



Prom Coast Centres for Children Inc.

Reg. No: A0060784V ABN 70 956 155 799

Annual Report 2018

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 fourth annual report for Prom Coast Centres for Children and covers the financial year of operation 1st January 2018 – 31st December 2018.

Centres' Director's Report

Wilhelmina Pruyn

“Great things never come from comfort zones”. In 2018, Prom Coast Centres for Children explored, developed and implemented Programs that tested our capacity and ability to operate out of our comfort zones. We continued to move forward in our efforts to achieve the PCCC vision ***“to deliver high quality and accessible early childhood services that are inclusive and responsive to the needs of our children families and communities.”***

After consultation with families at the end of 2017, 2018 saw Toora/Welshpool Kindergarten trial offering two 7.5 hour Kindergarten days (Monday/Tuesday) for its families with a 3 Year old Integrated Program on a Monday. The educational team rose to the challenge of developing a Program suited to longer days and the children and families adapted well and welcomed the change. The operational challenge with 7.5 hour days is the additional staff member required to cover the lunch breaks for staff. This is an additional cost for the service that has capped funding and the sustainability of staffing this short shift in a rural area will continually challenge the program. This will need to be further reviewed to see whether it is sustainable into the long term.

Our Kindergartens are valued community facilities. The Toora Kindergarten was a host venue for pre-accredited training delivered by Mannagum Community House for young mothers and other women wishing to return to work in the local community. Welshpool Kindergarten continued to host the well-established and highly valued community Playgroup each week for local children and their families.

To cater for an increased number of enrolments that were placed at Fish Creek due to an oversubscription to our Foster Centre in 2018, Fish Creek Kindergarten operated a 4 day rotational Program. This was a good opportunity to trial this mode of delivery and provided some good insights for the educational team to reflect upon for future programs. Despite low numbers PCCC continued subsidise and support the delivery of a 3 Year Old Kindergarten Program in the Fish Creek community each Friday. A secondary submission by the South Gippsland Shire to the Department of Education and Training for the \$220K refurbishment of the Fish Creek Kindergarten was successful in October which will see this project become a reality in 2019.

In April 2018, PCCC was successful in its grant application for Community Support Program Funding. The objective of the grant was to develop a future plan for Prom Coast Centres for Children by improving capacity, access and quality. This funding allowed PCCC to explore with confidence a move to an Integrated Kindergarten Program model in 2019. An implementation plan was devised and subsequently carried out from June-Dec 2018. An extended staff consultation to manage the impacted staff and identify future staffing requirements was undertaken. An application to operate Out of School Hours (OSHC) Program at the Foster Primary School was vital to ensure this service could continue to be offered particularly when demand is high during the term holidays. A licence to run OSHC was successfully granted for the commencement of the 2019 school year.

The DET Early Childhood Reform plan moved forward to put in place the School Readiness Program for the commencement of the 2019 Kindergarten Year. This was a learning curve for our teachers in understanding the procured services on offer and many hours of additional time was spent in term 4 developing plans to meet the

desired outcomes that this funding aimed to achieve. We look forward to reviewing and hopefully celebrating the success of this reform initiative in future years as our young Kindergarten children walk with confidence into the school yard.

Positive community relationships were enhanced with our Foster Programs visiting the Prom Coast Aged Care facility weekly through the Intergeneration Program. In cooperation with the Foster Community Health Centre we trialled Free Occupational Therapy screening for 3 year old children at all our services. Access to screening was available for children aged between 2.5 -3 years to assess overall development, motor skills, attention, language and social skills. A significant number of children benefited from this early intervention and ongoing clinical support, typically reserved for the Kindergarten year.

Professional Development support continued for staff in identified areas to improve their knowledge and skills. An investment in the Early Childhood Australia Professional Development Learning Package was made to offer our educators access to all online learning modules offering a wide range of professional development areas. Our Fish Creek Kindergarten teacher was supported to pursue a DET grant to travel to China on a Kindergarten knowledge exchange program. Long Day Care staff wellbeing benefitted from the 5 weeks annual leave and RDO for full time staff approved late 2017.

Our staff survey identified a number of key areas that required focus including: leadership, communication and team work. To improve in these areas all staff were engaged in establishing the PCCC Culture and Values aimed at creating a respectful, professional, inclusive and sustainable workplace environment.

The transition to the new Child Care Support Package (Child Care Benefit) occurred from 1 July and our administration officer worked tirelessly to ensure this was a relatively smooth transition for our families to this new system. Familiarisation with the new additional childcare subsidy categories (child wellbeing, grandparent, temporary hardship and transition to work) was extremely important to ensure ongoing support for our vulnerable families. This was accompanied by a move to digital sign in for our families at our Foster Centre.

Building plans for the refurbishment of our Foster administration and reception were developed and approved as the Committee of Management continued to recognise and support the increased workload and business needs associated with the delivery of five Early Childhood services.

A Quality Improvement Plan review cycle was implemented across all our services that allowed for all staff participation in the review of their services QIP. Monthly meetings were hosted and led by Educational Leaders to direct each service in the review of how the seven quality areas are embedded in each of our programs.

In any given moment we have two options: to step forward into growth, or step back into safety. In 2018, I am proud to reflect that PCCC took a great leap forward into growth to support accessible, responsive and inclusive Early Childhood services in Corner Inlet.

Wilhelmina Pruyn

Director

President's Report

Kate Woodward

Once again, 2018 proved a busy, eventful year for PCCC. Achievements, highlights and of course challenges for the organization for 2018 were many.

The move from offering a sessional to an Integrated kindergarten model at Foster was a bold but necessary one to address increased demand for both kinder and long day care at Foster. This change required an enormous amount of planning and implementation in the latter half of 2018, particularly from a staffing perspective. A necessary rate rise was introduced in July 2018, following two years of fees being static.

PCCC obtained a license to run an Out of school hours care at the Foster Primary School, which has significantly increased options for families for before and after school care and school holiday care, as well as providing primary aged children with more age appropriate facilities and programs.

The local communities of Fish Creek, Toora and Welshpool continue to benefit from programs delivered from their respective kindergartens. The fluctuating nature of these communities means that the needs can change from year to year – this provides challenges from both a programming and financial perspective. Both three and four year olds have been catered for across these areas in 2018. With the assistance of South Gippsland shire in securing funding, the facilities at Fish Creek kinder will receive a significant upgrade in 2019.

PCCC made a formal presentation to South Gippsland shire in June 2018 with the aim of stimulating discussions and putting forward options for the provision of early Years services in the communities of Toora and Welshpool. This resulted in the Shire agreeing to facilitating a feasibility study to explore options for these communities, PCCC will continue to advocate for families and services in these areas.

The organizational structure is periodically reviewed and will be modified in the near future to address the need to transition to a full time Centres director with an education background who will work closely with an Early Years Manager. Employment of a specific finance officer in 2018 was significantly beneficial to the business. The employment of an executive support officer has taken a huge burden off the voluntary secretary position on the COM. The PCCC COM were please to be able to fund some much needed alterations to the office area at Foster which will allow for much more efficient work spaces for all the various administrative and management staff at this centre

No more or less than any other year to date, the importance of being flexible and sustainable in an ever changing climate of community requirements, government priorities, legislative requirements and industry standards is paramount to success. Future challenges include management of multiple kinder locations, demand outstripping facility space at the Foster centre and the introduction of government funded three year old kinder.

These ongoing achievements would not be possible without the energy and enthusiasm of our director Wil Pryun, Tracy and the team of amazing educators that we are so lucky to have. In addition to paid staff, there are so many people - a community in fact - that keeps PCCC humming along.

Thank you to all the COM members who contribute tirelessly and voluntarily to contribute and to make things happen. As is symptomatic of many community organisations, it is not always easy finding community members to put their hands up and join the committee; I would totally recommend it as a means of contributing to a vital community service.

‘Onwards and Upwards’!

Kate Woodward

President

Secretary's Report

Lucy Allsop

Committee of Management 2018

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

Office Bearers:

President: **Kate Woodward,**

Vice President: **Ralph Hubbert**

Secretary: **Lucy Allsop**

Treasurer: **Jessica Armstrong**

Ordinary Committee Members:

Lisa Cowgill, Carly Buckland, Moyha Davies, Julia Allott, Gabbi Boyd

*A number of ordinary committee members completed their term on the Committee of Management at the 2017 AGM. The committee wishes to thank **Jill Throckmorton** (4 years), **Lisa Monod-de-Froideville** (3 years) and **Shannon Gee** (2 ½ years) for their service.*

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 previously performed minor maintenance work at Centres.

Lucy Allsop

Secretary

Treasurer's Report

Jessica Armstrong

Results for the year ended December 2018 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 increasing in staffing costs. A decision was made to increase Long Day Care fees in July 2018 in order to address several years of salary increments and management related staffing costs. Fees had not been increased for two years. Cash flows from operating activities are lower compared to the prior year, also due to higher staffing costs. Proceeds from investments reflect a draw-down on the term deposit which allows the Centre to meet the commitment associated with the building works at Foster.

Analysis of PCCC's financial statements demonstrates a strong liquidity position, (2.54 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.

Challenges remain in long day care to manage the increasing demand for child care places within both the Dolphin and Rosella rooms and for the second year running, enrolments for kinder at Foster exceeded capacity. The Centre implemented an integrated childcare and kinder model in early 2019 in order to alleviate capacity issues. The Committee is committed to pursuing opportunities for expansion of the Foster centre in the long term. 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 in term 3 of 2019. Funding was obtained from the South Gippsland Shire to conduct a feasibility study for co-located kinder and Primary School services at both Toora and Welshpool sites which is now underway.

Jessica Armstrong

Treasurer

Special Purpose Financial Report
for the Period ended 31st December 2018

Schedule 1

Regulation 15

Form 1

Associations Incorporation Reform Act 2012

Sections 94 (2)(b), 97 (2)(b) and 100 (2)(b)

**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 31st Dec 2018.”

Signed: _____

Lucy E Allsop

Date: _____

18 March 2018

Signed: _____

[Signature]

Date: _____

18/3/2019

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 year ended 31st December, 2018, comprising Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements set out on pages 1 to 15.

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 31st December, 2018 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

19th March, 2019

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, 2018 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.

President



Secretary



Date 18th March 2019

PROM COAST CENTRES FOR CHILDREN INC.
ABN: 70 956 155 799
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Total 2018 \$	Total 2017 \$	
REVENUE FROM ORDINARY ACTIVITIES				
Grants	2a	590,799	541,895	9.0%
Fees	2a	940,516	859,021	9.5%
Other Income	2a	19,814	24,434	
TOTAL REVENUE FROM ORDINARY ACTIVITIES		1,551,129	1,425,350	
EXPENDITURE FROM ORDINARY ACTIVITIES				
Employee Entitlements	2b	1,379,324	1,228,052	12.3%
Supplies and Consumables	2b	20,970	36,036	-41.8%
Other Expenses	2b	173,998	178,353	-2.4%
Depreciation	3	51,806	49,411	4.8%
TOTAL EXPENSES FROM ORDINARY ACTIVITIES	2b	1,626,098	1,491,852	
NET SURPLUS/(DEFICIT) FOR THE YEAR		\$ (74,969)	\$ (66,502)	

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 2018

	Note	Total 2018 Total	Total 2017 Total
ASSETS			
Current Assets			
Cash Assets	9	168,679	132,113
Receivables	4	19,697	18,258
Other Financial Assets	5	332,597	386,191
Total Current Assets		520,973	536,562
Non Current Assets			
Property, Plant & Equipment	12	47,353	95,443
Total Non-Current Assets		47,353	95,443
TOTAL ASSETS		568,326	632,005
LIABILITIES			
Current Liabilities			
Payables	6	101,975	98,429
Provisions	7	103,009	95,627
Total Current Liabilities		204,984	194,056
Non Current Liabilities			
Provisions	7	54,854	54,492
Total Non-Current Liabilities		54,854	54,492
TOTAL LIABILITIES		259,838	248,548
NET ASSETS		308,488	383,457
EQUITY			
Trust Funds	10a	7,500	7,500
Contributed Capital	10b	335,306	335,306
Accumulated Surplus	10c	(34,318)	40,651
TOTAL EQUITY	10d	308,488	383,457

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 2018

	Note	Total 2018 \$ Inflows/ (Outflows)	Total 2017 \$ Inflows/ (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Grants		644,349	528,359
Fees		940,334	855,625
Other Revenue		20,583	23,841
Payments			
Payments to Suppliers and Employees		1,575,669	1,367,854
GST Paid to ATO		42,909	22,193
NET CASH FLOWS FROM OPERATING ACTIVITIES	8	<u>(13,312)</u>	<u>17,777</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment		(3,716)	(15,710)
Proceeds from Investments		53,594	(124,862)
NET CASH USED IN INVESTING ACTIVITIES		<u>49,878</u>	<u>(140,572)</u>
NET INCREASE/(DECREASE) IN CASH HELD		<u>36,566</u>	<u>(122,795)</u>
CASH AT 1 JANUARY 2018		<u>132,113</u>	<u>254,908</u>
CASH AT 31 DECEMBER 2018	9	<u><u>168,679</u></u>	<u><u>132,113</u></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 2018

	Retained Earnings 2018	Retained Earnings 2017
Opening Balance	\$ 383,457	\$ 449,959
Net Surplus / (Loss) for the year	(74,969)	(66,502)
Closing Balance	308,488	383,457

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 2018

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, 2018

(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 2018

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 -

	Year ended 2018	Year ended 2017
Leasehold Improvements	Per Lease Term	Per Lease Term
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 2018

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.

(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 2018

NOTE 2a: REVENUE FROM ORDINARY ACTIVITIES

	Total 2018 \$	Total 2017 \$
Grants - DET	487,804	461,279
Grants - Shire	12,000	12,000
Grants - Childcare Support	23,100	32,135
Grants - Other	44,412	22,034
Childcare Fees (Including CCR and CCB)	869,550	765,195
Kindergarten Fees	70,965	92,532
Wage Subsidy	14,532	14,446
Wages Backfill/Reimbursements	8,951	942
Sales - Hats & Shirts	139	352
Interest	7,330	10,058
Donations	852	120
Fundraising	11,494	14,140
Other Revenue	-	117
TOTAL REVENUE FROM ORDINARY ACTIVITIES	1,551,129	1,425,350

NOTE 2b: OPERATING EXPENSES

	Total 2018 \$	Total 2017 \$
Employee Entitlements		
Salaries and Wages	1,234,597	1,089,439
Workcover	20,654	20,469
Uniforms	2,342	448
Staff Training Expenses	5,387	1,578
Staff Training Expenses- LDCPD	27	13,891
Superannuation	111,512	101,005
Sundry Staff Expenses	4,805	1,221
	1,379,324	1,228,052
Supplies and Consumables		
Program Consumables	15,676	19,311
Equipment (under \$500)	4,216	11,833
Program Costs	1,078	4,892
	20,970	36,036
Other Expenses		
Accounting & Bookkeeping	3,896	6,988
Advertising	5,162	3,004
Audit Fees	5,940	4,950
Bank Charges	3,506	3,470
Cleaning	50,027	51,357
Computer Expenses	6,486	2,857
Consultancy	27,702	32,114
Consumables-Hats & Shirts	1,360	1,084
Electricity	16,965	15,136
Fundraising Expenses	9,955	15,037
Insurance	2,358	2,617
Interest Expense	-	122
Printing, Postage & Stationery	5,759	7,732
Rent & Rates	1,234	2,295
Repairs and Maintenance	14,051	14,826
Subscriptions	6,615	1,496
Sundry Expenses	4,560	3,545
Telephone	6,665	7,021
Water Expenses	1,757	2,704
	173,998	178,353
Depreciation (refer Note 3)	51,806	49,411
	51,806	49,411
TOTAL OPERATING EXPENSES	1,626,098	1,491,852

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 2018

NOTE 3: DEPRECIATION

	Total 2018 \$	Total 2017 \$
Leasehold Improvement	2,988	3,408
Office Equipment	5,019	6,265
Furniture	40,800	37,121
Information Technology	2,999	2,617
	<u>51,806</u>	<u>49,411</u>

NOTE 4: RECEIVABLES

	Total 2018 \$	Total 2017 \$
CURRENT		
Fee Debtor	13,900	13,718
Other Debtor	396	
Accrued Interest Income	753	1,918
Prepayments	4,648	2,623
TOTAL	<u>19,697</u>	<u>18,259</u>

NOTE 5: OTHER FINANCIAL ASSETS

	Total 2018 \$	Total 2017 \$
CURRENT		
Bendigo Bank Term Deposit	324,071	378,020
Bendigo Bank Term Deposit - Meikle Trust	8,525	8,170
TOTAL	<u>332,597</u>	<u>386,191</u>

NOTE 6: PAYABLES

	Total 2018 \$	Total 2017 \$
CURRENT		
Creditors	11,677	17,832
Accruals	38,943	29,121
GST Payable	10,079	9,462
Income in Advance	-	4,142
PAYG Withholding Payable	31,592	25,282
Superannuation Payable	9,684	12,590
TOTAL PAYABLES	<u>101,975</u>	<u>98,429</u>

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 2018

NOTE 7: PROVISIONS

	Total 2018	Total 2017
	\$	\$
EMPLOYEE BENEFITS		
CURRENT		
Long Service Leave	50,388	45,528
Annual Leave	52,621	50,099
TOTAL CURRENT	<u>103,009</u>	<u>95,627</u>
NON-CURRENT		
Long Service Leave	54,854	54,493
TOTAL NON-CURRENT	<u>54,854</u>	<u>54,493</u>
Long Service Leave		
Balance of Long Service Leave (beginning)	100,020	72,494
Provision made during the year	15,725	34,617
Payments made during the year	(10,503)	(7,091)
Balance of Long Service Leave - 31 Dec	<u>105,242</u>	<u>100,020</u>

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

	Total 2018	Total 2017
	\$	\$
Surplus (Deficit) for the Year	(74,969)	(66,502)
NON CASH MOVEMENTS		
Depreciation	51,806	49,411
Increase/(Decrease) in Payables	2,929	21,403
Increase/(Decrease) in Employee Entitlements	7,744	16,030
Increase/(Decrease) in GST Payable	617	(1,032)
(Increase)/Decrease in Receivables	(1,439)	(1,533)
NET CASH USED IN OPERATING ACTIVITIES	<u>(13,312)</u>	<u>17,777</u>

NOTE 9: RECONCILIATION OF CASH

	Total 2018	Total 2017
	\$	\$
CASH ON HAND		
- Bendigo Bank Trading Account	165,854	129,062
- Bendigo Bank Debit Account	1,004	1,229
- Bendigo Bank Kindergarten Accounts	1,822	1,822
	<u>168,679</u>	<u>132,113</u>

PROM COAST CENTRES FOR CHILDREN INC.
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 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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NOTE 10: RECONCILIATION OF CHANGES IN EQUITY

	Total 2018 \$	Total 2017 \$
a) Trust Funds		
Balance at Beginning of Period	7,500	7,500
Balance at end of Period	<u><u>7,500</u></u>	<u><u>7,500</u></u>
b) Contributed Capital		
Balance at Beginning of Period	335,306	335,306
Balance at end of Period	<u><u>335,306</u></u>	<u><u>335,306</u></u>
c) Accumulated Surpluses		
Balance at Beginning of Period	40,651	107,153
Net Result for the Year	(74,969)	(66,502)
Balance at end of Period	<u><u>(34,318)</u></u>	<u><u>40,651</u></u>
d) Equity		
Total Equity at Beginning of Period	383,457	449,959
Total changes Recognised in the Income Statement	(74,969)	(66,502)
Balance at end of Period	<u><u>308,488</u></u>	<u><u>383,457</u></u>

Uniting Care Gippsland (UCG) 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.
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2018

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Total 2018 \$	Total 2017 \$
OFFICE EQUIPMENT AT COST		
Office Equipment at Cost	41,722	41,722
Less: Accumulated Depreciation	<u>(30,258)</u>	<u>(25,239)</u>
Total Office Equipment	<u>11,464</u>	<u>16,483</u>
FURNITURE		
Furniture at cost	200,701	199,098
Less: Accumulated Depreciation	<u>(171,292)</u>	<u>(130,493)</u>
Total Furniture	<u>29,409</u>	<u>68,605</u>
INFORMATION TECHNOLOGY		
Information Technology at cost	11,229	9,116
Less: Accumulated Depreciation	<u>(8,334)</u>	<u>(5,334)</u>
Total Information Technology	<u>2,894</u>	<u>3,782</u>
LEASEHOLD IMPROVEMENT AT COST		
Leasehold Improvement at Cost	13,632	13,632
Less: Accumulated Depreciation	<u>(10,047)</u>	<u>(7,059)</u>
Total Leasehold Improvement	<u>3,585</u>	<u>6,573</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>47,352</u>	<u>95,443</u>

PROM COAST CENTRES FOR CHILDREN INC.
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FOR THE YEAR ENDING 31 DECEMBER 2018

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

	Office Equipment \$	Furniture \$	Information Technology \$	Leasehold Improvements \$	Total \$
Opening balance 1/1/2018	16,483	68,605	3,782	6,573	95,443
Additions	-	1,603	2,113	-	3,716
Depreciation Expense (refer Note 3)	5,019	40,800	2,999	2,988	51,806
Balance as at 31/12/18	11,464	29,408	2,896	3,585	47,353

NOTE 13:- SUPERANNUATION

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

FUND	Contribution for the period	
	2018 \$	2017 \$
AMP Signaturesuper	3,163	-
Australian Child Care Super Fund	-	83
Australian Ethical Retail Super Fund	944	-
Australian Super	29,654	35,308
BT Super For Life - Savings	1,298	-
Commonwealth Essential Super	2,713	-
ESSSSuper	2,798	2,251
First State Super	6,203	4,901
Hesta	39,621	27,708
Hostplus Superannuation Fund	9,475	5,139
MLC Masterkey Super	7,466	6,210
North Superannuation Fund	2,000	1,961
Rest	9,602	8,611
Vic Super Fund	307	89
Vision Super	2,362	2,596
	117,606	94,855

NOTE 14: COMMITMENTS

The association accepted the quotation for the front office and reception renovation from Considine and Johnston Pty Ltd for the amount of \$60,198 including GST. These works are expected to be completed by the 28th of February 2019.

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 2018

NOTE 15 RELATED PARTY DISCLOSURES

Board of Management

		Appointed	Resigned
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	
Jillian Throckmorton		18/02/2014	29/01/2018
Lisa Cowgill		20/04/2015	
Lisa Monod		25/05/2015	23/04/2018
Moyha Davies		5/10/2015	
Gabrielle Boyd		18/04/2016	
Carly Buckland		23/04/2018	
Shannon Gee		5/10/2015	23/04/2018
Julia Allott		23/04/2018	

Executives

Wilhelmina Pruyn	26/05/2015
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Executive Remuneration

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

Income Band	2018	2017
\$0 - \$9,999		
\$20,000 - \$29,999		
\$30,000 - \$39,999		
\$40,000 - \$49,999		1
\$70,000 - \$79,000	1	

NOTE 16: REMUNERATION OF AUDITORS

	2018	2017
	\$	\$
Audit Fees	5,940	4,950

PROM COAST CENTRES FOR CHILDREN INC.
ABN: 70 956 155 799
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

Miekle Trust Balance Sheet

	Note	Total 2018 \$	Total 2017 \$
ASSETS			
Current Assets			
Benidgo Bank Term Deposit - Miekle Trust		8,526	8,170
Net Assets		8,526	8,170
Equity			
Contribution - Alice Miekle		7,500	7,500
Accumulated Surplus		1,026	670
		8,526	8,170

PROM COAST CENTRES FOR CHILDREN INC.

ABN: 70 956 155 799

Miekle Trust Profit & Loss

For the year ended 31/12/2018

Revenue	2018	2017
	\$	\$
Interest Income	356	670
Net Surplus / (Defecit) for the year	<u>356</u>	<u>670</u>

