

Prom Coast Centres for Children Inc.

Reg. No: A0060784V ABN 70 956 155 799

# Annual Report 2017

## **Prom Coast Centres for Children Inc.**

### Our Vision

***To deliver high quality and accessible early childhood services that are inclusive and responsive to the needs of children and families of the Corner Inlet District.***

### Background

Prom Coast Centres for Children Inc are a not-for-profit community based incorporated association that operate Children's Education and Care services at 4 centres in the Corner Inlet District of South Gippsland, Victoria. The Centres are located in Fish Creek, Toora, Welshpool and Foster. A variety of Programs are offered at the Centres with Fish Creek and Toora Welshpool providing programs for children aged 3-5 and Foster providing programs for babies from 6 weeks of age through to children of 12 years of age.

This is the third annual report for Prom Coast Centres for Children and covers the financial year of operation 1<sup>st</sup> January 2017 – 31<sup>st</sup> December 2017.

# Centres' Director's Report

*Wilhelmina Pruyn*

***“We do not learn from experience, we learn from reflecting on experience”***

Critical reflection is an important part of planning in Early Childhood. It allows you to look back at what you have done and make the necessary changes to improve or meet the ongoing changing needs of the Programs planned activities into the future.

Reflecting on 2017, it was our year to develop a strong direction in the vital area of Educational Leadership at Foster. An investment into a full time Centre Leader in Tracy Fraser was to prioritise, identify gaps and areas for improvement and develop a clear direction within our Educational Programs and their teams. We worked with Catharine Hydon, a leading Early Childhood specialist who guided all educators to develop templates and strategies to improve in our observations and program planning for our children. Our investment in this area of education was critical to ensure that we continue to be consistent in how we gather the information from our children from which to develop our Programs to meet the children’s individual educational needs and to support a continuity of learning from Dolphin right through to our Koala Programs.

The second half of the year prioritised the implementation of the strategic focus area “being an Employer of Choice for our staff”. We investigated opportunities to provide the best possible employment, entitlement and professional development conditions that we could afford to support our teams of committed educators. The demanding role of an Early Childhood Educator working in Long Day Care was recognised by the COM with approval for 5 weeks of annual leave, RDOs for full time staff, uniform and first aid subsidies, study leave and professional development policies to fully support educators in their role. Staff contracts were revised and updated to ensure the improved conditions were equitable and reflective of the over award conditions offered to all PCCC staff.

We revised our staffing rosters to provide more consistent and appropriate number of staff to support the revised number of children in our Programs. This was planned for to avoid constant staffing pressure and ensure that we were driven by program quality not quantity of children in our Programs.

Educators were supported to pursue their individual professional development opportunities. The Nature Study Tour to Scotland was a highlight for educators Kim Smith and Tracy Fraser as they continue to be strong advocates for nature play and the great outdoors as an important learning environment.

We were presented with an oversubscription of 2018 Kindergarten enrolments across the district through the Central Enrolment Scheme. This challenged our operations in many ways as we reviewed how we could adapt and deliver our Kindergarten services to meet the high demand for places for families in our communities. It was a process that challenged the COM, administration and staff, all who worked tirelessly to ensure the best possible outcomes for our families.

At Toora/Welshpool Kindergarten we surveyed our incoming Kindergarten families following a recommendation from an Early Years Management to ensure we were support changing needs of rural and remote families. Our families appealed for a change to how we deliver Kindergarten and we worked in cooperation with our Program educators to ensure we could meet this need from the commencement of 2018.

At Fish Creek, plans for the redevelopment of the administration, entry, kitchen, toilet and storage area of the service were developed in consultation with South Gippsland Shire Council. PCCC committed its entire Shire Infrastructure Funds of \$168K to this project to prioritise these areas of high need at this service. Whilst the Shire DET grant application to subsidise the remaining cost of the project was unsuccessful, another grant will be submitted in 2018 to seek funds to fully complete this important infrastructure project.

All areas of business administration continued to be consistently busy. We were successful in our grant application to be recognised an Early Years Manager through the Department of Education and Training. This was a significant achievement and provided much needed funds to support the management of our Kindergarten services. Building plans to improve the operational capacity of the reception and administration area of the business were developed to meet the growing administration requirements of the organisation. This improvement in infrastructure will be realised and provide much needed relief to the organisation in 2018.

Our annual family survey identified road safety as a primary priority at Foster and we are yet to identify a strategy on how we can improve this situation. We addressed family concerns around staffing consistency through our revised roster. The survey identified that there is room for improvement in how we engage with our families. This has been earmarked as an area of priority for 2018. We introduced opportunities for all families to meet with their Program Leaders at the commencement of the year to encourage educator/family relationships and Programs now we prepare visual daily reflections to create awareness with families about their child's learning and program activities at pick up times.

We watched and supported all children at PCCC Centres grow, engage, thrive, develop social and emotional confidence as they became independent learners ready for the next stage in their lives. That motivates us to keep doing our best every day.

Reflection is a powerful tool that enables us to learn from past actions and experiences to ensure the decisions we make and the actions we take into the future are well informed to deliver the best outcomes for our children.

Wilhelmina Pruy  
**Centres Director**

# President's Report

*Ralph Hubbert (President)*

In 2017 all centres again catered for increased demand, particularly for our Long Day Care service at Foster.

In accordance with the organisation's Strategic Plan, staffing was a particular priority this year. Elisa Nudelman, Principal, Inspire People Consulting, was engaged to assist Director Wil Pruyn in conducting a review which looked at all aspects of staffing including conditions of employment, roles and responsibilities, structures and reporting relationships. It also addressed culture and leadership within the workplace. I would like to thank all the staff for their positive participation in the review.

The continuing demand trend influenced the Committee of Management (COM) to instigate an operational review as a follow up to the work Elisa and Wil had carried out. The outcome of this review will be actioned over the rest of the year, however with the work already done it has become clear that we are operating a commercially complicated business which will require specialist financial support in the immediate future. The COM will continue to look at how the business is operating in its endeavour to serve the needs of our families and children, but at the same time ensure its operational efficiency and financial viability into the future. A review of the COM itself will be conducted early in 2018 to ensure that it is sustainable and is serving the needs of the organisation.

It has also become clear that the Foster building, in its current form, will not be able to cope with any necessary service delivery changes or future increase in demand. Funding has been sought to prepare a business case to warrant a building extension. An agreement has been reached with local building firm Considine and Johnston to carry out much needed alterations to the office space at Foster; these works will be funded from within. Planned alterations at Fish Creek are still under negotiations with the Shire.

The excellence of the Nature Program at Fish Creek Kindergarten was acknowledged with educators Kim and Tracy received a Warrawong Professional Learning Grant which financed a trip to Scotland to study similar programs.

I would like to thank all COM members for their continued professional management of our organisation. This professionalism is also demonstrated by the educators at our four centres and our administration team of Wil and Tracy. *How lucky are we!*

There is a role for you as members to help us service our families. Being involved with your centre through the necessary fund raising events and maintenance tasks are an important step to provide the best for our children. Perhaps even a highly rewarding position on the COM beckons!

# Secretary's Report

*Lucy Allsop*

## *Committee of Management 2017*

The following members are currently serving on the PCCC Committee of Management:

### **Office Bearers:**

President: **Ralph Hubbert** ,

Vice President: **Kate Woodward**

Secretary: **Lucy Allsop**

Treasurer: **Jessica Armstrong**

### **Ordinary Committee Members:**

Parent Support Group Rep Fish Creek: **Shannon Gee**

Parent Support Group Rep Foster: **N/A**

Parent Support Group Rep Toora & Welshpool: **Lisa Monod-de-Froideville**

General Committee: **Jillian Throckmorton, Lisa Cowgill, Kate Woodward, Gabbi Boyd**

*Having completed their elected terms on the Committee of Management, Elisa Nudelman (3 years) and Lachlan Moon (2 years) did not restand at the 2017 AGM.*

## *Conflicts of Interest*

PCCC as an Incorporated Association and Registered Charity is required to declare any possible Conflicts of Interest (both actual and perceived) of its Committee of Management. In all of the following cases the committee are satisfied that no actual conflict has occurred, however for the purposes of transparency they are being openly declared.

*Jessica Armstrong* – family links to Armstrong Quality Carpentry who have performed minor maintenance work at Centres'. Jessica is the General Manager Corporate Services at South Gippsland Water, South Gippsland Water were engaged for the first half of 2017 to provide financial assistance services. This work was conducted by SGW's financial accountant and not Jessica. This service has now been discontinued with all finance matters to be managed internally by PCCC employees.

*Jillian Throckmorton* – family links to Throckmorton Carpentry who have previously performed minor maintenance work at the Centres'. Having served 4 years on the Committee of PCCC, Jill has decided not to continue this role in 2018.

# Treasurer's Report

*Jessica Armstrong*

Results for the year ended December 2017 show a loss for Prom Coast Centres for Children (PCCC). With a breakeven goal, the result is unfavourable to expectations and is predominantly due to an increase in staffing costs which is supported in part, by an increase in long day care and grant income. The Committee was successful in securing additional grant income to support the management of the Centre in 2017. Cash flows from operating activities are lower compared to the prior year, also due to higher staffing costs. A lower cash balance has occurred due to an increased investment in term deposits.

Analysis of PCCC's financial statements demonstrates a strong liquidity position, (2.76 current assets to every current liability), which means that PCCC is able to adequately cover financial commitments in the short term. Assessment of operating cash flows to net sales shows that PCCC has been able to generate 1c (or 1%) of cash on every dollar of revenue earned. The reduction in operating cash flow from the prior year of 12% is largely a result of higher expenditure. A fee review will be undertaken in early 2018 with changes to take effect from 1 July 2018.

Challenges remain in long day care to manage the increasing demand for child care places within both the Dolphin and Rosella rooms. The Committee is committed to pursuing opportunities for expansion of the Foster centre in the long term, in addition to exploring alternate models of care that will meet the needs for families in the short term. Plans are underway to improve the office and reception in Foster with works to commence in mid-2018. Plans to improve the facilities at Fish Creek kinder are in progress and are to be conducted as part of the Shire's capital works program. The Committee continues to work with Council regarding the ongoing facility maintenance and future services at both Toora and Welshpool sites.

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**Special Purpose Financial Report**  
**for the Period ended 31st December 2017**



**Schedule 1**  
**Regulation 15**  
**Form 1**

*Associations Incorporation Reform Act 2012*  
Sections 94 (2)(b), 97 (2)(b) and 100 (2)(b)

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**Annual statements give a true and fair view of financial performance and position  
of incorporated association**

We Lucy Allsop and Jessica Armstrong being members of the committee of  
the Prom Coast Centres for Children Inc. certify that –

“The statements attached to this certificate give a true and fair view of the financial  
performance and position of the above named association during and at the end of  
the financial year of the association ending 31<sup>st</sup> December 2017.”

Signed: Lucy Allsop

Date: 16<sup>th</sup> April 2018

Signed: [Signature]

Date: 16<sup>th</sup> April 2018

To the Members,

## **PROM COAST CENTRES FOR CHILDREN INC.**

### ***Report on the Financial Report***

We have audited the attached special purpose financial report of Prom Coast Centres for Children Incorporated (the association) for the period ended 31<sup>st</sup> December, 2017, comprising Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements.

### ***Committee's Responsibility for the Finance Report***

The Committee of the association is responsible for the preparation and presentation of the financial report and the information contained therein, and have determined that the basis of accounting described in Note 1, is appropriate to meet the requirements of the Association Incorporation Reform Act 2012. The Committee's responsibility also includes such internal control as the Committee determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the association's preparation of the financial report, in order to design audit procedures that are appropriate in the circumstances and for the purpose of expressing the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Independence***

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

### ***Audit Opinion***

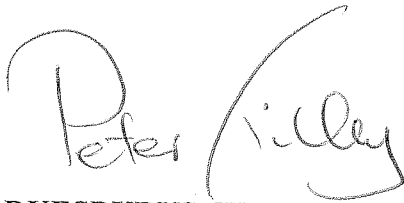
In our opinion the financial report of the association has been prepared in accordance with the Association Incorporation Reform Act 2012 including:

(a) giving a true and fair view of the entity's financial position as at 31<sup>st</sup> December, 2017 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards as referred to in Note 1 to the financial statements.

***Basis of Accounting and Restriction on Distribution***

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Prom Coast Centres for Children Incorporated to meet the requirements of the Associations Incorporation Reform Act 2012. As a result the report may not be suitable for another purpose.

A handwritten signature in black ink that reads "Peter Tilley". The signature is written in a cursive style with a large, sweeping initial "P".

**DUESBURYS GIPPSLAND**

**Peter F. Tilley**

Chartered Accountant

Foster, 3960

21st March, 2018

**PROM COAST CENTRES FOR CHILDREN INC.**  
**ABN: 70 956 155 799**

**STATEMENT BY MEMBERS OF THE COMMITTEE**

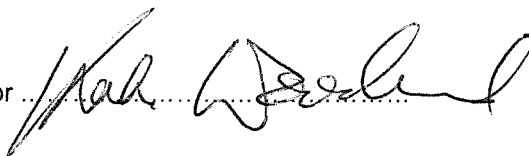
The Committee of Management has determined that the Association is not a reporting entity.

The Committee of Management has determined that this special purpose financial report comprising of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows and Notes to the Accounts should be prepared in accordance with the accounting policies outlined in Note 1 to the accounts.

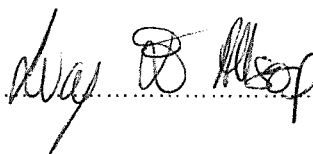
In the opinion of the Committee of Management the special purpose financial report:

1. Presents fairly the financial position of Prom Coast Centres for Children Inc. as at 31st December, 2017 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this Statement, there are reasonable grounds to believe that Prom Coast Centres for Children Inc. will be able to pay its debts as and when they become due and payable.

Director .....



Director .....



Date 19th March 2018

**PROM COAST CENTRES FOR CHILDREN INC.**  
**ABN: 70 956 155 799**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Total 2017 \$	Total 2016 \$
<b>REVENUE FROM ORDINARY ACTIVITIES</b>			
Grants	2a	541,895	495,297
Fees	2a	859,021	825,715
Other Income	2a	24,434	25,268
		1,425,350	1,346,280
<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES</b>			
<b>EXPENDITURE FROM ORDINARY ACTIVITIES</b>			
Employee Entitlements	2b	1,228,052	1,038,456
Supplies and Consumables	2b	36,036	18,560
Other Expenses	2b	178,353	150,209
Depreciation	3	49,411	49,300
		1,491,852	1,256,525
<b>TOTAL EXPENSES FROM ORDINARY ACTIVITIES</b>			
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(\$ 66,502 )</b>	<b>\$89,755</b>

*This statement should be read in conjunction with the accompanying notes*

**PROM COAST CENTRES FOR CHILDREN INC.**  
**ABN: 70 956 155 799**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	Total 2017 \$	Total 2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash Assets	9	132,113	254,908
Receivables	4	18,258	16,725
Other Financial Assets	5	386,191	261,328
<b>Total Current Assets</b>		536,562	532,961
<b>Non Current Assets</b>			
Property, Plant & Equipment	12	95,443	129,143
<b>Total Non-Current Assets</b>		95,443	129,143
<b>TOTAL ASSETS</b>		632,005	662,104
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6	98,429	78,056
Provisions	7	95,627	108,491
<b>Total Current Liabilities</b>		194,056	186,547
<b>Non Current Liabilities</b>			
Provisions	7	54,492	25,598
<b>Total Non-Current Liabilities</b>		54,492	25,598
<b>TOTAL LIABILITIES</b>		248,548	212,145
<b>NET ASSETS</b>		383,457	449,959
<b>EQUITY</b>			
Trust Funds	10a	7,500	7,500
Contributed Capital	10b	335,306	335,306
Accumulated Surplus	10c	40,651	107,153
<b>TOTAL EQUITY</b>	10d	383,457	449,959

*This statement should be read in conjunction with the accompanying notes*

**PROM COAST CENTRES FOR CHILDREN INC.**  
**ABN: 70 956 155 799**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Total 2017 \$ Inflows/ (Outflows)	Total 2016 \$ Inflows/ (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Grants		528,359	506,827
Fees		855,625	839,745
Other Revenue		23,841	31,056
<b>Payments</b>			
Payments to Suppliers and Employees		1,367,854	1,179,395
GST Paid to ATO		22,193	34,821
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	8	<u>17,777</u>	<u>163,412</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant & Equipment		(15,710)	(29,214)
Purchase of Investments		(124,862)	(3,925)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(140,572)</u>	<u>(33,139)</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<u>(122,795)</u>	<u>130,273</u>
<b>CASH AT 1 JANUARY 2017</b>		<u>254,908</u>	<u>124,635</u>
<b>CASH AT 31 DECEMBER 2017</b>	9	<u>132,113</u>	<u>254,908</u>

*This statement should be read in conjunction with the accompanying notes.*

PROM COAST CENTRES FOR CHILDREN INC.  
ABN: 70 956 155 799  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Retained Earnings 2017 \$	Retained Earnings 2016 \$
Opening Balance	449,959	360,204
Net Surplus / (Loss) for the year	(66,502)	89,755
Closing Balance	<u>383,457</u>	<u>449,959</u>

*This statement should be read in conjunction with the accompanying notes*



**PROM COAST CENTRES FOR CHILDREN INC.**  
**ABN: 70 956 155 799**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES**

This financial report is a special purpose financial report prepared for distribution to members of the association for the purpose of fulfilling the committee's accountability requirements. The committee has determined that the association is not a reporting entity.

**Basis of Preparation**

The financial report is prepared in accordance with the historical cost convention, except for the revaluation of certain non-current assets and financial instruments, as noted. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of the Accounting Standards, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December, 2017

**(a) Reporting Entity**

The financial statements include all the controlled activities of the Association. The Association is a "not for profit" entity and therefore applies the additional Aus paragraphs applicable to "not for profit" entities under the Australian Accounting Standards.

**(b) Rounding Off**

All amounts shown in the Financial Statements are expressed to the nearest dollar.

**(c) Receivables**

Trade debtors are carried at nominal amounts and are due for settlement within 30 days. Collectibility of debts is reviewed on an ongoing basis. A provision for doubtful debts is raised where doubt as to collection exists.

**(d) Other Financial Assets**

Other Financial Assets are valued at cost and are classified between current and non-current assets based on the Association's Board of Management's intention at balance date with respect to the timing of disposal of each investment. Interest revenue from other financial assets is brought to account when it is earned.

**PROM COAST CENTRES FOR CHILDREN INC.**  
**ABN: 70 956 155 799**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES**

**(e) Revaluations of Non-Current Assets**

Subsequent to the initial recognition as assets, non-current physical assets, other than plant and equipment, are measured at fair value. Plant and equipment are measured at cost. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date. Revaluations are assessed annually as to their accuracy.

**(f) Depreciation**

The current policy allows for management to capitalise assets less than \$500, for the purpose of tracking certain assets, e.g. mobile phones, computer equipment, etc. The default threshold of \$500 serves as a guide whereas it was mandatory in 2015. Depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives to the association using the straight-line method.

The following table indicates the expected useful lives of non-current assets on which the depreciation charges are based -

	<b>Year ended 2017</b>	<b>Year ended 2016</b>
Leasehold Improvements	Per Lease Term	Up to 10 years
Office Equipment	Up to 10 years	Up to 10 years
Furniture and Fittings	Up to 10 years	Up to 10 years
Computers	Up to 7 years	Up to 7 years

**(g) Payables**

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are Net 30 days.

**(h) Goods and Services Tax**

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from or payable to the Australian Taxation Office (ATO) at the 31st December is included in the Statement of Financial Position. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

**PROM COAST CENTRES FOR CHILDREN INC.**  
**ABN: 70 956 155 799**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES**

**(i) Employee Benefits**

Employee entitlements are based on pay rates current at balance date. On-costs, including workcover and superannuation, are included in the calculation of leave provisions.

**Long Service Leave**

The provision for long service leave is determined in accordance with Accounting Standard AASB 119. Unconditional Long Service Leave (representing seven years or more of continuous service for staff employed under the Childrens Services Award 2010 & VECTA Award (2009)) is disclosed as a current liability regardless of whether the entity expects to settle the liability within twelve months or not as it does not have the unconditional right to defer the settlement of the entitlement should an employee take leave. Conditional Long Service Leave for employees with less than the above periods of continuous service is recognised in the provision for employee benefits as a non-current liability and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary level, experiences of employee departures and periods of service.

**Wages and Salaries, Annual Leave and Accrued Days Off.**

Liabilities for wages and salaries, annual leave and accrued days off are recognised, and are measured as the amount unpaid at the reporting date in respect of employee's services up to that date.

**Personal Leave**

Personal Leave entitlements are not accrued in the financial statements as it is anticipated that personal leave to be taken in future reporting periods will be less than the entitlements which are expected to accrue in those periods.

**(j) Revenue Recognition**

Revenue is recognised in accordance with AASB118. Income is recognised as revenue to the extent it is earned. Should there be unearned income at reporting date, it is reported as income in advance.

**Government Grants**

Grants are only recognised when there is a reasonable assurance that the entity will comply with the conditions attaching to the grant and are recognised as income over the periods necessary to match them with the related costs.

**Day Care and Kindergarten Fees**

Day Care and Kindergarten fees are recognised as revenue at the time invoices are raised.

**Donations and Other Bequests**

Donations and bequests are recognised as revenue when the cash is received.

**Interest Revenue**

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset.

**(k) Impairment of Financial Assets**

Financial Assets have been assessed for impairment in accordance with Australian Accounting Standards. Where a financial asset's fair value at balance date has been reduced by 20 per cent or more than its cost price, or where its fair value has been less than its cost price for a period of 12 months, the financial instrument is treated as impaired.

**PROM COAST CENTRES FOR CHILDREN INC.**  
**ABN: 70 956 155 799**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING 31 DECEMBER 2017**

**NOTE 2a: REVENUE FROM ORDINARY ACTIVITIES**

	<b>Total 2017</b>	<b>Total 2016</b>
	<b>\$</b>	<b>\$</b>
Grants - DET	461,279	396,995
Grants - Shire	12,000	12,000
Grants - Childcare Support	32,135	34,755
Grants - Small Regional Kindergartens	-	40,890
Grants - Other	22,034	10,658
Childcare Fees (Including CCR and CCB)	765,195	732,815
Kindergarten Fees	92,532	92,900
Wage Subsidy	14,446	-
Wages Backfill/Reimbursements	942	-
Sales - Hats & Shirts	352	-
Interest	10,058	8,049
Donations	120	1,350
Fundraising	14,140	14,353
Other Revenue	117	1,516
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<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES</b>	<b>1,425,350</b>	<b>1,346,280</b>
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**NOTE 2b: OPERATING EXPENSES**

	<b>Total 2017</b>	<b>Total 2016</b>
	<b>\$</b>	<b>\$</b>
<b>Employee Entitlements</b>		
Salaries and Wages	1,089,439	921,888
Workcover	20,469	17,702
Long Service Leave Accrued	-	-
Uniforms	448	-
Staff Training Expenses	1,578	-
Staff Training Expenses- LDCPD	13,891	-
Superannuation	101,005	84,280
CEO Contract Fees	-	-
Sundry Staff Expenses	1,221	14,586
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	<b>1,228,052</b>	<b>1,038,456</b>
<b>Supplies and Consumables</b>		
Consumables	19,311	-
Equipment (under \$1000)	11,833	-
Program Costs	4,892	18,560
	<hr/>	<hr/>
	<b>36,036</b>	<b>18,560</b>
<b>Other Expenses</b>		
Accounting & Bookkeeping	6,988	6,997
Advertising	3,004	1,747
Audit Fees	4,950	5,700
Bank Charges	3,470	2,722
Cleaning	51,357	50,549
Computer Expenses	2,857	2,548
Consultancy	32,114	2,400
Consumables-Hats & Shirts	1,084	-
Electricity	15,136	16,298
Fundraising Expenses	15,037	8,351
Insurance	2,617	1,770
Interest Expense	122	-
Printing, Postage & Stationery	7,732	6,044
Rent & Rates	2,295	1,330

**PROM COAST CENTRES FOR CHILDREN INC.**  
**ABN: 70 956 155 799**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING 31 DECEMBER 2017**

Repairs and Maintenance	14,826	24,522
Subscriptions	1,496	5,138
Sundry Expenses	3,545	6,098
Telephone	7,021	7,995
Water Expenses	2,704	-
	<u>178,353</u>	<u>150,209</u>
Depreciation (refer Note 3)	49,411	49,300
	<u>49,411</u>	<u>49,300</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>1,491,852</u>	<u>1,256,525</u>

**PROM COAST CENTRES FOR CHILDREN INC.**  
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**NOTE 3: DEPRECIATION**

	<b>Total 2017 \$</b>	<b>Total 2016 \$</b>
Leasehold Improvement	3,408	3,651
Office Equipment	6,265	7,222
Furniture	37,121	36,236
Information Technology	2,617	2,191
	<u>49,411</u>	<u>49,300</u>

**NOTE 4: RECEIVABLES**

	<b>Total 2017 \$</b>	<b>Total 2016 \$</b>
<b>CURRENT</b>		
Fee Debtor	13,718	14,290
Accrued Interest Income	1,918	756
Prepayments	2,623	1,677
<b>TOTAL</b>	<u>18,259</u>	<u>16,725</u>

**NOTE 5: OTHER FINANCIAL ASSETS**

	<b>Total 2017 \$</b>	<b>Total 2016 \$</b>
<b>CURRENT</b>		
Bendigo Bank Term Deposit	378,021	253,828
Bendigo Bank Term Deposit - Meikle Trust	8,170	7,500
<b>TOTAL</b>	<u>386,191</u>	<u>261,328</u>

**NOTE 6: PAYABLES**

	<b>Total 2017 \$</b>	<b>Total 2016 \$</b>
<b>CURRENT</b>		
Creditors	17,832	6,163
Accruals	29,121	20,255
GST Payable	9,462	10,494
Income in Advance	4,142	18,619
PAYG Withholding Payable	25,282	9,986
Superannuation Payable	12,590	12,539
<b>TOTAL PAYABLES</b>	<u>98,429</u>	<u>78,056</u>

**PROM COAST CENTRES FOR CHILDREN INC.**  
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**NOTE 7: PROVISIONS**

<b>EMPLOYEE BENEFITS</b>	<b>Total 2017 \$</b>	<b>Total 2016 \$</b>
<b>CURRENT</b>		
Long Service Leave	45,528	46,897
Annual Leave	50,099	61,594
<b>TOTAL CURRENT</b>	<u>95,627</u>	<u>108,491</u>
<b>NON-CURRENT</b>		
Long Service Leave	54,493	25,598
<b>TOTAL NON-CURRENT</b>	<u>54,493</u>	<u>25,598</u>
<b>Long Service Leave</b>		
Opening Balance of Long Service Leave	72,494	59,468
Provision made during the year	34,617	15,226
Payments made during the year	(7,091)	(2,200)
Closing Balance of Long Service Leave	<u>100,020</u>	<u>72,494</u>

**NOTE 8: RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES  
TO OPERATING RESULT**

	<b>Total 2017 \$</b>	<b>Total 2016 \$</b>
<b>Surplus (Deficit) for the Year</b>	(66,502)	89,755
<b>NON CASH MOVEMENTS</b>		
Depreciation	49,411	49,300
Increase/(Decrease) in Payables	21,403	5,926
Increase/(Decrease) in Employee Entitlements	16,030	9,171
Increase/(Decrease) in GST Payable	(1,032)	3,718
(Increase)/Decrease in Receivables	(1,533)	5,542
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>17,777</u>	<u>163,412</u>

**NOTE 9: RECONCILIATION OF CASH**

	<b>Total 2017 \$</b>	<b>Total 2016 \$</b>
<b>CASH ON HAND</b>		
- Bendigo Bank Trading Account	129,062	253,317
- Bendigo Bank Debit Account	1,229	14
- Bendigo Bank Kindergarten Accounts	1,822	1,578
	<u>132,113</u>	<u>254,908</u>

**PROM COAST CENTRES FOR CHILDREN INC.**  
**ABN: 70 956 155 799**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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**NOTE 10: RECONCILIATION OF CHANGES IN EQUITY**

	<b>Total 2017 \$</b>	<b>Total 2016 \$</b>
<b>a) Trust Funds</b>		
Balance at Beginning of Period	7,500	7,500
Transfers from related entity	-	-
<b>Balance at end of Period</b>	<b><u>7,500</u></b>	<b><u>7,500</u></b>
<b>b) Contributed Capital</b>		
Balance at Beginning of Period	335,306	335,306
<b>Balance at end of Period</b>	<b><u>335,306</u></b>	<b><u>335,306</u></b>
<b>c) Accumulated Surpluses</b>		
Balance at Beginning of Period	107,153	17,398
Net Result for the Year	(66,502)	89,755
<b>Balance at end of Period</b>	<b><u>40,651</u></b>	<b><u>107,153</u></b>
<b>d) Equity</b>		
Total Equity at Beginning of Period	449,959	360,204
Total changes Recognised in the Income Statement	(66,502)	89,755
<b>Balance at end of Period</b>	<b><u>383,457</u></b>	<b><u>449,959</u></b>

Uniting Care Gippsland previously ran the childcare centre and the four kindergartens in the group. However they advised the parents and other interested parties that they were unable to continue to do this due to financial sustainability issues for their organisation. The local community formed an association and with the assistance of the shire and the local community bank resolved to take over the operations. Underlying this takeover was a memorandum of understanding between the two parties that saw not only the transfer of the furniture and office equipment, treated as capital contributed by UCG above, but also the transfer of funds and accumulated surpluses held by UCG but raised by the previous umbrella group of the four kindergarten services being Promontory Coast Children's Services Inc.

This is shown as capital contributed from related parties above.

The Meikle Trust represents a formal trust of monies left by Alice Rosina Meikle, of which the income may be used but the initial investment must be maintained.

**NOTE 11: CONTINGENT ASSETS & LIABILITIES**

There are no known contingent assets or contingent liabilities at balance date.



**PROM COAST CENTRES FOR CHILDREN INC.**  
**ABN: 70 956 155 799**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING 31 DECEMBER 2017**

**NOTE 12: PROPERTY, PLANT AND EQUIPMENT**

	<b>Total 2017 \$</b>	<b>Total 2016 \$</b>
<b>OFFICE EQUIPMENT AT COST</b>		
Office Equipment at Cost	41,722	41,722
Less: Accumulated Depreciation	<u>(25,239)</u>	<u>(18,974)</u>
<b>Total Office Equipment</b>	<b><u>16,483</u></b>	<b><u>22,748</u></b>
 <b>FURNITURE</b>		
Furniture at cost	199,098	185,397
Less: Accumulated Depreciation	<u>(130,493)</u>	<u>(93,372)</u>
<b>Total Furniture</b>	<b><u>68,605</u></b>	<b><u>92,025</u></b>
 <b>INFORMATION TECHNOLOGY</b>		
Information Technology at cost	9,116	7,106
Less: Accumulated Depreciation	<u>(5,334)</u>	<u>(2,717)</u>
<b>Total Information Technology</b>	<b><u>3,782</u></b>	<b><u>4,389</u></b>
 <b>LEASEHOLD IMPROVEMENT AT COST</b>		
Leasehold Improvement at Cost	13,632	13,632
Less: Accumulated Depreciation	<u>(7,059)</u>	<u>(3,651)</u>
<b>Total Leasehold Improvement</b>	<b><u>6,573</u></b>	<b><u>9,981</u></b>
 <b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b><u>95,443</u></b>	<b><u>129,143</u></b>

**PROM COAST CENTRES FOR CHILDREN INC.**  
**ABN: 70 956 155 799**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING 31 DECEMBER 2017**

	Office Equipment \$	Furniture \$	Information Technology \$	Leasehold Improvements \$	Total \$
<b>Opening balance 1/1/2016</b>	<b>29,398</b>	<b>117,970</b>	<b>1,862</b>	-	<b>149,230</b>
Additions	572	10,291	4,718	13,632	29,213
Depreciation Expense (refer Note 3)	7,222	36,236	2,191	3,651	49,300
<b>Balance as at 31/12/16</b>	<b>22,748</b>	<b>92,025</b>	<b>4,389</b>	<b>9,981</b>	<b>129,143</b>

	Office Equipment \$	Furniture \$	Information Technology \$	Leasehold Improvements \$	Total \$
<b>Opening balance 1/1/2017</b>	<b>22,748</b>	<b>92,025</b>	<b>4,389</b>	<b>9,981</b>	<b>129,143</b>
Additions	-	13,701	2,010	-	15,711
Depreciation Expense (refer Note 3)	6,265	37,121	2,617	3,408	49,411
<b>Balance as at 31/12/17</b>	<b>16,483</b>	<b>68,605</b>	<b>3,782</b>	<b>6,573</b>	<b>95,443</b>

**NOTE 13:- SUPERANNUATION**

The name and details of the major employee superannuation funds and actual contributions excluding any accruals made by the Association are as follows:

FUND	Contribution for the period	
	2017 \$	2016 \$
Australian Child Care Super Fund	83	-
Australian Super	35,308	26,666
ESSSuper	2,251	-
First State Super	4,901	-
Hesta	27,708	27,557
Hostplus Superannuation Fund	5,139	5,405
MLC Masterkey Super	6,210	4,510
North Superannuation Fund	1,961	-
Rest	8,611	8,538
Vic Super Fund	89	-
Vision Super	2,596	-
Other	-	11,604
	<b>94,855</b>	<b>84,280</b>

**NOTE 14: COMMITMENTS**

There are no capital commitments at year end

**PROM COAST CENTRES FOR CHILDREN INC.**  
**ABN: 70 956 155 799**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING 31 DECEMBER 2017**

**NOTE 15 RELATED PARTY DISCLOSURES**

<b>Board of Management</b>	<b>Appointed</b>	<b>Resigned</b>
Ralph Hubbert (Chair)	18/02/2014	
Lucy Allsop (Secretary)	18/02/2014	
Kate Woodward (Vice President)	11/08/2014	
Jessica Armstrong (Treasurer)	18/02/2014	
Elisa Nudelman	30/06/2014	27/03/2017
Jillian Throckmorton	18/02/2014	
Lachlan Moon	20/04/2015	27/03/2017
Lisa Cowgill	20/04/2015	
Lisa Monod	25/05/2015	
Shannon Gee	5/10/2015	
Gabrielle Boyd	18/04/2016	

**Executives**

Wilhelmina Pruyn	26/05/2015
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**Executive Remuneration**

The number of Responsible Persons are shown in their relevant income bands.

<b>Income Band</b>	<b>2017</b>	<b>2016</b>
\$0 - \$9,999		
\$20,000 - \$29,999		
\$30,000 - \$39,999		
\$40,000 - \$49,999	1	1

**NOTE 16: REMUNERATION OF AUDITORS**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Audit Fees	4,950	5,700

**PROM COAST CENTRES FOR CHILDREN INC.**

**ABN: 70 956 155 799**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2017**

**Miekle Trust Balance Sheet**

	<b>Total 2017 \$</b>	<b>Total 2016 \$</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Bendigo Bank Term Deposit - Miekle Trust	8,170	7,500
<b>Net Assets</b>	<u>8,170</u>	<u>7,500</u>
<b>EQUITY</b>		
Contribution - Alice Miekle	7,500	7,500
Accumulated Surplus	670	-
	<u>8,170</u>	<u>7,500</u>

**PROM COAST CENTRES FOR CHILDREN INC.**

**ABN: 70 956 155 799**

**Miekle Trust Profit & Loss**

**For the year ended 31/12/2017**

<b>Revenue</b>	<b>Note</b>	
Interest Income	1	\$670

**Net Surplus / (Deficit) for the year** \$670

1) This represents two years worth of interest

