

Newhope Baptist Preschool Inc.

Financial Statements

For the Year Ended 31 December 2018

Newhope Baptist Preschool Inc.

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For the Year Ended 31 December 2018

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Newhope Baptist Preschool Inc.

Committees' Report

31 December 2018

The committee members present their report on Newhope Baptist Preschool Inc. for the financial year ended 31 December 2018.

General information

Committee members

The names of the committee members in office at any time during, or since the end of, the year are:

Names		Appointed/Resigned
Lance Blythe	President	Appointed 7 March 2018
Cathryn De Witt	Vice President	
Judy Louie	Treasurer	Appointed 7 March 2018
Surette Southwood	Secretary/Public Officer	
Sanette Wood		
Ron Coleman		Resigned 7 March 2018
Julie Hays		Resigned 7 March 2018
Siew Leong		Resigned 7 March 2018

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

The principal activities of Newhope Baptist Preschool Inc. during the financial year consisted of providing kindergarten activities to 3 year old and 4 year old children of members of the association.

There were no significant changes in the nature of Newhope Baptist Preschool Inc.'s principal activities during the financial year.

Operating results

The loss of the Association after providing for income tax amounted to \$ (18,173) (2017: \$ (106,095)).

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012* for the year ended 31 December 2018 has been received and can be found on page 2 of the financial report.

Signed in accordance with a resolution of the Committee of Management:

President: 
Lance Blythe

Treasurer: 
Judy Louie

Dated this 25 day of March 2019

AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF NEWHOPE BAPTIST PRESCHOOL INC.

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Matthew Hung, CA
rdl.accountants

26 March 2019
Blackburn, Victoria

Newhope Baptist Preschool Inc.

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
Revenue			
Revenue	4	439,818	686,612
Expenses			
Administration expenses		(30,856)	(34,469)
Program expenses		(16,571)	(17,733)
Teaching expenses		(307,849)	(251,581)
General expenses		(19,759)	(20,110)
Parent committee expenses		(6,816)	(5,504)
Occupancy expenses		(58,640)	(30,810)
BFGG expenses		(17,500)	(432,500)
Total expenses		<u>(457,991)</u>	<u>(792,707)</u>
Profit before income tax		(18,173)	(106,095)
Income tax expense		-	-
Profit for the year		<u>(18,173)</u>	<u>(106,095)</u>
Other comprehensive income, net of income tax			
Total comprehensive income for the year		<u>(18,173)</u>	<u>(106,095)</u>

The accompanying notes form part of these financial statements.

Newhope Baptist Preschool Inc.

Statement of Financial Position

As At 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	124,295	100,953
Other assets	6	72	19,000
TOTAL CURRENT ASSETS		<u>124,367</u>	<u>119,953</u>
NON-CURRENT ASSETS			
Plant and equipment	7	19,165	22,300
TOTAL NON-CURRENT ASSETS		<u>19,165</u>	<u>22,300</u>
TOTAL ASSETS		<u>143,532</u>	<u>142,253</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	32,905	29,210
Employee benefits	9	53,278	36,908
TOTAL CURRENT LIABILITIES		<u>86,183</u>	<u>66,118</u>
NON-CURRENT LIABILITIES			
Employee benefits	9	5,249	5,862
TOTAL NON-CURRENT LIABILITIES		<u>5,249</u>	<u>5,862</u>
TOTAL LIABILITIES		<u>91,432</u>	<u>71,980</u>
NET ASSETS		<u>52,100</u>	<u>70,273</u>
Equity			
Retained profits	10	52,100	70,273
TOTAL EQUITY		<u>52,100</u>	<u>70,273</u>

The accompanying notes form part of these financial statements.

Newhope Baptist Preschool Inc.

Statement of Changes in Equity
For the Year Ended 31 December 2018

2018

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2018	<u>70,273</u>	<u>70,273</u>
Profit/loss attributable to members of the association	<u>(18,173)</u>	<u>(18,173)</u>
Balance at 31 December 2018	<u><u>52,100</u></u>	<u><u>52,100</u></u>

2017

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2017	<u>176,368</u>	<u>176,368</u>
Profit/loss attributable to members of the association	<u>(106,095)</u>	<u>(106,095)</u>
Balance at 31 December 2017	<u><u>70,273</u></u>	<u><u>70,273</u></u>

The accompanying notes form part of these financial statements.

Newhope Baptist Preschool Inc.

Statement of Cash Flows

For the Year Ended 31 December 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	439,558	686,311
Payments to suppliers and employees	(416,476)	(772,060)
Interest received	260	301
Net cash provided by/(used in) operating activities	13 <u>23,342</u>	<u>(85,448)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(4,687)
Net cash provided by/(used in) investing activities	-	<u>(4,687)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	23,342	(90,135)
Cash and cash equivalents at beginning of year	<u>100,953</u>	191,088
Cash and cash equivalents at end of financial year	5 <u><u>124,295</u></u>	<u>100,953</u>

The accompanying notes form part of these financial statements.

Newhope Baptist Preschool Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2018

The financial statements cover Newhope Baptist Preschool Inc. as an individual entity. Newhope Baptist Preschool Inc. is a not-for-profit Association incorporated in Victoria under the Associations Incorporation Reform Act 2012 ('the Act').

The functional and presentation currency of Newhope Baptist Preschool Inc. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, 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* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a net basis.

Notes to the Financial Statements

For the Year Ended 31 December 2018

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) 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 that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled .

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(g) Trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association 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.

3 Critical Accounting Estimates and Judgments

The committee members make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Notes to the Financial Statements

For the Year Ended 31 December 2018

3 Critical Accounting Estimates and Judgments

Key estimates - employee provisions

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date.

4 Revenue and Other Income

	2018	2017
	\$	\$
Revenue		
- administration fee - enrolment	19,262	20,140
- fees	338,463	300,416
- interest received	260	301
- donations from NHBC school building fund	50,000	24,000
- donations and fundraising	14,333	9,255
- grants	17,500	332,500
	<u>439,818</u>	<u>686,612</u>
Total revenue	<u>439,818</u>	<u>686,612</u>

5 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash on hand	300	500
Cash at bank	123,995	100,453
	<u>124,295</u>	<u>100,953</u>

6 Trade and Other Receivables

	2018	2017
	\$	\$
CURRENT		
Other current assets	72	19,000
	<u>72</u>	<u>19,000</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

7 Property, plant and equipment

Leasehold improvements		
At cost	21,355	43,760
Accumulated depreciation	(7,608)	(29,181)
Total freehold improvements	<u>13,747</u>	<u>14,579</u>

Newhope Baptist Preschool Inc.

Notes to the Financial Statements
For the Year Ended 31 December 2018

7 Property, plant and equipment

Plant and equipment		
At cost	13,180	13,228
Accumulated depreciation	(7,762)	(5,507)
Total plant and equipment	<u>5,418</u>	<u>7,721</u>
	<u>19,165</u>	<u>22,300</u>

8 Trade and Other Payables

	2018	2017
	\$	\$
Current		
GST payable	5,371	4,021
Accrued expenses	7,276	3,521
PAYG withholding payable	17,776	12,834
Other payables	664	1,054
Electronic clearing account	1,818	7,780
	<u>32,905</u>	<u>29,210</u>

9 Employee Benefits

	2018	2017
	\$	\$
Current liabilities		
Long service leave	19,447	12,231
Personal leave	33,831	24,677
	<u>53,278</u>	<u>36,908</u>

	2018	2017
	\$	\$
Non-current liabilities		
Long service leave	5,249	5,862
	<u>5,249</u>	<u>5,862</u>

10 Retained Earnings

	2018	2017
	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	70,273	176,368
Net loss attributable to the members of the association	(18,173)	(106,095)
Retained earnings at end of the financial year	<u>52,100</u>	<u>70,273</u>

Notes to the Financial Statements

For the Year Ended 31 December 2018

11 Auditors' Remuneration

	2018	2017
	\$	\$
Remuneration of the auditor rdl.accountants for:		
- auditing or reviewing the financial statements	2,138	2,063
Total	2,138	2,063

12 Contingencies

In the opinion of the committee members, the Association did not have any contingencies at 31 December 2018 (31 December 2017:None).

13 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2018	2017
	\$	\$
Net profit attributable to the members of the association	(18,173)	(106,094)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	3,135	2,369
Changes in assets and liabilities:		
- (increase)/decrease in other assets	18,928	715
- increase/(decrease) in trade and other payables	3,695	12,907
- increase/(decrease) in employee benefits	15,757	4,656
Cashflows from operations	23,342	(85,447)

14 Events after the end of the Reporting Period

The financial report was authorised for issue on 25 March 2019 by the committee members.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

15 Statutory Information

The registered office and principal place of business of the association is:

Newhope Baptist Preschool Inc.
3 Springfield Road
BLACKBURN NORTH VIC 3130

Newhope Baptist Preschool Inc.

Committee Members' Declaration

The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 3 to 11:

1. Presents fairly the financial position of Newhope Baptist Preschool Inc. as at 31 December 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Newhope Baptist Preschool Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President
Lance Blythe

Treasurer
Judy Louie

Dated this 25 day of March 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWHOPE BAPTIST PRESCHOOL INC.

Report on the Financial Report*Opinion*

We have audited the accompanying financial report, being a special purpose financial report, of Newhope Baptist Preschool Inc (the association), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee members' declaration.

In our opinion the financial report of Newhope Baptist Preschool Inc has been prepared in accordance with Division 60 of the *Australian and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the association's financial position as at 31 December 2018 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with Division 60 of the *Australian and Not-for-profits Commission Act Regulation 2013*.

Basis for Opinion

We have conducted our audit in accordance with the 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 the ethical requirements of the *Australian and Not-for-profits Commission Act 2012* and 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 for the purpose of fulfilling the committee members' financial reporting responsibilities under the *Australian and Not-for-profits Commission Act 2012*. 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 Committee Members for the Financial Report

The committee members of the association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The committee members' responsibility also includes such internal control as the committee members determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members are 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 the committee members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 association'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 association 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.



Matthew Hung, CA
rdl.accountants

26 March 2019
Blackburn, Victoria