Foster and Kinship Carers Association NT Incorporated

ABN 44 523 770 355

Annual Report - 30 June 2021

Foster and Kinship Carers Association NT Incorporated
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General information

The financial statements cover Foster and Kinship Carers Association NT Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is Foster and Kinship Carers Association NT Incorporated's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the Committee Members' declaration.

The financial statements were authorised for issue on 14 October 2021.

Foster and Kinship Carers Association NT Incorporated
Committee Members' report
30 June 2021

The Committee Members present their report, together with the financial statements, on the incorporated association for the year ended 30 June 2021.

Committe Members
The following persons were Committee of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Kay Eade - Chairperson
Margaret Furber - Deputy Chairperson
Anne Marie Rayner - Secretary
Lyndon Ross - Treasurer
Cheryl Schmidt - Public Officer/CEO
Paul Avery
Craig Jones
Brooke Owen
Kathleen Wilemen (Retired)
Steve Downie
Denise Jenkins

Principal activities
The principal activities of Foster and Kinship Carers Association NT Incorporated are:
- To advocate independently and strategically for foster and kinship carers throughout the Northern Territory;
- Play a significant role in the child protection system by assisting with the development of legislation, policies and young people in care;
- To provide training and personal development opportunities for foster and kinship carers; and
- To recruit new foster and kinship carers.

Short Term Objectives
(a) Advocate for foster and kinship carers, both individually and systematically to ensure a strong voice for carers rights;
(b) To provide information and advice, and to facilitate support networks to strengthen placements for children and young people in care; and
(c) Play a significant role in the Out-of-Home Care system by working closely with Territory Families to develop legislation, policy and procedures to support the needs of foster families providing care for vulnerable children and young people.

Long Term Objectives
(a) To strengthen the Association's role within the Northern Territory as the Peak Body, ensuring a strong and autonomous voice for foster and kinship carers; and
(b) To establish strong advocacy for foster and kinship carers to support their role as carers for vulnerable children.

Significant Changes
No significant changes were made to the principal activities of the Association during the year.

Operating Result
The net income of the Association for the year amounted to $164,917; (2020: deficit of $37,529).

In our opinion:-

(a) The accompanying Statement of profit or loss and other comprehensive income is drawn up so as to present fairly the results of the Association for the financial year ended 30 June 2021
(b) The accompanying Statement of financial position is drawn up so as to present fairly the state of affairs of the Association as at the end of the financial year;
(c) The accompanying Statement of changes in equity is drawn up so as to present fairly the state of affairs of the Association as at the end of the financial year; and
(d) The Association is able to pay its debts as and when they fall due.

Foster and Kinship Carers Association NT Incorporated
Committee Members' report
30 June 2021

The Committee's Declaration is signed in accordance with a resolution of the Members of the Committee.

Committee Member

Committee Member

14 October 2021
Darwin

Foster and Kinship Carers Association NT Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	2021 $	2020 $
Revenue		
Grant Income	901,940	892,446
Interest Income	809	7,215
Other Income	150,397	57,919
Expenses		
Administration & Management	(165,990)	(133,644)
Consultants Costs	(7,648)	(10,103)
Depreciation	(52,584)	(44,968)
Employment Related Costs	(628,776)	(757,354)
Events & Activities	(11,443)	(11,156)
Motor Vehicle Expenses	(7,101)	(10,605)
Other Expenses	(14,687)	(27,279)
Surplus/(deficit) for the year	164,917	(37,529)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	164,917	(37,529)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Foster and Kinship Carers Association NT Incorporated
Statement of financial position
As at 30 June 2021

	Note	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	2	295,159	138,295
Financial assets	3	101,444	101,052
Trade and other receivables	4	23,610	12,337
Total current assets		420,213	251,684
Non-current assets			
Property, plant and equipment	5	15,820	2,571
Right-of-use assets	6	27,535	89,651
Total non-current assets		43,355	92,222
Total assets		463,568	343,906
Liabilities			
Current liabilities			
Trade, accruals and other payables	7	44,101	38,765
Provisions	8	51,989	39,784
Lease liabilities	9	25,102	51,487
Total current liabilities		121,192	130,036
Non-current liabilities			
Lease liabilities	9	1,369	37,780
Total non-current liabilities		1,369	37,780
Total liabilities		122,561	167,816
Net assets		341,007	176,090
Equity			
Retained surpluses		176,090	213,619
Surplus for the year		164,917	(37,529)
Total equity		341,007	176,090

The above statement of financial position should be read in conjunction with the accompanying notes

Foster and Kinship Carers Association NT Incorporated
Statement of changes in equity
For the year ended 30 June 2021

	Retained profits $	Total equity $
Balance at 1 July 2019	213,619	213,619
(Deficit) for the year	(37,529)	(37,529)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(37,529)	(37,529)
Balance at 30 June 2020	176,090	176,090

	Retained profits $	Total equity $
Balance at 1 July 2020	176,090	176,090
Surplus for the year	164,917	164,917
Other comprehensive income for the year	-	-
Total comprehensive income for the year	164,917	164,917
Balance at 30 June 2021	341,007	341,007

The above statement of changes in equity should be read in conjunction with the accompanying notes

Foster and Kinship Carers Association NT Incorporated
Statement of cash flows
For the year ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from Operating activities			
Receipts from Grants & Other Income		1,048,908	947,548
Payments to Suppliers & Employees		(822,642)	(942,036)
Interest Received		809	7,215
Interest Paid		(3,305)	(5,587)
Net Cash flows from Operating activities	10	223,770	11,531
Cash flows from Investing activities			
Additions - Term Deposit		(393)	-
Additions – Property, plant and equipment		(19,928)	-
Net Cash flows from Investing activities		(20,320)	(45,352)
Cash flows from financing activities			
Proceeds - Closure of Term Deposit		-	159,873
Leasing Principal Payments		(46,585)	(45,352)
Net cash flows from financing activities		156,865	114,521
Net increase in cash and cash equivalents		-	126,052
Cash and cash equivalents at the beginning of the financial year		138,295	12,243
Cash and cash equivalents at the end of the financial year	2	295,159	138,295

The above statement of cash flows should be read in conjunction with the accompanying notes

Foster and Kinship Carers Association NT Incorporated
Notes to the financial statements
30 June 2021

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Basis of preparation
In the Committee Members' opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Northern Territory legislation the Associations Act 2003. The Committee Members have determined that the accounting policies adopted are appropriate to meet the needs of the Committee Members of Foster and Kinship Carers Association NT Incorporated.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of:

AASB 101 Presentation of Financial Statements
AASB 107 Statement of Cash Flows
AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1048 Interpretation and Application of Standards
AASB 1054 Australian Additional Disclosures

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Revenue recognition
The Association recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Association: 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.

Grant Revenue
Grant revenue is recognised in profit or loss when the incorporated association satisfies the performance obligations stated within the funding agreements.

Note 1. Significant accounting policies (continued)

If conditions are attached to the grant which must be satisfied before the incorporated association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

Income tax
As the Association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade & other receivables are normally settled within 30 days and are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts.

Financial Instruments
Recognition and initial measurement
Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date the association commits itself to either the purchase of the sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except were the instrument is classified "at fair value through profit of loss", in which case transaction costs are expensed to profit of loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Derecognition
A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

Property, plant and equipment
Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The depreciable amount of all property, plant and equipment is depreciated over their useful lives commencing from the time the asset is held ready for use.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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.

Note 1. Significant accounting policies (continued)

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 Association 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 Association 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.

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 Association'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.

Employee benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 30 June 2021. The Association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Cash and cash equivalents

	2021 $	2020 $
Current assets		
Cash on hand	324	600
Cash at bank	294,835	137,695
	295,159	138,295

Note 3. Financial assets

Bank term deposits with a maturity of more than 3 months but less than 12 months are shown as current financial assets. Bank term deposits with a maturity of less than 3 months are shown as Cash at Bank.

	2021 $	2020 $
Current assets		
Bank Term Deposit	101,444	101,052

Note 4. Trade and other receivables

	2021 $	2020 $
Current assets		
GST receivable	9,685	6,256
Prepaid expenses	2,925	6,081
Bond deposit	11,000	-
	23,610	12,337

Note 5. Property, plant and equipment

	2021 $	2020 $
Non-current assets		
Motor vehicles - at cost	19,928	-
Less: Accumulated depreciation	(4,108)	-
	15,820	-
Computer equipment - at cost	38,814	38,814
Less: Accumulated depreciation	(38,814)	(36,243)
	-	2,571
	15,820	2,571

Note 6. Right-of-use assets

	2021 $	2020 $
Non-current assets		
Land and buildings - right-of-use	-	48,803
Less: Accumulated depreciation	-	(17,746)
	-	31,057
Motor vehicles - right-of-use	85,816	85,816
Less: Accumulated depreciation	(58,281)	(27,222)
	27,535	58,594
	27,535	89,651

Note 7. Trade, accruals and other payables

	2021 $	2020 $
Current liabilities		
Trade payables	3,941	5,555
Accrued Expenses	10,451	-
Other payables	29,709	33,210
	44,101	38,765

Note 8. Provisions

	2021 $	2020 $
Current liabilities		
Provision for leave entitlements	51,989	39,784

Note 9. Lease liabilities

	2021 $	2020 $
Current liabilities		
Lease liability	25,102	51,487
Non-current liabilities		
Lease liability	1,369	37,780
	26,471	89,267

Note 10. Reconciliation of surplus/(deficit) to net cash flows from operating activities

	2021 $	2020 $
Surplus/(deficit) for the year	164,917	(37,529)
Adjustments for:		
Depreciation and amortisation	52,584	44,968
Change in operating assets and liabilities:		
Decrease in trade and other receivables	(11,273)	19,597
(Decrease) in Grants Received in Advance	-	(15,462)
(Decrease) in Employee Provision	12,206	(3,422)
Increase in trade, accruals and other payables	5,336	3,379
Net cash flows from operating activities	223,770	11,531

Note 11. Contingent liabilities

The Association had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Note 12. Commitments

The Association had no commitments for expenditure as at 30 June 2021 and 30 June 2020.

Note 13. Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

Foster and Kinship Carers Association NT Incorporated
Committee Members' declaration
30 June 2021

In the Committee Members' opinion:

- the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Northern Territory legislation the Associations Act 2003;

- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the Committee Members

Committee Member

Committee Member

14 October 2021
Darwin

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INDEPENDENT AUDITOR'S REPORT

To the members of Foster and Kinship Carers Association NT Incorporated

Opinion

We have audited the financial report of Foster and Kinship Carers Association NT Incorporated (the Association), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and Committee Members' Declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2021 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 1.

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 Association in accordance with 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.

Emphasis of matter – Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of the *Associations Act 2003 (NT)* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the Acts). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of management and Committee Members for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Acts and for such internal control as management determines is necessary to

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enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Committee Members are responsible for overseeing the Association'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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
This description forms part of our auditor's report.

BDO

BDO Audit (NT)

C Taziwa
Audit Partner
Darwin: 4 November 2021