

NewHope Baptist Preschool Inc.

ABN 11 276 993 085

Financial Statements

For the Year Ended 31 December 2021

NewHope Baptist Preschool Inc.

ABN 11 276 993 085

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NewHope Baptist Preschool Inc.

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Committee's Report

31 December 2021

The committee members present their report on NewHope Baptist Preschool Inc. for the financial year ended 31 December 2021.

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

Lance Blythe	President	
Judy Louie	Treasurer	
Surette Southwood	Secretary/Public Officer	
Annaliese Tesdorp	Parents' Representative	Resigned 8 Sep 2021
Sanette Wood	Committee Member	
Michael Henshaw	Committee Member	Appointed 3 Mar 2021
Monica Johns	Parents' Representative	Appointed 8 Sep 2021 Resigned 16 Feb 2022

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 preschool education and care services to three (3) year old, four (4) and five (5) year old children as directed by teaching staff and the overarching professional documents and regulatory / legislative requirements in the Victorian early childhood sector. Enrolments to the preschool are done through the central application process of the Whitehorse Preschool Association (WPSA).

There were no significant changes in the nature of NewHope Baptist Preschool Inc. 's principal activities during the financial year apart from the impact of lockdown during COVID-19 restrictions and reduced numbers over some weeks as the on-site service was only provided to children of vulnerable families or whose parents were essential workers or whose circumstances forced them to let their children attend on-site as opposed to following the on-line curriculum that was provided. These mandates were determined by the State government.

Operating results

The loss of the Association amounted to \$ 13,743 (2020: profit \$ 142,830).

NewHope Baptist Preschool Inc.

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Committee's Report


31 December 2021

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 2021 has been received and can be found on page 15 of the financial report.

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

President:  Lance Blythe

Treasurer:  Judy Louie

Dated this 12 day of MAY 2022

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2021

		2021	2020
	Note	\$	\$
Revenue	4	469,689	626,582
Expenses			
Administration expenses		(21,464)	(23,291)
Program expenses		(6,905)	(8,098)
Teaching expenses		(334,383)	(348,201)
General expenses		(36,852)	(28,766)
Parent committee expenses		(1,675)	-
Occupancy expenses		(82,153)	(75,396)
Total expenses		(483,432)	(483,752)
Profit before income tax		(13,743)	142,830
Income tax expense		-	-
Profit for the year		(13,743)	142,830
Other comprehensive income, net of income tax			
Total comprehensive income for the year		(13,743)	142,830

NewHope Baptist Preschool Inc.

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Statement of Financial Position**As At 31 December 2021**

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	99,256	175,330
Trade and other receivables		6,588	810
Term deposit		-	100,000
Other assets	7	2,793	17,717
TOTAL CURRENT ASSETS		108,637	293,857
NON-CURRENT ASSETS			
Loan to related parties	6	210,815	-
Plant and equipment	8	23,131	20,637
TOTAL NON-CURRENT ASSETS		233,946	20,637
TOTAL ASSETS		342,583	314,494
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	63,171	36,848
Employee benefits	10	81,402	66,881
TOTAL CURRENT LIABILITIES		144,573	103,729
NON-CURRENT LIABILITIES			
Employee benefits	10	11,419	10,431
TOTAL NON-CURRENT LIABILITIES		11,419	10,431
TOTAL LIABILITIES		155,992	114,160
NET ASSETS		186,591	200,334
Equity			
Reserves	11	3,000	3,000
Retained profits		183,591	197,334
TOTAL EQUITY		186,591	200,334

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2021

2021

	Retained Earnings	Free Kinder Reserve	Covid Outdoor Capital Reserve	Pastoral Care Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2021	197,334	3,000	-	-	200,334
Profit/loss attributable to members of the association	(13,743)	-	-	-	(13,743)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	(13,743)	-	-	-	(13,743)
Transfer to/from reserves	-	(3,000)	2,000	1,000	-
Balance at 31 December 2021	183,591	-	2,000	1,000	186,591

2020

	Retained Earnings	Free Kinder Reserve	Total
	\$	\$	\$
Balance at 1 January 2020	57,504	-	57,504
Profit/loss attributable to members of the association	142,830	-	142,830
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	142,830	-	142,830
Transfer to/from reserves	(3,000)	3,000	-
Balance at 31 December 2020	197,334	3,000	200,334

The accompanying notes form part of these financial statements.

NewHope Baptist Preschool Inc.

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Statement of Cash Flows For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	515,169	649,717
Payments to suppliers and employees	(475,036)	(480,018)
Interest received	1,064	253
Net cash provided by/(used in) operating activities	14 41,197	169,952
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from financial assets	100,000	-
Payments for property, plant and equipment	(6,456)	(7,051)
Payments for financial assets	(210,815)	(100,000)
Net cash provided by/(used in) investing activities	(117,271)	(107,051)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(76,074)	62,901
Cash and cash equivalents at beginning of year	175,330	112,429
Cash and cash equivalents at end of financial year	5 99,256	175,330

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2021

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, 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

These financial statements do not comply with all the recognition and measurement requirements in the Australian Accounting Standards. The material accounting policies adopted in these special purpose financial statements are set out in Note 2.

The Association has not assessed how its significant accounting policies differ from the recognition and measurement requirements contained in the Australian Accounting Standards that do not apply to it.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(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 gross basis.

(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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Critical Accounting Estimates and Judgments

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.

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

	2021 \$	2020 \$
Revenue		
- administration fee - enrolment	19,240	18,690
- fees	359,706	304,100
- interest received	1,064	253
- government support income	-	216,810
- other income	855	1,425
- donations from NHBC school building fund	65,000	65,000
- donations and fundraising	4,825	1,696
- grants	18,999	18,608
Total revenue	469,689	626,582

5 Cash and Cash Equivalents

	2021 \$	2020 \$
Cash on hand	-	300
Cash at bank	99,256	175,030
	99,256	175,330

6 Other Financial Assets

	2021 \$	2020 \$
NON-CURRENT		
Loan to related parties	210,815	-
	210,815	-

Notes to the Financial Statements

For the Year Ended 31 December 2021

6 Other Financial Assets

(a) Loan to related parties

An unsecured loan was made to the NewHope Baptist Church on 18 October 2021. The term of the loan is 10 years and interest applied at the same rate that NewHope Baptist Church pays on its variable interest rate commercial loan.

7 Other Assets

	2021 \$	2020 \$
CURRENT		
Prepayments	2,793	-
Accrued income	-	17,717
	<u>2,793</u>	<u>17,717</u>

8 Property, plant and equipment

	2021 \$	2020 \$
Leasehold improvements		
At cost	38,630	43,760
Accumulated depreciation	(28,979)	(31,680)
Total freehold improvements	<u>9,651</u>	<u>12,080</u>
Plant and equipment		
At cost	29,287	22,831
Accumulated depreciation	(15,807)	(14,274)
Total plant and equipment	<u>13,480</u>	<u>8,557</u>
	<u>23,131</u>	<u>20,637</u>

9 Trade and Other Payables

	2021 \$	2020 \$
CURRENT		
Trade payables	1,499	6,309
GST payable	4,190	4,295
Accrued expenses	50,625	18,470
PAYG withholding payable	6,142	6,960
Other payables	715	815
	<u>63,171</u>	<u>36,849</u>

Notes to the Financial Statements

For the Year Ended 31 December 2021

10 Employee Benefits

	2021 \$	2020 \$
CURRENT		
Long service leave	23,869	21,032
Personal leave	56,333	45,849
Other employee benefits	1,200	-
	<u>81,402</u>	<u>66,881</u>
	2021 \$	2020 \$
NON-CURRENT		
Long service leave	11,419	10,431
	<u>11,419</u>	<u>10,431</u>

11 Reserves

	2021 \$	2020 \$
Covid Outdoor Capital Reserve		
Opening balance	-	-
Transfers in	2,000	-
	<u>2,000</u>	<u>-</u>
Free Kinder Reserve		
Opening balance	3,000	-
Transfers in	(3,000)	3,000
	<u>-</u>	<u>3,000</u>
Pastoral Care Reserve		
Transfers in	1,000	-
	<u>1,000</u>	<u>-</u>
	<u>3,000</u>	<u>3,000</u>

(a) Covid Outdoor Capital Reserve

The Covid Outdoor Capital reserve consists of funds set aside to be used for general improvements and updates of the outdoor facilities.

(b) Free Kinder Reserve

The reserve consists of funds set aside to be used for the provision of free kinder.

Notes to the Financial Statements

For the Year Ended 31 December 2021

11 Reserves

(c) Pastoral Care Reserve

The Pastoral Care reserve consists of funds set aside to be used to address the pastoral care needs of NewHope Preschool families who may be faced with post pandemic distress.

12 Auditors' Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor and accountants for:		
- auditing the financial statements, including preparation of financial statements	3,101	3,000
Total	3,101	3,000

13 Contingencies

In the opinion of the committee members, the Association did not have any contingencies at 31 December 2021 (31 December 2020: None).

14 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:

	2021	2020
	\$	\$
Net profit attributable to the members of the association	(13,743)	142,830
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	1,850	2,569
- net (gain)/ loss on disposal of property, plant and equipment	2,113	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(5,778)	(672)
- (increase)/decrease in other assets	14,924	1,596
- increase/(decrease) in trade and other payables	26,323	11,920
- increase/(decrease) in employee benefits	15,508	11,709
Cashflows from operations	41,197	169,952

15 Events after the end of the Reporting Period

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

NewHope Baptist Preschool Inc.

ABN 11 276 993 085

Notes to the Financial Statements

For the Year Ended 31 December 2021

16 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.

ABN 11 276 993 085


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 4 to 13:

1. Presents fairly the financial position of NewHope Baptist Preschool Inc. as at 31 December 2021 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 12 day of MAY 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE RESPONSIBLE PERSONS OF NEWHOPE BAPTIST PRE-SCHOOL INC

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021 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

20 May 2022
Blackburn, Victoria

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWHOPE BAPTIST PRE-SCHOOL INC

Report on the Financial Report*Opinion*

We have audited the accompanying financial report, being a special purpose financial report, of NewHope Baptist Pre-School Inc (the association), which comprises the statement of financial position as at 31 December 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 responsible persons' declaration.

In our opinion the financial report of NewHope Baptist Pre-School 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 31 December 2021 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.

A handwritten signature in black ink, appearing to read 'Matthew Hung', with a stylized flourish at the end.

Matthew Hung, CA
rdl.accountants
20 May 2022
Blackburn, Victoria