

Brunswick Kindergarten Inc

ABN 99 140 589 479

Financial Statements

For the Year Ended 30 June 2020

Brunswick Kindergarten Inc

ABN 99 140 589 479

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For the Year Ended 30 June 2020

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Brunswick Kindergarten Inc

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Committee Members' Report

30 June 2020

The committee members submit the financial report of the Incorporated Association for the financial year ended 30 June 2020.

1. General information

Committee members

The names of committee members throughout the year and at the date of this report are:

- Ema Fraser (President)
- Kentia Boyle (Vice-President)
- Stephanie Hunt (Vice-President)
- Jeremy Loadman (Secretary)
- Bethany Macdonald (Treasurer)

Principal activities

The principal activities of the Incorporated Association during the financial year were:

- Conduct a Pre-School centre

2. Operating results and review of operations for the year

Operating result

The operating surplus of the Incorporated Association for the financial year after providing for income tax amounted to \$ 93,172 (2019: \$ 104,486).

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

President: *Emanuela Fraser*
 Ema Fraser

Treasurer: *B Macdonald*
 Bethany Macdonald

Dated the 9th day of November 2020

AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE RESPONSIBLE PERSONS OF BRUNSWICK KINDERGARTEN INC.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 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

9 November 2020
Blackburn, Victoria

Brunswick Kindergarten Inc

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Fees revenue		200,526	292,947
Grant revenue		519,267	546,332
Interest revenue		1,309	3,656
Other revenue		3,091	6,758
Fundraising revenue		9,942	6,985
Donations		20	56
Government support income		148,813	-
		882,968	856,734
Auditing the financial report	10	(1,890)	(1,835)
Basic		(684,603)	(647,491)
Excursions / entertainment		(17,181)	(16,619)
Depreciation expense		(8,471)	(8,977)
Cleaning and maintenance		(30,224)	(24,817)
Stationery and supplies		(14,447)	(19,080)
Utilities		(8,953)	(9,569)
Administration		(20,493)	(20,582)
Insurance		(3,082)	(2,676)
Bank fees and finance costs		(452)	(602)
		(789,796)	(752,248)
Surplus before income tax		93,172	104,486
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the Members of Brunswick Kindergarten Inc.		93,172	104,486
Other comprehensive income, net of income tax			
Total comprehensive income for the year attributable to the Members of Brunswick Kindergarten Inc.		93,172	104,486

The accompanying notes form part of these financial statements.

Brunswick Kindergarten Inc

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Statement of Financial Position

30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	231,223	351,804
Trade and other receivables	4	67,323	-
Prepayments	6	18,839	-
TOTAL CURRENT ASSETS		317,385	351,804
NON-CURRENT ASSETS			
Property, plant and equipment	5	496,384	349,740
TOTAL NON-CURRENT ASSETS		496,384	349,740
TOTAL ASSETS		813,769	701,544
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	38,262	15,656
Provisions	9	173,059	179,332
Other financial liabilities	8	2,720	-
TOTAL CURRENT LIABILITIES		214,041	194,988
TOTAL LIABILITIES		214,041	194,988
NET ASSETS		599,728	506,556
EQUITY			
Retained surpluses		599,728	506,556
TOTAL EQUITY		599,728	506,556

The accompanying notes form part of these financial statements.

Brunswick Kindergarten Inc

Statement of Changes in Equity
For the Year Ended 30 June 2020

2020

	Retained Earnings	Total
	\$	\$
Opening balance at 1 July 2018	506,556	506,556
Surplus after income tax for the year	93,172	93,172
Balance at 30 June 2020	599,728	599,728

2019

	Retained Earnings	Total
	\$	\$
Opening balance at 1 July 2018	402,070	402,070
Surplus after income tax for the year	104,486	104,486
Balance at 30 June 2019	506,556	506,556

The accompanying notes form part of these financial statements.

Brunswick Kindergarten Inc

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Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	814,336	853,078
Payments to suppliers and employees	(780,659)	(724,979)
Interest received	1,309	3,656
Interest paid	(452)	(602)
Net cash provided by/(used in) operating activities	11 <u>34,534</u>	<u>131,153</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(155,115)</u>	(138,204)
Net cash used by investing activities	<u>(155,115)</u>	<u>(138,204)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(120,581)	(7,051)
Cash and cash equivalents at beginning of year	<u>351,804</u>	<u>358,855</u>
Cash and cash equivalents at end of financial year	3 <u><u>231,223</u></u>	<u><u>351,804</u></u>

The accompanying notes form part of these financial statements.

Brunswick Kindergarten Inc

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Notes to the Financial Statements For the Year Ended 30 June 2020

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

The functional and presentation currency of Brunswick Kindergarten Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Committee of Management, the Incorporated 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 and Victorian legislation, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations.

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

Compliance with Australian Accounting Standards

The material accounting policies adopted in these special purpose financial statements are set out in Note 2. The Incorporated Association has not assessed how the accounting policies adopted differ from the recognition and measurement requirements contained in the Australian Accounting Standards.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Incorporated 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 Incorporated 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.

All revenue is stated net of the amount of goods and services tax (GST).

Grant, fundraising and interest revenue

Grant, fundraising and Interest income is recognised when received.

(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).

**Notes to the Financial Statements
For the Year Ended 30 June 2020**

2 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

Receivables and payable are stated inclusive of GST.

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

(d) Property, plant and equipment

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

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Incorporated Association as follows:

Plant and equipment	10 - 25%
Landscaping	10%
Property improvements	2.5%

The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

(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 Incorporated 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 .

3 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on hand	9	188
Cash at bank	231,214	351,616
	<u>231,223</u>	<u>351,804</u>

4 Trade and Other Receivables

	2020	2019
	\$	\$
Other receivables	67,323	-
	<u>67,323</u>	<u>-</u>

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Notes to the Financial Statements For the Year Ended 30 June 2020

5 Property, plant and equipment

	2020	2019
	\$	\$
Land and Buildings		
At cost	140,000	140,000
Capital works in progress		
At cost	-	133,917
Plant and equipment		
At cost	182,860	180,405
Accumulated depreciation	(133,112)	(126,551)
Total plant and equipment	49,748	53,854
Landscaping project		
At cost	46,454	46,454
Accumulated depreciation	(30,256)	(28,457)
Total landscaping project	16,198	17,997
Property Improvements		
At cost	290,776	4,200
Accumulated depreciation	(338)	(228)
Total Property Improvements	290,438	3,972
Total property, plant and equipment	496,384	349,740

6 Other Assets

	2020	2019
	\$	\$
Prepayments	18,839	-
	18,839	-

7 Trade and Other Payables

	2020	2019
	\$	\$
BAS payable	18,153	15,656
Employee benefits	20,109	-
	38,262	15,656

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

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Notes to the Financial Statements For the Year Ended 30 June 2020

8 Other Financial Liabilities

	2020	2019
	\$	\$
Amounts received in advance	2,720	-
	<u>2,720</u>	<u>-</u>

9 Employee Benefits

	2020	2019
	\$	\$
Long service leave	71,851	67,499
Employee benefits	11,837	11,882
Annual leave	10,867	15,069
Sick leave	78,504	84,882
	<u>173,059</u>	<u>179,332</u>

10 Auditors' Remuneration

During the financial year the following fees were paid or payable for services provided by RDL Accountants, the auditor of the Incorporated Association.

	2020	2019
	\$	\$
Audit services - RDL Accountants:		
- Audit of the financial statements	1,890	1,835
	<u>1,890</u>	<u>1,835</u>

11 Reconciliation of result for the year to cashflows from operating activities

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

	2020	2019
	\$	\$
Surplus/(deficit) for the year	93,172	104,486
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in profit:		
- depreciation	8,471	8,977
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(67,323)	-
- (increase)/decrease in prepayments	(18,839)	-
- increase/(decrease) in deferred income	2,720	-
- increase/(decrease) in trade and other payables	22,606	(2,498)
- increase/(decrease) in employee benefits	(6,273)	20,188
Cashflows from operations	<u>34,534</u>	<u>131,153</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2020

12 COVID-19 Event

Since being declared a pandemic, COVID-19 has had a significant impact on the Australian economy. The committee members have assessed the impact of COVID-19 on the Association and although operations have been adapted to comply with various restrictions, the Association is expected to continue. Furthermore, the Association has been a recipient of various Government subsidies such as the JobKeeper payment and the Cash Flow Boost for businesses.

Brunswick Kindergarten Inc

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Committee Members' Declaration

30 June 2020

In the Committee Members' opinion:

- the Incorporated 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. Accordingly, as described in note 1 to the financial statements;
- the financial statements attached to this declaration comply with the Accounting Standards as described in note 1 to the financial statements;
- the financial statements attached to this declaration give a true and fair view of the financial performance and position of Brunswick Kindergarten Inc during and at the end of the financial year of the association ending on 30 June 2020; 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 members of the Committee of the Brunswick Kindergarten Inc

Emanuela Fraser

.....
Ema Fraser (President)

B Macdonald

.....
Bethany Macdonald (Treasurer)

Dated the9th..... day ofNovember..... 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRUNSWICK KINDERGARTEN INC.

Report on the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Brunswick Kindergarten Inc. (the association), which comprises the statement of financial position as at 30 June 2020, 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 Brunswick Kindergarten Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the association's financial position as at 30 June 2020 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 Charities 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 Charities 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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the committee members, would be in the same terms if given to them as at the time of this auditor's report.

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 Charities 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 accounting policies described in Note 2 to the financial report is appropriate to meet the requirements of the *Australian Charities 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
9 November 2020
Blackburn, Victoria