

PLAYGROUP TASMANIA INC

ABN: 42 783 652 787

Annual Financial Report

For The Year Ended

30 June 2017

PLAYGROUP TASMANIA INC

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

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PLAYGROUP TASMANIA INC

COMMITTEE LIST

30 June 2017

Chair:	Steve Yates
Vice Chair:	Michelle Strickland
Treasurer:	Susan Conway
Secretary:	Louise Mills
CEO:	Jacinda Armstrong
Board Members:	Danielle Blewett
	Emma Weeding
	Kathryn Fordyce
	Trisha Swan
	Tracey Tasker
	Jodie Lowe
	Emma White
Outgoing Chair	Katie Wightman

PLAYGROUP TASMANIA INC
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
REVENUE		
Grant funding	98,837	65,241
Mainstream funding	326,976	220,880
Events & fundraising income	12,467	12,672
Membership Income	8,525	14,377
Hall & toy hire	6,311	11,158
Playschool income	-	6,594
Other Income	57,496	28,359
TOTAL REVENUE	<u>510,612</u>	<u>359,281</u>
COST OF SALES	73,847	1,795
GROSS PROFIT	<u>436,765</u>	<u>357,486</u>
EXPENSES		
Membership & Program Expenses	-	3,570
Motor Vehicle Expenses	8,279	5,802
Occupancy Expenses	37,089	60,256
Administration Expenses	54,798	44,275
Finance Costs	-	-
Wages & Staff Expenses	254,530	214,004
	<u>354,696</u>	<u>327,907</u>
Other Non - Operating Expenses		
Interest Expense	856	250
Depreciation	16,547	13,881
	<u>17,403</u>	<u>14,131</u>
TOTAL EXPENSES	<u>372,099</u>	<u>342,038</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>64,666</u>	<u>15,448</u>
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss:		
Revaluation of Land & Building	50,000	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>114,666</u>	<u>15,448</u>

PLAYGROUP TASMANIA INC

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	2017	2016
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash at Bank and On Hand	153,954	134,516
Trade Debtors	631	14,130
Inventories	-	857
TOTAL CURRENT ASSETS	<u>154,585</u>	<u>149,503</u>
NON-CURRENT ASSETS		
Property, Plant and Equipment	407,011	368,473
TOTAL NON-CURRENT ASSETS	<u>407,011</u>	<u>368,473</u>
TOTAL ASSETS	<u>561,596</u>	<u>517,976</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade Creditors	29,223	18,511
Accrued Charges	-	10,264
Funds Received in advance	49,670	25,472
TOTAL CURRENT LIABILITIES	<u>78,893</u>	<u>54,247</u>
NON-CURRENT LIABILITIES		
Provision - Employee Benefits	11,182	3,257
Loans	60,000	60,000
Unexpended Grants/funding	-	103,616
TOTAL NON-CURRENT LIABILITIES	<u>71,182</u>	<u>166,873</u>
TOTAL LIABILITIES	<u>150,075</u>	<u>221,120</u>
NET ASSETS	<u>411,521</u>	<u>296,856</u>
EQUITY		
Reserves	416,894	366,894
Retained Surplus/(Deficit)	(5,373)	(70,038)
TOTAL EQUITY	<u>411,521</u>	<u>296,856</u>

PLAYGROUP TASMANIA INC
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2017

	Future Playgroups Reserve	Revaluation Reserve	Retained Earnings	Total
Balance at 1 July 2015	1,139	365,754	(85,486)	281,407
Comprehensive income				
Surplus/(Deficit) for the year attributable to to the association	-	-	15,448	15,448
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the association	-	-	15,448	15,448
Balance at 30 June 2016	1,139	365,754	(70,038)	296,855
Balance at 1 July 2016	1,139	365,754	(70,038)	296,855
Comprehensive income				
Surplus/(Deficit) for the year attributable to the association	-	-	64,666	64,666
Asset Revaluation Movement	-	50,000	-	50,000
Total comprehensive income for the association	-	50,000	64,666	114,666
Balance at 30 June 2017	1,139	415,754	(5,372)	411,521

PLAYGROUP TASMANIA INC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Cash Flows From Operating Activities		
Grant Funding	98,837	65,241
Mainstream Funding	247,558	339,968
Other Income	98,298	59,030
Payment to Suppliers and Employees	(417,383)	(355,779)
	<hr/>	<hr/>
Net Cash generated from Operating Activities	27,310	108,460
Cash Flows From Investing Activities		
Payments for Property, Plant & Equipment	(7,872)	(26,753)
	<hr/>	<hr/>
Net Cash generated from Investing Activities	(7,872)	(26,753)
Net Decrease in Cash Held	19,438	81,707
Cash at the beginning of the financial year	134,516	52,809
	<hr/>	<hr/>
Cash at the end of the financial year	153,954	134,516

PLAYGROUP TASMANIA INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2017

1. CONSTITUTION

Playgroup Tasmania Inc. is a non profit organisation constituted under the Associations Incorporations Act (Tasmania) 1964 and registered as a charity with the Australian Charities and Not for Profits Commission.

2. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Preparation

These special purpose financial statements have been prepared in accordance with the requirements of section 60.40 of the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC Regulation)

The financial statements have been prepared on the accrual basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

(b) Employee Entitlements

Wages, Salaries and Annual Leave

The provisions for employee entitlements to wages, salaries and annual leave represents the amount which the association has a present obligation to pay resulting from employees' services provided up to balance date. The provisions have been calculated based on current wage and salary rates.

Long Service Leave

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date at current employee rates. Long service leave is provided for employees on a pro rata basis from date of employment

(c) Taxation

The Association is exempt from income tax under Subdivision 50-5 of the Income Tax Assessment Act.

PLAYGROUP TASMANIA INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2017

2. STATEMENT OF ACCOUNTING POLICIES (cont.)

(d) Plant & Equipment

Items of plant and equipment are initially recorded at less, where applicable, any accumulated depreciation except as follows:

Land and Buildings have been revalued and recorded at valuation performed by Valuer General Tasmania, 11/07/2016

The toy library is stated at replacement value and has been revalued at 30 June 2014. On an annual basis the toy library is subject to stock count, and toys no longer in use are disposed of.

Items of property, plant and equipment excluding land and buildings are depreciated over their estimated useful lives. The reducing balance method of depreciation is applied to all assets being depreciated. Assets are being depreciated from the date of acquisition.

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

(e) 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 entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Where a future service obligation exists, grants received are recognised as a deferred liability at balance date.

(e) 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 recovered from the ATO. In these circumstances, the GST is recognised as part of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(f) Going Concern

The financial report has been prepared on a going concern basis. This basis has been adopted as the association has a grant funding contract in place with the Department of Social Services and the association is continuing to meet its obligations pursuant to this agreement. Should this funding be insufficient to fund the recurrent operations of the association, the association may be unable to realise its assets and discharge its liabilities in the normal course of operations.

PLAYGROUP TASMANIA INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2017

	2017	2016
	\$	\$
3 CASH FLOW INFORMATION		
<i>a) Reconciliation of cash</i>		
Cash on hand at the start of the year	134,516	52,809
Cash on hand at the end of the year	<u>153,954</u>	<u>134,516</u>
Increase in Cash Held	<u>19,438</u>	<u>81,707</u>
 <i>b) Reconciliation of net cash provided by operating activities to operating surplus</i>		
Operating surplus	64,666	15,448
Non cash flows in operating surplus		
Depreciation	16,547	13,881
Loss on Disposal of Asset	2,787	-
Changes in assets and liabilities		
Decrease/(Increase) in trade debtors	13,499	(14,130)
Decrease/(Increase) in Property, Plant and Equipment		
Decrease/(Increase) in stock	857	(857)
Increase/(Decrease) in trade creditors	10,711	11,534
Increase/(Decrease) in other accruals	918	(39,761)
Increase/(Decrease) in provisions for staff leave	(3,257)	3,257
Increase/(Decrease) in grants held for future periods	(79,418)	119,088
Net cash provided by operating activities	<u>27,310</u>	<u>108,460</u>

PLAYGROUP TASMANIA INC

RESPONSIBLE PERSONS' DECLARATION

- per section 60.16 of the Australian Charities and Not-for-profits Commission Regulation 2013

The responsible persons declare that in the responsible persons' opinion:

1. There are reasonable grounds to believe that the registered entity is able to pay all of its debts when they become due and payable; and
2. 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*.

Mr Steve Yates
Chair

Dated this day of September 2017



POWELL ACCOUNTING

LEVEL 1, 7 QUADRANT MALL, LAUNCESTON
PO Box 295 LAUNCESTON TAS. 7250
PHONE: 03 6323 0000
EMAIL: admin@powellaccounting.com.au

INDEPENDENT AUDITOR'S REPORT To the Members of Playgroup Tasmania Inc

Opinion

I have audited the financial report of Playgroup Tasmania Inc., (the Entity), which comprises the statement of financial position as at 30 June 2017, the statement of 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 my opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*,

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Entity in accordance with the ethical requirements of *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of the ACNC Act. As a result, the financial report may not be suitable for another purpose. My 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 financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a 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.

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GEOFFREY V. POWELL

CHARTERED ACCOUNTANT - REGISTERED COMPANY AUDITOR (No. 82) - REGISTERED TAX AGENT - J.P. 03866
POWELL ACCOUNTING TRUST A.B.N. 54 696 872 061

INDEPENDENT AUDITOR'S REPORT
To the Members of Playgroup Tasmania Inc

Auditor's Responsibilities for the Audit of the Financial Report

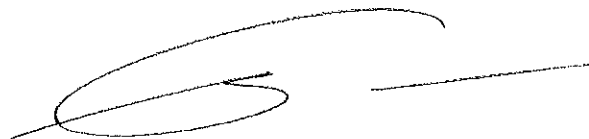
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Geoffrey V Powell



13 September 2017

Powell Accounting
Level 1 7 Quadrant Mall, Launceston Tas. 7250