 Henry Street Ashfield NSW 2131. The amount of the facility utilised at balance date was \$Nil (2019: \$Nil).

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

**Notes to the Financial Statements
 for the year ended 31 December 2020**

2020	2019
\$	\$

Note 22 - 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 23 - Reconciliation of cash flow

For the purposes of this Statement of Cash Flow

Cash includes:

Cash at bank and on hand

Cash and cash equivalents at the end of the year is shown as:

Cash at bank and on hand	1,619,401	830,580
--------------------------	-----------	---------

Reconciliation of cash flow from operating activities with operating surplus/(deficit) from continuing operations	626,391	(276,216)
--	----------------	------------------

Non-cash flows in operating surplus/(deficit):

Depreciation	371,196	370,058
Impairment loss	-	190,297
Interest expenses from finance activities	4,226	5,108
Provisions for expected credit losses	8,073	14,369
Adjustment to operating result from investing activities	(183,148)	(248,729)

Changes in assets & liabilities

(Increase)/Decrease in receivables	(54,687)	90,815
(Increase)/Decrease in other current assets	(47,865)	6,105
Increase/(Decrease) in trade creditors and accruals	(234)	(453,117)
Increase/(Decrease) in contract liabilities	153,211	371,289
Increase/(Decrease) in provisions	(71,079)	71,271

Net cash flows from operating activities	806,084	141,250
---	----------------	----------------

Note 24 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 Personnel 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 receive no compensation for their services.

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

Total compensation	224,841	225,199
--------------------	---------	---------

The Infants' Home, Ashfield

ABN: 71 174 918 661

**Notes to the Financial Statements
for the year ended 31 December 2020**

	2020	2019
	\$	\$
Note 25 Reserves		
Fair value through other comprehensive income (FVOCI) reserve		
Balance at start of year	482,014	150,509
FVOCI - equity instruments fair value changes	<u>(10,595)</u>	<u>331,505</u>
Balance at end of year	<u>471,419</u>	<u>482,014</u>

The entity has elected to recognise changes in fair value of investments in equity securities in other comprehensive income.

Note 26 Contingent liabilities

A capital upgrade grant 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.

National Redress Scheme

The Infants' Home has a strong commitment to child protection and providing support to children and families in need. As such, The Infants' Home joined the National Redress Scheme in 2020 and is committed to the recommendations arising from the Royal Commission into Institutional Child Sexual Abuse. The National Redress Scheme started on 1 July 2018 and will run for 10 years, providing acknowledgement and support to people who experienced institutional child sexual abuse. No provision has been made for potential liabilities arising from participation in this scheme as there have been no claims received to date and it is not practicable to make a reliable estimate of future claims, if any.

Note 27 Fundraising income and expenses

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

	2020	2019
	\$	\$
Details of aggregate gross income and total expenses in appeals and fundraising		
Gross proceeds from appeals	231,698	297,261
Gross proceeds from fundraising	8,939	9,514
Total gross proceeds from appeals and fundraising	<u>240,637</u>	<u>306,775</u>
Cost for appeals	130,684	151,111
Cost for fundraising	1,269	6,044
Total cost for appeals and fundraising	<u>131,953</u>	<u>157,155</u>
Net Surplus from appeals and fundraising	<u>108,684</u>	<u>149,620</u>

	Total Cost \$	Gross Proceeds \$	2020 %	2019 %
Total Cost for Appeals and Fundraising/Gross Proceeds from Appeals and Fundraising	131,953	240,637	54.83%	51.23%
Net Surplus from Appeals and Fundraising/Gross Proceeds from Appeals and Fundraising	108,684	240,637	45.17%	48.77%

Note 28 Events Occurring after the reporting date

The following matters or circumstances have arisen since the end of the financial year that will significantly affect or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in subsequent financial years:

COVID-19 / Coronavirus

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been challenging for the entity up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions, any economic stimulus that may be provided and the vaccination of individuals.

THE INFANTS' HOME, ASHFIELD

ABN 71 174 918 661

DIRECTORS' DECLARATION

In the opinion of the Directors 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 2020 and of its performance for the financial year ended on that date; and

ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 Directors:



.....
Mary Verschuer
Director



.....
Lindsay Smartt
Director

24 March 2021

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 Mark Katz, Finance & Business Services 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 provisions 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



.....
Mark Katz
Finance & Business Services Manager

24 March 2021