KELLY+PARTNERS | MGRV
CHARTERED ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDEN SQUARE KINDERGARTEN INC

## Report on the Audit of the Financial Report

### Qualified Opinion

We have audited the accompanying financial report of Golden Square Kindergarten Inc, which comprises the balance sheet as at 30 September 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion section of our report, the financial report gives a true and fair view of the financial position of Golden Square Kindergarten Inc as of 30 September 2023, and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the Associations Incorporation Reform Act 2012.

### Basis of Qualified Opinion

As is common for organisations of this type, it is not practicable for the Golden Square Kindergarten Inc to maintain an effective system of internal control over receipts until their initial entry in the accounting records. Accordingly, our audit in relation to receipts was limited to amounts recorded.

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 the 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 audit 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 Incorporation Reform 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 the Committee for the Financial Report**

The committee of the Golden Square Kindergarten Inc are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Reform Act 2012 and for such internal control as the committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

**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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement 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 the committee.

- Conclude on the appropriateness of the committee'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 the committee 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.

**Warren Pollock**
**Registered Company Auditor 22497**
**Kelly Partners Bendigo**
**Location - Bendigo**
bendigo@kellypartners..com.au

22 December 2023

**Golden Square Kindergarten Inc.**
**Statement of Comprehensive Income**
**For the Financial Year Ended 30th September 2023**

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| **RECEIPTS** | | |
| Grants | 1,598,708 | 917,466 |
| Fees | 268,215 | 242,288 |
| Fundraising | 7,582 | 7,703 |
| Interest | 2,886 | 1,142 |
| Sundry Income | 8,614 | 16,720 |
| **Total Receipts** | 1,886,005 | 1,185,319 |
| **PAYMENTS** | | |
| Advertising | 999 | - |
| Audit Fees | 2,000 | 1,400 |
| Bad Debt Recovery Fees | - | - |
| Bank Charges | 1,803 | 1,635 |
| Books & Publications | 64 | 129 |
| Cleaning | 3,046 | 6,661 |
| Computer Software | 14,369 | 4,362 |
| Cost of Goods Sold | 2,501 | 5,061 |
| Depreciation | 40,984 | 20,033 |
| Education & Craft Equipment | 4,885 | 5,512 |
| Electricity & Gas | 3,424 | 3,726 |
| Equipment | 9,205 | 25,368 |
| First Aid Supplies | 1,929 | 1,334 |
| Fundraising Expenses | 580 | - |
| Gardening | 3,119 | 1,039 |
| Grants Expenditure | 33,472 | 4,986 |
| Incursions & Excursions | 9,989 | 6,851 |
| Insurance | 9,854 | 3,014 |
| Interest Expense | 378 | - |
| Lease - Photocopier | - | 3,611 |
| Licences | - | 705 |
| Miscellaneous Expenses | 2,932 | 2,926 |
| Photo Sheet Expense | - | 1,080 |
| Postage | 318 | 257 |
| Printing & Stationery | 20,276 | 13,642 |
| Rent | 17,951 | 17,424 |
| Repairs & Maintenance | 28,920 | 12,031 |
| Staff Amenities | 23,388 | 1,605 |
| Staff Development & Training | 12,838 | 3,618 |
| Subscriptions & Memberships | 4,009 | 5,258 |
| Teaching Resources | 1,860 | - |
| Telephone | 2,303 | 2,887 |
| Uniform | 2,050 | 143 |
| Rates | 2,510 | 1,183 |
| Wages | 1,164,564 | 802,209 |
| Workcover | 19,217 | 10,749 |
| Total Payments | 1,445,737 | 970,439 |
| **TOTAL COMPREHENSIVE INCOME** | **440,268** | **214,880** |

The above statement should be read in conjunction with the accompanying notes.

**Golden Square Kindergarten Inc.**
**Balance Sheet**
**As at 30th September 2023**

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| **CURRENT ASSETS** | | |
| Cash and Cash Equivalents | 685,039 | 454,000 |
| Receivables | 60,170 | 45,008 |
| **TOTAL CURRENT ASSETS** | **745,209** | **499,008** |
| **NON-CURRENT ASSETS** | | |
| Fixed Assets | 1,298,816 | 1,263,405 |
| Security Deposit | 3,500 | 3,500 |
| **TOTAL NON-CURRENT ASSETS** | **1,302,316** | **1,266,905** |
| **TOTAL ASSETS** | **2,047,525** | **1,765,913** |
| **LIABILITIES** | | |
| **CURRENT LIABILITIES** | | |
| Payables | 84,400 | 215,221 |
| Accrued Income | 35,550 | 84,240 |
| Provisions | 121,707 | 101,950 |
| **TOTAL CURRENT LIABILITIES** | **241,657** | **401,411** |
| **NON-CURRENT LIABILITIES** | | |
| Provisions | 2,818 | 1,720 |
| **TOTAL NON-CURRENT LIABILITIES** | **2,818** | **1,720** |
| **TOTAL LIABILITIES** | **244,475** | **403,131** |
| **NET ASSETS** | **1,803,050** | **1,362,782** |
| **EQUITY**<br>**Represented by:** | | |
| **Funds 1st October** | 1,362,782 | 1,147,902 |
| **Plus Surplus (Deficit) for 12 month period** | 440,268 | 214,880 |
| **Funds 30th September** | **1,803,050** | **1,362,782** |

The above statement should be read in conjuction with the accompanying notes.

**Golden Square Kindergarten Inc.**
**Statement Of Changes In Equity**
**For the Financial Year Ended 30th September 2023**

| | Total<br>$ |
|---|---|
| **Balance at 1 October 2021** | 1,147,902 |
| Profit for the year | 214,880 |
| **Total comprehensive income for the year attributable to members of the association** | 214,880 |
| **Balance at 30 September 2022** | 1,362,782 |
| **Balance at 1 October 2022** | 1,362,782 |
| Profit (loss) for the year | 440,268 |
| **Total comprehensive income for the year attributable to members of the association** | 440,268 |
| **Balance at 30 September 2023** | 1,803,050 |

The above statement should be read in conjunction with the accompanying notes.

**Golden Square Kindergarten Inc.**
**Statement of Cash Flows**
**For the Financial Year Ended 30th September 2023**

| | 2023<br>$<br>Inflows<br>(Outflows) | 2022<br>$<br>Inflows<br>(Outflows) |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Receipts from operating activities | 1,867,957 | 1,220,924 |
| Payments to Suppliers and Employees | (1,563,031) | (767,385) |
| Interest Received | 2,886 | 1,142 |
| Interest Paid | (378) | - |
| **Net Cash Provided by/(Used in) Operating Activities** | **307,434** | **454,681** |
| **Cash Flows from Investing Activities** | | |
| Purchase of Property Plant & Equipment | (76,395) | (988,201) |
| **Net Cash Provided by/(Used in) Investing Activities** | **(76,395)** | **(988,201)** |
| **NET INCREASE/(DECREASE) IN CASH HELD** | 231,039 | (533,520) |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | 454,000 | 987,520 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | **685,039** | **454,000** |

The above statement should be read in conjunction with the accompanying notes.

**Golden Square Kindergarten Inc.**
**Notes to the Accounts**
**For the Financial Year Ended 30th September 2023**

## Note 1: ACCOUNTING POLICIES

These financial statements are a special purpose financial report prepared in order to satisfy the accounts preparation requirements of the Associations Incorporations Reform Act 2012. The following accounting standards and other mandatory professional reporting requirements have been applied:

AASB 101 : Presentation of Financial Statements
AASB 116 : Property, Plant and Equipment
AASB 1031 : Materiality
AASB 108 : Accounting Policies, Changes in Accounting Estimates and Errors
AASB 118 : Revenue

No other applicable accounting standards or mandatory professional reporting requirements have been intentionally applied.

The financial statements have been prepared on a going concern basis from the records of the Association. They are based on historic costs and do not take into account changing money values or, unless where specifically stated, current valuations of non-current assets.