

2021 Year Financial Statements for

HAY CHILDREN'S SERVICES INCORPORATED

For the year ended 31 December 2021

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Committee's Report

HAY CHILDREN'S SERVICES INCORPORATED For the year ended 31 December 2021

Committee's Report

Your committee members submit the financial report of HAY CHILDREN'S SERVICES for the period ended 31 December 2021.

Committee Members

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

Committee Member	Position	Date Started	Experience	Qualification
Polly Lugsdin	Secretary	07/10/2019	Small Business Manager	Business Administration
Emily Perkins	President	07/10/2019	Small Business Manager	Bachelor of Business; Bachelor of Animal Science; Masters in Leadership; Frontline Management
Hayley Jacka	Vice President	18/01/2021	Early Childhood Centre Director	Diploma of Early Childhood Education & Care
Charlie Wythes	Treasurer	07/10/2019	Banking and Finance	Bachelor of Business
Lisa McKay	Committee	18/01/2021	Acting Manager Hay Ambulance NSW	Ambulance Paramedic
Catherine Nelson	Committee	07/10/2019	Teacher	Bachelor of Teaching

Meetings of Committee Members

During the financial year, a number of committee meetings were held. Attendances by each of committee member during the year were as follows:

Committee Members Name	Number Eligible to Attend	Number Attended
Polly Lugsdin	11	10
Emily Perkins	11	11
Charlie Wythes	11	9
Catherine Nelson	11	10
Hayley Jacka	11	8
Lisa McKay	3	1

Principal Activities

A childcare, preschool, and mobile care services provider.

Significant Changes

Merger of entities to Hay Children's Services

The Association commenced operations in the the last quarter of the 2020 year as a result of the merger of Hay Preschool & Kindergarten Inc, Hay Mobile Childrens Services Inc, and Hay Plains Child Care Centre Inc. The effective control of services and the combined assets and liabilities transferred to the Association.

Impacts of the COVID-19 pandemic on the operations

The Committee is closely monitoring the situation and will be working to assist members through this unprecedented time and to ensure the Centre is in a strong and viable financial position.

Operating Result

The operating Surplus/(Deficit) after providing for income tax for the financial period amounted to (\$7,234) (2020: Deficit \$140,459). The prior year deficit does not reflect a full year of trading.

The result for the 2021 year includes \$130,167 of Boosting Apprentice Commencements wage subsidy funded during the Covid-19 pandemic to support the intake of new apprentices or trainees.

Going Concern - economic dependence

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon ongoing Funding from both State and Federal Government, and the ability of the association to generate sufficient cashflows from operations to meet its liabilities. The members of the association believe that the Government Funding is continuing, and that the going concern assumption is appropriate.

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



Emily Perkins (May 26, 2022 18:49 GMT+10)

Emily Perkins (President)

Dated May 26, 2022



Charles Peter Wythes (May 26, 2022 19:08 GMT+10)

Charlie Wythes (Treasurer)

Dated May 26, 2022

Statement of Profit or Loss and Other Comprehensive Income

HAY CHILDREN'S SERVICES INCORPORATED For the year ended 31 December 2021

	2021	2020
Income		
Fee Revenue	230,175	37,224
Funding Income		
NSW Department of Education	909,800	26,576
Foundation for Rural & Regional Renewal	36,820	18,112
NSW Department of Education, Skills and Employment	384,562	79,997
NSW Family & Community Services	5,951	-
Total Funding Income	1,337,134	124,684
Total Income	1,567,309	161,908
Gross Surplus	1,567,309	161,908
Other Income		
Fundraising	713	5,242
Donations	106	-
Memberships Constitution	210	10
Insurance Recoveries	31,847	-
Staff Uniforms	1,470	-
Non Staff Uniform Sales	1,305	18
Other Income	1,400	22
Interest Income	1,831	66
Total Other Income	38,881	5,358
Expenditure		
Administration	87,079	25,477
Depreciation	44,670	9,819
Employee expenses	1,301,420	218,569
Fundraising expenses	253	2,064
Loss on Sale of Fixed Assets	-	409
Occupancy expenses	70,593	20,834
Program Delivery	109,408	30,553
Total Expenditure	1,613,424	307,725
Current Year Surplus/ (Deficit) Before Income Tax	(7,234)	(140,459)
Net Current Year Surplus After Income Tax	(7,234)	(140,459)

The accompanying notes form part of these financial statements.

Statement of Financial Position

HAY CHILDREN'S SERVICES INCORPORATED

As at 31 December 2021

	NOTES	31 DEC 2021	31 DEC 2020
Assets			
Current Assets			
Cash and Cash Equivalents	2	1,390,186	1,485,742
Trade and Other Receivables	3	50,197	19,462
Inventories	4	1,757	-
Total Current Assets		1,442,140	1,505,204
Non-Current Assets			
Plant and Equipment and Vehicles	5	196,242	143,663
Total Non-Current Assets		196,242	143,663
Total Assets		1,638,382	1,648,867
Liabilities			
Current Liabilities			
Trade and Other Payables	6	67,759	77,051
Deferred Income	7	224,680	180,195
Employee Entitlements	8	87,799	87,230
Total Current Liabilities		380,238	344,477
Non-Current Liabilities			
Employee Entitlements	8	8,985	47,997
Total Non-Current Liabilities		8,985	47,997
Total Liabilities		389,223	392,474
Net Assets		1,249,159	1,256,393
Member's Funds			
Retained Earnings / (Accumulated Deficit)		(147,694)	(140,459)
Reserves	9	1,396,853	1,396,853
Total Member's Funds		1,249,159	1,256,393

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

Hay Children's Services

For the year ended 31 December 2021

Account	Notes	Total
Equity		
Balance at 1 July 2019		-
Total Comprehensive Income		
Surplus/(Deficit) for the Period	(140,459)	
Transfer of net assets	1,396,853	
Balance at 30 June 2020		1,256,393
Total Comprehensive Income		
Surplus/(Deficit) for the Period	(7,234)	
Transfer of net assets	-	
Balance at 30 June 2021		1,249,159

Statement of Cash Flows

HAY CHILDREN'S SERVICES INCORPORATED For the year ended 31 December 2021

	NOTES	2021	2020
Operating Activities			
Receipts from grants		1,491,528	228,181
Receipts from customers		237,309	24,830
Payments to suppliers and employees		(1,744,381)	(266,449)
Interest received		1,831	66
Net Cash Flows from Operating Activities	10	(13,713)	(13,373)
Investing Activities			
Proceeds from sale of property, plant and equipment		-	21,818
Payment for property, plant and equipment		(81,403)	(53,766)
Net Cash Flows from Investing Activities		(81,403)	(31,948)
Other Activities			
Transfer of cash on business combination			
Amalgamation cash flow adj		-	133,769
Loan - Amalgamation - HCS		(441)	1,397,293
Total Transfer of cash on business combination		(441)	1,531,063
Net Cash Flows from Other Activities		(441)	1,531,063
Net Cash Flows		(95,557)	1,485,742
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period		1,485,742	-
Net change in cash for period		(95,557)	1,485,742
Cash and cash equivalents at end of period	2	1,390,186	1,485,742

The accompanying notes for part of these financial statements.

Notes to the Financial Statements

HAY CHILDREN'S SERVICES INCORPORATED

For the year ended 31 December 2021

1. Summary of Significant Accounting Policies

The financial statements are general purpose financial statements prepared in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*. The association is a Tier 1 not-for-profit entity for financial reporting purposes under Australian Accounting Standards, required to report to ACNC.

In the prior year the financial statements were special purpose financial statements prepared in accordance with the *Associations Act* of New South Wales. There was no impact on the recognition and measurement of amounts recognised in the statements of Financial Position, Profit or Loss and Other Comprehensive Income and Cash Flows of the Association as a result of the change in the basis of preparation.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

New and Amended Accounting Policies Adopted by the Entity

AASB 2020-2: Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.

AASB 1060: General Purpose Financial Statements - Simplified Disclosures for Fo-Profit and Not-for-Profit Tier 2 Entities.

Income Tax

No provision for income tax has been raised as the Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

The useful lives of property, plant, and equipment are as follows:

- Furniture & Fittings - 15 years
- Office Equipment - 10 years
- Motor Vehicles - 7 years
- Structural Improvements - 10 to 40 years
- Plant & Equipment - 5 to 40 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised

These notes form part of the financial statements.

as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Right-of-use assets

The Association has chosen to adopt the temporary relief measures available to charities. The right-of-use assets occupied by the Association have no cost, and as a peppercorn lease remain of no value to report on these financial statements.

Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the committee estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Employee Provisions

Short-term employee provisions

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, sick leave and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The Association's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Financial Instruments

Financial assets and liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

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

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of twelve months or less.

Trade and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through provision of goods and services to customers.

After initial recognition these are measured at amortised cost, less provision for impairment. Any change in their values is recognised in the statement of profit or loss.

The Association's trade and other receivables fall into this category of financial instruments.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Receivables are considered for impairment when they are past due or when evidence is received that a specific counter party will default. The amount of the impairment is the difference between the net carrying amount, and the present value of expected future cashflows associated with the receivable.

Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss.

Inventories

Inventories comprise merchandise and uniforms. The expenses for the cost of sales are reported as fundraising expense. Inventories are measured at the lower of cost and net realisable value.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest Income

Interest income is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Contributed Assets

Grant and donation income is recognised in accordance with the recognition requirements of AASB 1058: *Income of Not-for-Profit Entities* when the entity obtains control over the funds, which is generally at the time of receipt. The Association recognises any fees received in advance as a liability in accordance with AASB 1058 and recognises as revenue when the revenue is earned. If

conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

Capital Grants

When the Association receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards. The Association recognises income in profit or loss when or as the Association satisfies its obligations under the terms of the grant.

Operating Grants, Donations and Bequests

When the entity received operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers*.

Volunteer Services

The value of volunteer services have not been calculated or recognised as revenue in these financial statements.

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

Leases

Leases of PPE, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Initial adoption of AASB 2020-04: Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions

AASB 2020-4: *Amendments to Australian Accounting Standards – Covid-19- Related Rent Concessions* amends AASB 16: *Leases* by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 ATO is included with other receivables or payables in the assets and liabilities statement.

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 ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Critical Accounting Estimates and Judgements

Key Estimates

Useful lives of property, plant and equipment

The Association reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key Judgements

Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

Employee Benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Economic Dependence

Funding: The Association, as a charity, is dependent on funding from the Federal and State Government Departments ('Department') for the majority of its revenue used to operate the business. The Association's going concern assessment is based on this funding. At the date of this report, the Committee has no reason to believe the Department will not continue to support the Association but, in the event of funding being withdrawn, it would no longer trade as a going concern.

Right-of-use assets: The Association is dependent on the concessionary leases in place on the property occupied to continue operations in the ordinary course of its business and pursuing its charitable purpose.

	2021	2020
2. Cash on Hand		
HCS TD 2501- 7 months	350,910	-
HCS TD 2502 - 7 months	350,910	-
Petty Cash	-	55
Maintenance Account 4575	61,951	100,410
Working Account 4559	567,702	1,311,824
Fundraising Account 4567	57,727	73,150
Debit Card 164700	985	304
Total Cash on Hand	1,390,186	1,485,742

	2021	2020
3. Trade and Other Receivables		
Trade Receivables	50,197	19,462
Total Trade and Other Receivables	50,197	19,462

	2021	2020
4. Inventories		
Clothing & Staff Uniforms	1,757	-
Total Inventories	1,757	-

5. Property, Plant & Equipment

Office Equipment

Office Equipment at Cost	1,824	1,824
Accumulated Depreciation of Office Equipment	(286)	(29)
Total Office Equipment	1,538	1,795

Plant & Equipment

Plant & Equipment at Cost	43,444	74,576
Accumulated Depreciation of Plant & Equipment	5,277	(7,537)
Total Plant & Equipment	48,721	67,039

Motor Vehicles

Motor Vehicles at Cost	140,556	75,000
Accumulated Depreciation of Motor Vehicles	(27,461)	(1,622)
Total Motor Vehicles	113,095	73,378

Leasehold Improvements

Leasehold Improvements at Cost	33,158	1,465
Accumulated Amortisation of Leasehold Improvements	(270)	(14)
Total Leasehold Improvements	32,888	1,451

Total Property, Plant & Equipment	196,242	143,663
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These notes form part of the financial statements.

Movement in carrying amounts

Movement in the carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year are presented below:

	Office Equipment	Plant & Equipment	Motor Vehicles	Leasehold Improvements	Total
Balance at 1 January 2021	1,795	67,039	73,378	1,451	143,663
Additions	-	-	65,556	31,693	97,249
Disposals	-	-	-	-	-
Depreciation expense	(257)	(18,318)	(25,839)	(256)	(44,670)
Carrying amount at 31 December 2021	1,538	48,721	113,095	32,888	196,242

2021 2020

6. Trade and Other Payables

Trade Payables

Accounts Payable	17,550	5,255
Total Trade Payables	17,550	5,255

Other Payables

GST	10,281	4,408
ATO Integrated Account	-	1,760
PAYG Withholdings Payable	26,432	43,707
Sundry Creditors	-	4,841
Superannuation Payable	13,496	16,995
Wages Payable Account	-	85
Total Other Payables	50,209	71,796

Total Trade and Other Payables	67,759	77,051
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2021 2020

7. Contract Liabilities

Current

Government Grants

Forward Funding	224,680	143,375
FRRR Grant - HPK	-	36,820
Total Government Grants	224,680	180,195

Total Current	224,680	180,195
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Total Contract Liabilities	224,680	180,195
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These notes form part of the financial statements.

2021 2020

8. Employee Entitlements**Current**

Provision for Holiday Pay	46,316	69,552
Provision for Personal Leave	41,483	17,678
Total Current	87,799	87,230

Non-current

Provision for Long Service	8,985	47,997
Total Non-current	8,985	47,997

Total Employee Entitlements	96,784	135,227
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Movement in carrying amounts

	\$
Transferred leave entitlements	135,227
Accrual adjustment	122,553
Payment of leave entitlements	(160,996)
Balance at end of financial year	96,784

2021 2020

9. Reserves

Loan - Amalgamation - HCS	1,396,853	1,396,853
Total Reserves	1,396,853	1,396,853

Reserves comprise the amounts transferred from Hay Mobile Childrens Services Inc, Hay Preschool Kindergarten Inc, and Hay Plans Child Care Inc. The net assets of these three associations were merged in the year ending December 2020 to fund the establishment of the Hay Children's Services Inc.

10. Reconciliation of cashflows from operating activities

	2021	2020
Surplus/(Deficit) for the period	(7,234)	(140,459)
Non-cashflow items in deficit		
- Loss on sale of fixed assets	-	409
- Depreciation expense	44,670	9817
Changes in assets and liabilities:		
- (Increase)/Decrease in Trade and other receivables	(30,735)	(19,461)
- (Increase)/Decrease in Inventories	(1,757)	
- Increase/(Decrease) in Trade and other payables	(24,699)	59,206
- Increase/(Decrease) in deferred income	44,485	125,264
- Increase/(Decrease) in employee entitlements	(38,443)	(48,149)
Cash used in operations	(13,713)	(13,373)

2021 2020

11. Auditors Remuneration

Audit and Preparation of Financial Statements	5,650	3,820
Bookkeeping Services	9,555	5,539
Total Auditors Remuneration	15,205	9,359

12. Related Party Transactions

Transactions with related parties are on commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key Management Personnel

Committee members - all committee members are volunteers and not paid by the Association.

Centre Manager - in the position of Centre Manager, Kelley Townsend received total remuneration of \$48,555 with post employment benefits of \$4,741.

Financial Declaration for Responsible Person

HAY CHILDREN'S SERVICES INCORPORATED

For the year ended 31 December 2021

Per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013

The Responsible Persons declare that in the Responsible Persons' opinion:

- there are reasonable grounds to believe that the registered Association is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Emily Perkins (May 26, 2022 18:49 GMT+10)

Name:

Dated: May 26, 2022



Charles Peter Wythes (May 26, 2022 19:08 GMT+10)

Name:

Dated: May 26, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HAY CHILDREN'S SERVICES INCORPORATED

Opinion

We have audited the accompanying financial report of Hay Children's Services Incorporated (the Entity), which comprises the statement of financial position as at 31 December 2021, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and managements' assertion statement.

In our opinion, the accompanying financial report of the Entity is in accordance with the Australian Charities and Not-for-profits Commissions Act 2012, including:

- (i) giving a true and fair view of the Entity's financial position as at 31 December 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards (Simplified Disclosures).

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 Entity 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 opinion.

Emphasis of Matter – Impact of Covid-19

We draw attention to Committee's Report in the financial report, which describes management's current understanding and response to the impact of global Covid-19 pandemic to the operations of Hay Children's Services Incorporated. The statement in the Committee's Report discloses the key management assumptions to reach the conclusion that the impact of the pandemic on the Entity is manageable and the going concern basis of accounting is still appropriate. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (Simplified Disclosures) and financial reporting requirements of the Australian Charities and Not-for-profits Commissions Act 2012 and for such internal control as management determines is necessary to enable the preparation of the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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.

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 Entity'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 Entity'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 Entity 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.



Bernie Rohan
Director

BPR Audit Pty Ltd
(Authorised Audit Company)
Reg. No. 311673
G03, 12-14 Cato Street
Hawthorn East VIC 3123

Dated: May 26, 2022

Certificate By Members of the Committee

HAY CHILDREN'S SERVICES INCORPORATED

For the year ended 31 December 2021

I, Polly Lugsdin of 348 Church St, Hay, NSW, Australia, 2711 certify that:

1. I attended the annual general meeting of the association held on 13 /06 /2022 .
2. The financial statements for the year ended 31 December 2021 were submitted to the members of the Association at its annual general meeting.


Polly Lugsdin (Jun 14, 2022 21:50 GMT+10)

Name:

Dated: Jun 14, 2022

Compilation Report

HAY CHILDREN'S SERVICES INCORPORATED

For the year ended 31 December 2021

We have compiled the accompanying special purpose financial statements of HAY CHILDREN'S SERVICES INCORPORATED, which comprise the Statement of Financial Position as at 31 December 2021, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Committee Members

The committee of HAY CHILDREN'S SERVICES INCORPORATED is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.



Brian McCleary & Co

Adam Menadue

Dated: 3 May 2022

Statement of Profit or Loss and Other Comprehensive Income - Hay Early Learning

HAY CHILDREN'S SERVICES INCORPORATED For the year ended 31 December 2021

	2021	2020
Income		
Fee Revenue	188,855	34,932
Funding Income		
NSW Department of Education		
NSW DEC Funding	9,721	-
CCCF-BUS Grant	50,000	-
Department of Education - Trainee/Apprentice wage subsidy	51,992	-
CCCF_EBS Grant	25,415	-
Total NSW Department of Education	137,128	-
NSW Department of Education, Skills and Employment		
Dept Ed, Skills and Training	384,562	79,997
Total NSW Department of Education, Skills and Employment	384,562	79,997
NSW Family & Community Services		
IDF Wage Subsidy	5,951	-
Total NSW Family & Community Services	5,951	-
Total Funding Income	527,641	79,997
Total Income	716,496	114,928
Gross Surplus	716,496	114,928
Other Income		
Other Income	282	-
Total Other Income	282	-
Expenditure		
Administration		
Administration:Committee Expenses	314	155
Administration:Telephone/Internet	1,580	255
Administration:Financial Services	2,896	519
Advertising-Promotion/Recruitment	504	709
Licence fees/permits/subscription fees	5,466	627
Freight, Postage and Courier	36	34
Computer Expenses	599	2,154
Allocation of net fundraising and interest	-	112
Administration:Office Expenses	1,204	106
Insurance	9,769	4,153
Non Staff Uniform Purchases	51	-
BMC Fees	1,150	-
Total Administration	23,568	8,824

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

	2021	2020
Depreciation	11,168	7,534
Employee expenses		
Holiday Pays Wages Adj	(11,851)	(71,088)
Provisions for Personal Leave	3,676	-
Wages and Payroll	488,365	133,560
Wages and Payroll: Superannuation	45,354	8,995
Administration-Payroll	5,032	-
Provision for Long Service Leave	(2,119)	-
Total Employee expenses	528,456	71,467
Fundraising Expenses		
Fundraising Expenses	-	2
Book Club/Fairs Expense	52	-
Total Fundraising Expenses	52	2
Occupancy Expenses		
Rates	2,123	518
Rates - Water	838	257
Repairs and Maintenance	-	112
Repairs and Maintenance:Building	22,055	15,599
Repairs and Maintenance:Equipment	5,049	-
Repairs and Maintenance:Grounds	863	-
Cleaning Supplies and Services	2,740	686
Administration:Electricity	3,983	788
Items under Lease	864	-
Total Occupancy Expenses	38,516	17,960
Program delivery		
Consumables - Children/programming activities	7,098	732
Administration:Staff Consumables	363	-
Craft, Program & Resources	1,372	89
Furniture & Equipment Budgeted	8,221	320
Motor Vehicle Expenses	60	-
First Aid Supplies	592	111
Staff Training and Professional development	3,482	-
CCCF-BUS Grant expenses	321	-
Budgeted Improvements - Early Learning	153	-
CCCF-EBS Grant Expenses	14,696	-
Total Program delivery	36,358	1,252
Total Expenditure	638,117	107,038
Current Year Surplus/ (Deficit) Before Income Tax Adjustments	78,660	7,890
Current Year Surplus/(Deficit) Before Income Tax	78,660	7,890
Net Current Year Surplus After Income Tax	78,660	7,890

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Profit or Loss and Other Comprehensive Income - Hay Preschool

HAY CHILDREN'S SERVICES INCORPORATED For the year ended 31 December 2021

	2021	2020
Income		
Fee Revenue	31,716	1,310
Funding Income		
NSW Department of Education		
NSW DEC Funding	352,987	19,423
Department of Education - Trainee/Apprentice wage subsidy	30,851	-
Total NSW Department of Education	383,838	19,423
Foundation for Rural & Regional Renewal		
FRRR Grant	36,820	18,112
Total Foundation for Rural & Regional Renewal	36,820	18,112
Total Funding Income	420,658	37,535
Total Income	452,374	38,845
Gross Surplus	452,374	38,845
Other Income		
Fundraising		
Fundraising	73	141
Fundraising - Phone Book Sales	-	206
Book Club/Fairs Income	98	-
Total Fundraising	171	347
Donations	1	-
Memberships Constitution	-	10
Insurance Recoveries		
Insurance Claim	10,908	-
Total Insurance Recoveries	10,908	-
Staff Uniforms	22	-
Other Income	182	-
Total Other Income	11,284	357
Expenditure		
Administration		
Administration:Committee Expenses	336	561
Administration:Financial Services	3,678	1,359
Administration:Office Expenses	1,123	564
Administration:Telephone/Internet	1,336	286
Advertising-Promotion/Recruitment	884	300
Computer Expenses	1,192	330
Licence fees/permits/subsription fees	5,135	478

	2021	2020
Freight, Postage and Courier	13	23
Insurance	12,590	2,620
Allocation of net fundraising and interest	-	112
Administration: Staff Accommodation	126	-
Non Staff Uniform Purchases	81	-
BMC Fees	1,150	-
Total Administration	27,644	6,633
Depreciation	11,987	-
Employee expense		
Holiday Pays Wages Adj	1,134	(360)
Provisions for Personal Leave	10,505	-
Wages and Payroll	331,343	55,561
Wages and Payroll: Superannuation	30,790	4,445
Administration-Payroll	5,032	-
Provision for Long Service Leave	(2,336)	-
Total Employee expense	376,468	59,646
Fundraising expense		
Book Club/Fairs Expense	150	-
Total Fundraising expense	150	-
Occupancy expense		
Administration:Electricity	1,767	364
Rates	418	-
Rates - Water	1,109	-
Repairs and Maintenance	66	677
Repairs and Maintenance:Building	4,040	200
Repairs and Maintenance:Equipment	1,407	106
Repairs and Maintenance:Grounds	3,271	-
Cleaning Supplies and Services	1,893	588
Items under Lease	920	-
Repairs & Maintenance - Guild Claim	4,044	-
Total Occupancy expense	18,935	1,935
Program delivery		
Administration:Staff Consumables	148	320
Consumables - Children/programming activities	2,133	1,020
FRRR Grant Expenditure	32,173	2,419
Furniture & Equipment Budgeted	218	1,770
Craft, Program & Resources	1,167	227
First Aid Supplies	738	-
Motor Vehicle Expenses	20	-
Pet Supplies	73	-
Total Program delivery	36,670	5,755
Total Expenditure	471,853	73,970

	2021	2020
Current Year Surplus/ (Deficit) Before Income Tax Adjustments	(8,196)	(34,767)
Current Year Surplus/(Deficit) Before Income Tax	(8,196)	(34,767)
Net Current Year Surplus After Income Tax	(8,196)	(34,767)

Statement of Profit or Loss and Other Comprehensive Income - Hay Mobile

HAY CHILDREN'S SERVICES INCORPORATED For the year ended 31 December 2021

	2021	2020
Income		
Fee Revenue	9,605	982
Funding Income		
NSW Department of Education		
NSW DEC Funding	341,510	7,153
Department of Education - Trainee/Apprentice wage subsidy	47,325	-
Total NSW Department of Education	388,834	7,153
Total Funding Income	388,834	7,153
Total Income	398,439	8,135
Gross Surplus	398,439	8,135
Other Income		
Fundraising		
Fundraising	-	89
Fundraising - Picture Plates	-	40
Total Fundraising	-	129
Donations	58	-
Insurance Recoveries		
WorkCover - Reimbursement	20,939	-
Total Insurance Recoveries	20,939	-
Non Staff Uniform Sales	73	18
Other Income	-	22
Total Other Income	21,070	170
Expenditure		
Administration		
Allocation of net fundraising and interest	-	112
Administration:Financial Services	2,982	559
Administration:Committee Expenses	290	133
Administration:Office Expenses	743	(158)
Administration:Telephone/Internet	3,765	284
Advertising-Promotion/Recruitment	723	286
Licence fees/permits/subscription fees	4,007	295
Freight, Postage and Courier	176	23
Insurance	10,340	1,430
Computer Expenses	1,063	468
Bad Debts	111	-
Administration: Staff Accommodation	332	-

	2021	2020
Non Staff Uniform Purchases	111	-
BMC Fees	3,350	3,820
Total Administration	27,993	7,252
Depreciation	21,418	2,285
Employee expense		
Provisions for Personal Leave	9,624	-
Wages and Payroll	374,643	59,605
Wages and Payroll: Superannuation	33,351	4,551
Holiday Pays Wages Adj	(12,520)	23,300
Workers Compensation Paid to Employee	20,939	-
Administration-Payroll	5,015	-
Provision for Long Service Leave	(34,556)	-
Total Employee expense	396,496	87,456
Fundraising expense		
Book Club/Fairs Expense	52	-
Total Fundraising expense	52	-
Loss on Sale of Fixed Assets	-	409
Occupancy expense		
Rates	834	-
Repairs and Maintenance	-	469
Repairs and Maintenance:Building	922	-
Repairs and Maintenance:Equipment	3,331	-
Repairs and Maintenance:Grounds	418	127
Administration:Electricity	1,413	318
Cleaning Supplies and Services	1,895	25
Building Hire	2,866	-
Items under Lease	1,464	-
Total Occupancy expense	13,142	939
Program delivery		
Consumables - Children/programming activities	2,663	280
Craft, Program & Resources	431	65
First Aid Supplies	651	-
Furniture & Equipment Budgeted	1,277	310
Motor Vehicle Expenses	25,344	6,671
Administration:Staff Consumables	381	5
Pet Supplies	26	-
Total Program delivery	30,774	7,331
Total Expenditure	489,874	105,672
Current Year Surplus/ (Deficit) Before Income Tax Adjustments	(70,365)	(97,367)
Current Year Surplus/(Deficit) Before Income Tax	(70,365)	(97,367)
Net Current Year Surplus After Income Tax	(70,365)	(97,367)

Statement of Profit or Loss and Other Comprehensive Income - Head Office

HAY CHILDREN'S SERVICES INCORPORATED For the year ended 31 December 2021

	2021	2020
Gross Surplus	-	-
Other Income		
Fundraising		
Fundraising	32	-
Fundraising - Raffle Tickets	-	4,360
Fundraising - Markets	510	405
Total Fundraising	542	4,765
Donations	47	-
Memberships Constitution	210	-
Staff Uniforms	1,447	-
Non Staff Uniform Sales	1,232	-
Other Income	936	-
Interest Income		
Interest Earned	1,831	66
Total Interest Income	1,831	66
Total Other Income	6,245	4,831
Expenditure		
Administration Expenses		
Administration:Committee Expenses	556	-
Computer Expenses	2,280	-
Non Staff Uniform Purchases	4,489	-
Administration:Financial Services	(1)	3,103
Administration:Office Expenses	194	1
Allocation of net fundraising and interest	-	(336)
Advertising-Promotion/Recruitment	357	-
Total Administration Expenses	7,875	2,768
Employee expenses		
Wages and Payroll	-	-
Total Employee expenses	-	-
Program Delivery		
Administration:Staff Consumables	44	-
Staff Training and Professional development	5,563	-
Total Program Delivery	5,606	-
Fundraising expenses		

	2021	2020
Fundraising Expenses	-	2,063
Total Fundraising expenses	-	2,063
Total Expenditure	13,481	4,831
Current Year Surplus/ (Deficit) Before Income Tax Adjustments	(7,236)	-
Current Year Surplus/(Deficit) Before Income Tax	(7,236)	-
Net Current Year Surplus After Income Tax	(7,236)	-






HCS - 2021 Financial Statements - with Audit Report-Secretary Sign

Final Audit Report

2022-06-14

Created:	2022-06-14
By:	Kelley Townsend (davkel495@bigpond.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA0HKYTpGd4bjMpie0zgtAgB3t6A4c_DQB

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-  Document created by Kelley Townsend (davkel495@bigpond.com)
2022-06-14 - 11:46:27 AM GMT- IP address: 1.156.82.185
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