

Prom Coast Centres for Children Inc.

Reg. No: A0060784V ABN 70 956 155 799

Annual Report 2019

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, 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 fifth annual report for Prom Coast Centres for Children and covers the financial year of operation 1st January 2019 – 31st December 2019.

Early Years Manager's Report

"The greater the mountain, the harder the climb, the greater reward at the top!"

As with everything Prom Coast our 2019 year was mapped out with challenge, change and reward.

Considine and Johnstone builders had moved into our Foster building in January and made light work of renovating our reception and administration space. Operationally while there was some temporary minor inconvenience for the first 8 weeks, it is difficult now to understand how we operated before. Our reception is now welcoming to our families and we have significantly improved our administration services, confidentiality and capacity to provide better customer service to our families.

Our Integrated 3-5 Kindergarten delivery commenced at Foster which was a major milestone for the centre. The delivery of Kindergarten 5 days a week at Foster enabled PCCC to cater for the needs of working families and support overall capacity needs of the centre. Our educational teams worked tirelessly to ensure the transition to Integrated Kindergarten was seamless for our families and the children adapted well.

We commenced our operation of Out of School Hours Care (OSHC) at the Primary School under the OSHC licence secured in 2018 in parallel with our move to Integrated Kindergarten. Our OSHC Coordinator worked closely with our local Primary School partners to establish the systems and set up our operational space while the new school buildings were being installed. The Program was brought back to the Foster Centre during winter due to low after school hours numbers during term time. The demand for Vacation Care was consistently regular throughout the year and always well received by families.

Planning for Fish Creek Kindergarten refurbishment project commenced in 2017 and the project was successfully delivered in term four 2019. It was a collective effort involving the Fish Creek Primary School, South Gippsland Shire Council, PCCC, Department of Education and Training, Considine and Johnstone and our families. Cooperation between partners ensured that the project was on time and delivered to achieve the outcomes identified. The Fish Creek Kindergarten is now well set up to deliver Kindergarten service our children and families well into the future.

The Toora/Welshpool Kindergarten services continued to offer 2 x 7.5 hours sessions in 2019 as this was well received by families. The Kindergarten educational team continued to work hard on developing a Program that creates and facilitates a calm, engaging environment over a longer 7.5 hour day. The committed team of educators embed practices that meet the needs of their children and families. Welshpool Kindergarten positively participated in the Ratings and Assessment process with DET in May.

As we opened for enrolments for Kindergarten in May, PCCC once again rose to the challenge offered by DET and South Gippsland Council to offer 15 hours of 3 Year Old Kindergarten across all of our services in 2020. This was a major project for PCCC as we would be effectively doubling our Kindergarten service provision across all our services in 2020. From May through to December an extensive planning, recruitment and public relations campaign was undertaken to ensure that we were in a position to offer and deliver 15 hours of 3 & 4 Year Old Kindergarten across all four Kindergarten services in 2020.

In April an organisational structure review identified a need for a full time Director at the Foster Centre, so that an Early Years Manager (EYM) could oversee the expansion of Kindergarten services. An extensive recruitment

campaign over six months was completed following the appointment of Suellen Millett in September. Sue brought to PCCC her years of experience in specialist education and support, service management and was welcomed warmly into the PCCC team to lead our Foster Long Day Care and OSHC services.

The PCCC Committee of Management continue to be a formidable volunteer leadership group that oversee the management of all PCCC services as Approved Provider. Long standing members since 2015 have offered hundreds of hours in service and their work secured and continue to support early childhood services and employment in the community. Vital to the sustainability of the CoM was the strategic review of Executive roles to ensure that they are well supported and succession planning for those planning to move on.

Under the coordination of their Executive Support Officer (ESO) Sue Burke the Committee of Management continued to work effectively and efficiently. Monthly meetings took a professional turn under Sue's guidance as staff and members were timely briefed, prepared and recorded before and after each meeting. A strategic appointment, the ESO role has significantly taken the pressure off the PCCC Secretary position which was incredibly important as the hours required for this role were becoming prohibitive for a volunteer position.

The appointment of Duesburys Gippsland as a service provider of financial accounting for PCCC in April offered increased regularity and confidence of financial reporting to the organisation. Duesburys offer essential support to the PCCC Treasurer role, which as per the Secretary role required significant hours of volunteer time to manage the organisation's needs.

We rely on our annual parent survey to direct us on areas where we can improve and our 2019 survey gave us feedback that we need to improve on our connections with families. In response to this a "Partnerships with Parents" program will be rolled out in 2020 under the School Readiness Program to support our educational teams connect with our families.

It is a privilege to work in an organisation that continues to rise to a challenge and no matter how big the mountain, always has its sights set on the reward. The PCCC reward is ensuring at all times we continue to advocate and offer the highest quality early childhood education and care services that meet the needs of our children and families of Corner Inlet.

Wilhelmina Pruyn

Centres Director / Early Years Manager

Foster Centre Director's Report

It has been a pleasure to take on the role of Director at PCCC Foster in October this year, as part of the newly created structure of Director and Early Years Manager at Prom Coast Centres for Children.

My initial impressions of PCCC as a child and family focussed service with a deep commitment to servicing the local community, has been reinforced in my short time here. It is the absolute strength of PCCC, as I have come to know.

In my short time as Director and Educational Leader I have spent time understanding and building connections with the children, families, staff and the wider community. This has given me the opportunity to understand the service strengths and the areas we would like to work on to continue to offer excellence in care for children.

As a team we have commenced work on building and maintaining consistency across the rooms in our planning, documentation and reporting cycles. We are strengthening parent relationships through the adoption of the Partnerships with Parents Program and also plan to establish a parent lending library and breakfast club with School Readiness funding. We have focussed on building inclusive practices in our programs by established links with local Koorie Engagement Officers. We are engaging in professional development about children in out of home care and the impacts of family violence and trauma. We have established a Sustainability staff team to work on developing an environmentally sustainable service.

Our aim is to be a team of continual learners and we will be engaging an "Early Years Coach" in 2020 to work with us in all rooms to build our competence and confidence in critical reflection. We aim to improve our engagement and interactions with children while enhancing our learning environments to ensure we are reflective of current best practice by offering calm, high quality programs across our service.

In 2020 we will undergo our Assessment and Ratings Review and this has created a great opportunity for us to reflect on our practices in all aspects of our service to ensure we are meeting current quality and compliance expectations. The team have quickly responded to the identified focus areas of building relationships with parents and program planning and evaluation. We are reviewing our governance including policies and procedures identified in our Quality Improvement Plan and from our Parent surveys.

The OSHC Program has continued to offer After School and Vacation Care programs for school aged children and as the program relocates back to Foster Primary in 2020, we look forward to building numbers participating in these valued PCCC programs.

2020 will be a year of hard work as I begin to move forward in my role as Director and Educational Leader. I will be focussed on supporting the staff team to continually improve and work with families along with the community to ensure PCCC Foster continues to provide excellence in care and education for our children.

I would like to take the opportunity to thank the children and families for making me feel so welcome at PCCC and to the Staff Team for their consistent and continued support and professionalism shown to me as a new leader in the service. I have always felt welcomed and supported.

I would especially like to thank Eileen and Tracy for sharing their insights and for their ongoing support and flexibility as they step into changing roles within our growing administration team.

To Wil Pruyn, for her consistent guidance and support in my orientation to the role of Director at PCCC. Wil has instilled a deep commitment to PCCC and the local community and she continues to be a valuable support as I develop my skills and knowledge at PCCC.

Lastly, I would like to thank the quiet and unseen, but dedicated, and hardworking Committee of Management. For their skilled insight and passionate work for the children and families at Prom Coast Centres for Children.

Sue Millett

Foster Centre Director

President's Report

Every year it seems there are different challenges to the organisation both immediate and on the horizon, and this was also true in 2019.

Considered changes to the organisational structure with new faces in new roles at PCCC have further consolidated its ability to deal with present and future challenges. Foster's new Centre Director Sue Millet hit the ground running and in a short period of time has had much beneficial influence particularly in the educational direction and engagement with staff, families and the community. The new division of responsibilities has allowed Wil Pruyn to take on a role of Early Years Manager to oversee the multiple kindergarten services (3 and 4 year old) now offered by PCCC .

The support of Duesburys Gippsland (Michelle Bacon) and the executive officer (Sue Burke) has taken a significant burden of work away from the voluntary committee. This has been and will continue to be essential for an Early Years organisation that relies on a voluntary Committee of Management.

Significant and noteworthy milestones this past year include refurbishment of the Fish Creek Kindergarten; this was a true collaborative project involving PCCC, Shire of South Gippsland and the state government. The well designed physical space at this location will have enormous benefits for local families for years to come.

Securing and planning for delivery of three year old kindergarten programs was a significant undertaking, and was not without challenges.

With a robust organizational structure under strong leadership PCCC is well placed to confront the challenges ahead in the Early Years landscape and continue to operate sustainably. Success will depend on good strategic direction and working to strengthen ties with partners in local, state and federal government. Good governance, succession planning and skill sets across multiple areas are important to the Committee of Management who will continue to advocate for all children and families in the Corner Inlet area.

Finally, I would like to acknowledge and sincerely thank to all the people that contribute to PCCC. It takes to community to raise a child and it also takes a community to run Prom Coast Centres for Children. Thank -you to each and everyone of the staff, parents, children and volunteers that combine as the pieces of this jigsaw and ensure its success as a vital organization in the Corner Inlet community.

Kate Woodward

President

Secretary's Report

Committee of Management 2019

The following members served on the PCCC Committee of Management in 2019:

Office Bearers:

President: **Kate Woodward,**

Vice President: **Ralph Hubbert**

Secretary: **Lucy Allsop**

Treasurer: **Jessica Armstrong**

Ordinary Committee Members:

Carly Buckland, Moyha Davies, Julia Allott, Gabbi Boyd, Renee Hutchison

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

Results for the year ended December 2019 show a surplus for Prom Coast Centres for Children (PCCC). This is an improvement on the prior year due to the successful increase in capacity for long day care and kindergarten placements in Foster resulting from the integrated kindergarten model implemented in early 2019. The integrated kindergarten model has assisted in increasing both capacity and funding for the Foster service. State Government per capita kindergarten grants are automatically increased, according to living costs.

Operating costs have increased notably salaries and wages, due to a higher education resource required for the integrated kindergarten model at Foster and in Toora and Welshpool kindergartens where a long day kinder model was trialled. Administrative resourcing has increased to provide adequate support to the service overall. This allows PCCC to continue to progress strategies to strengthen services in the longer term, including addressing the improvement and growth of facilities

Analysis of PCCC's financial statements demonstrates a strong liquidity position, (1.76 current assets to every current liability), which means that PCCC is able to adequately cover financial commitments in the short term. Liquidity has declined in 2019 from the prior year at 2.54 due to funding received in advance for assistance with delivery of the 3-year old program which will be accounted for as revenue and expended in 2020. Assessment of operating cash flows to net sales shows that PCCC has been able to generate 9c (or 9%) of cash on every dollar of revenue earned which has improved the cash position for the year.

Jessica Armstrong

Treasurer

Special Purpose Financial Report
for the Period ended 31st December 2019

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF PROM COAST CENTRES FOR CHILDREN INC.
FOR THE YEAR ENDED 31 DECEMBER 2019**

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Prom Coast Centres for Children Inc., which comprises the Statement of Financial Position as at 31 December 2019, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, and the declaration by members of the committee.

In our opinion, the accompanying financial report has been prepared in accordance Section 100(2) of the *Associations Incorporation Reform Act (Vic) 2012*, Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) Giving a true and fair view of the Prom Coast Centres for Children Inc.'s financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- b) Complying with Australian Accounting Standards to the extent described in Note 1 to the financial report, and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling Prom Coast Centres for Children Inc's financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012* and the *Associations Incorporation Reform Act (Vic) 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Independence

We are independent of the association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

Responsibilities of the Committee for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and have determined that the basis of preparation described in Note 1 to the financial report, is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and the *Associations Incorporation Reform Act (Vic) 2012*. This responsibility also includes such internal control as the committee determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the association'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 the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

The committee are responsible for overseeing the association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, other the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and relates disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify from our audit.

Other Information

The committee of the association of responsible for other information. The other information comprises the information included in the association's annual report for the financial year ended 31 December 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

CARDELL ASSURANCE & AUDIT



Lyndal J. McKenzie
3A Billson Street
WONTHAGGI VIC 3995

17 March 2020

PROM COAST CENTRES FOR CHILDREN INC.
ABN: 70 956 155 799
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Total 2019 \$	Total 2018 \$
REVENUE FROM ORDINARY ACTIVITIES			
Grants	2a	607,421	590,799
Fees	2a	1,163,925	940,516
Other Income	2a	17,573	19,814
		\$ 1,788,919	\$ 1,551,129
EXPENDITURE FROM ORDINARY ACTIVITIES			
Employee Entitlements	2b	1,488,190	1,379,324
Supplies and Consumables	2b	55,143	20,970
Other Expenses	2b	200,083	173,998
Depreciation	3	31,838	51,806
		\$ 1,775,254	\$ 1,626,098
NET SURPLUS/(DEFICIT) FOR THE YEAR		\$13,665	\$ (74,969)

PROM COAST CENTRES FOR CHILDREN INC.
ABN: 70 956 155 799
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	Total 2019 \$	Total 2018 \$
ASSETS			
Current Assets			
Cash Assets	10	260,281	168,679
Receivables	4	16,850	19,697
Other Financial Assets	5	<u>337,365</u>	<u>332,597</u>
Total Current Assets		614,496	520,973
Non Current Assets			
Property, Plant & Equipment	13	<u>76,183</u>	<u>47,353</u>
Total Non-Current Assets		<u>76,183</u>	<u>47,353</u>
TOTAL ASSETS		<u>\$ 690,679</u>	<u>\$ 568,326</u>
LIABILITIES			
Current Liabilities			
Payables	6	113,730	101,975
Unexpended Funding	7	93,450	-
Provisions	8	<u>141,984</u>	<u>103,009</u>
Total Current Liabilities		<u>\$ 349,164</u>	<u>\$ 204,984</u>
Non Current Liabilities			
Provisions	8	<u>19,362</u>	<u>54,854</u>
Total Non-Current Liabilities		<u>\$ 19,362</u>	<u>\$ 54,854</u>
TOTAL LIABILITIES		<u>\$ 368,526</u>	<u>\$ 259,838</u>
NET ASSETS		<u>\$ 322,153</u>	<u>\$ 308,488</u>
EQUITY			
Trust Funds	11a	7,500	7,500
Contributed Capital	11b	335,306	335,306
Accumulated Surplus/(Deficit)	11c	<u>(20,653)</u>	<u>(34,318)</u>
TOTAL EQUITY		<u>\$ 322,153</u>	<u>\$ 308,488</u>

PROM COAST CENTRES FOR CHILDREN INC.
ABN: 70 956 155 799
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Total 2019 \$ Inflows/ (Outflows)	Total 2018 \$ Inflows/ (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Grants		700,871	644,349
Fees		1,164,010	940,334
Other Revenue		17,626	20,583
Payments			
Payments to Suppliers and Employees		(1,727,590)	(1,575,669)
GST Paid to ATO		2,121	(42,909)
NET CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES	9	<u>\$ 157,038</u>	<u>(\$13,312)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment		(63,042)	(3,716)
Disposal of Property, Plant & Equipment		2,374	-
Proceeds from Investments		(4,768)	53,594
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>(\$65,436)</u>	<u>\$ 49,878</u>
NET INCREASE/(DECREASE) IN CASH HELD		<u>\$ 91,602</u>	<u>\$ 36,566</u>
CASH AT 1 JANUARY 2019		<u>\$ 168,679</u>	<u>\$ 132,113</u>
CASH AT 31 DECEMBER 2019	10	<u>\$ 260,281</u>	<u>\$ 168,679</u>

PROM COAST CENTRES FOR CHILDREN INC.
ABN: 70 956 155 799
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Retained Earnings 2019	Retained Earnings 2018
Opening Balance	\$ 308,488	\$ 383,457
Net Surplus / (Deficit) for the year	13,665	(74,969)
Closing Balance	<u>\$ 322,153</u>	<u>\$ 308,488</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 2019

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

Prom Coast Centres for Children Inc is an incorporated association that is registered with the Australian Charities and Not-for-profits Commission (ACNC).

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, 2019

(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.

(e) Cash

For the purpose of the cash flow statement, cash includes cash on hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, which are shown as long-term borrowings in non-current liabilities on the balance sheet, are included in cash balances for cash flow reporting.

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 2019

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

(f) Leases

Contracts are assessed at inception to determine if the contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. No right-of-use assets and corresponding lease liabilities have been recognised.

The short-term lease recognition exemption is applied for short term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date or where the lease term is not specified, and does not contain a purchase option). It also applies the low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(g) 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.

(h) 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 2019	Year ended 2018
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

(i) 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.

(j) 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 2019

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

(k) 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.

(l) 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 recognised as income upon receipt, unless where the grant funding is provided in accordance with specific contractual obligations. In this case, the grant funding is only recognised as income when the specific contractual obligations have been fulfilled.

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.

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 2019

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

(m) Change in accounting policies

During the year the following new Australian Accounting Standards were adopted:

AASB15 Revenue from Contracts with Customers

AASB16 Leases

AASB1058 Income of Not-for-Profit Entities

All new standards have been applied prospectively and prior year comparatives have not been restated.

There has been no financial impact from the adoption of these new Australian Accounting Standards.

The temporary exemption allowed under AASB16 and AASBB1058 for below market lease terms and conditions for not-for-profit entities to be measured at cost rather than fair value has been applied. The existing terms of these leases is disclosed in Note 13.

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 2019

NOTE 2a: REVENUE FROM ORDINARY ACTIVITIES

	Total 2019 \$	Total 2018 \$
Grants - DET	529,895	487,804
Grants - Shire	12,000	12,000
Grants - Childcare Support	42,220	23,100
Grants - Other	3,661	44,412
Wage Subsidy	-	14,532
Wages Backfill/Reimbursements	19,645	8,951
Total Grants	607,421	590,799
Childcare Fees (Including CCR and CCB)	1,107,679	869,550
Kindergarten Fees	56,246	70,965
Total Fees	1,163,925	940,515
Sales - Hats & Shirts	-	139
Interest	7,431	7,330
Donations	1,150	852
Fundraising	8,826	11,494
Profit on sale of assets	166	-
Total Other Income	17,573	19,815
TOTAL REVENUE FROM ORDINARY ACTIVITIES	\$ 1,788,919	\$ 1,551,129

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 2019

NOTE 2b: OPERATING EXPENSES

	Total 2019 \$	Total 2018 \$
Employee Entitlements		
Salaries and Wages	1,324,914	1,234,597
Labour Hire	3,334	-
Workcover	28,896	20,654
Uniforms	1,507	2,342
Staff Training Expenses	1,191	5,387
Staff Training Expenses- LDCPD	-	27
Superannuation	120,257	111,512
Superannuation SS	5,950	-
Sundry Staff Expenses	2,141	4,805
	<u>1,488,190</u>	<u>1,379,324</u>
Supplies and Consumables		
Program Consumables	22,823	15,676
Equipment (under \$500)	15,203	4,216
Program Costs	17,117	1,078
	<u>55,143</u>	<u>20,970</u>
Other Expenses		
Accounting, Bookkeeping & Payroll Service	24,995	3,896
Advertising	2,135	5,162
Audit Fees	3,780	5,940
Bad Debts	792	-
Bank Charges	3,674	3,506
Cleaning	44,289	50,027
Computer Expenses	5,524	6,486
Consultancy	37,609	27,702
Consumables-Hats & Shirts	500	1,360
Doubtful Debts	152	-
Electricity	15,794	16,965
Fundraising Expenses	14,742	9,955
Insurance	3,226	2,358
Loss on sale of assets	2,358	-
Printing, Postage & Stationery	10,317	5,759
Rent & Rates	1,671	1,234
Repairs and Maintenance	10,531	14,051
Subscriptions	6,074	6,615
Sundry Expenses	2,091	4,560
Telephone	7,361	6,665
Water Expenses	2,468	1,757
	<u>200,083</u>	<u>173,998</u>
Depreciation (refer Note 3)	31,838	51,806
	<u>31,838</u>	<u>51,806</u>
TOTAL OPERATING EXPENSES	<u><u>\$ 1,775,254</u></u>	<u><u>\$ 1,626,098</u></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 2019

NOTE 3: DEPRECIATION

	Total 2019 \$	Total 2018 \$
Leasehold Improvement	10,638	2,988
Office Equipment	3,583	5,019
Furniture	15,451	40,800
Information Technology	2,166	2,999
	<u>\$ 31,838</u>	<u>\$ 51,806</u>

NOTE 4: RECEIVABLES

	Total 2019 \$	Total 2018 \$
CURRENT		
Fee Debtor	14,954	13,900
Other Debtor	446	396
Accrued Interest Income	650	753
Prepayments	800	4,648
TOTAL	<u>\$ 16,850</u>	<u>\$ 19,697</u>

NOTE 5: OTHER FINANCIAL ASSETS

	Total 2019 \$	Total 2018 \$
CURRENT		
Bendigo Bank Term Deposit	328,469	324,072
Bendigo Bank Term Deposit - Meikle Trust	8,896	8,525
TOTAL	<u>\$ 337,365</u>	<u>\$ 332,597</u>

NOTE 6: PAYABLES

	Total 2019 \$	Total 2018 \$
CURRENT		
Creditors	5,751	11,677
Accruals	48,113	38,943
GST Payable	12,200	10,079
Income in Advance	1,139	-
PAYG Withholding Payable	34,978	31,592
Superannuation Payable	11,549	9,684
TOTAL PAYABLES	<u>\$ 113,730</u>	<u>\$ 101,975</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 2019

NOTE 7: UNEXPENDED FUNDING

	Total 2019 \$	Total 2018 \$
Unexpended Grant Funding	93,450	-
	<u>\$ 93,450</u>	<u>\$ 2,018</u>

In December 2019 PCCC Inc. received an amount of \$93,450 for the implementation of three year old kindergarten in the 2020 year. This amount was received upfront for the six month period starting 1 January 2020

NOTE 8: PROVISIONS

EMPLOYEE BENEFITS	Total 2019 \$	Total 2018 \$
CURRENT		
Long Service Leave	84,214	50,388
Annual Leave	57,770	52,621
TOTAL CURRENT	<u>\$ 141,984</u>	<u>\$ 103,009</u>
NON-CURRENT		
Long Service Leave	19,362	54,854
TOTAL NON-CURRENT	<u>\$ 19,362</u>	<u>\$ 54,854</u>
Long Service Leave		
Balance of Long Service Leave (beginning)	105,242	100,020
Provision made during the year	24,639	15,725
Payments made during the year	(26,305)	(10,503)
Balance of Long Service Leave - 31 Dec	<u>\$ 103,576</u>	<u>\$ 105,242</u>

**NOTE 9: RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES
TO OPERATING RESULT**

	Total 2019 \$	Total 2018 \$
Surplus (Deficit) for the Year	13,665	(74,969)
NON CASH MOVEMENTS		
Change in Assets and Liabilities:		
Depreciation	31,838	51,806
Increase/(Decrease) in Payables	103,083	2,929
Increase/(Decrease) in Employee Entitlements	3,484	7,744
Increase/(Decrease) in GST Payable	2,121	617
(Increase)/Decrease in Receivables	2,847	(1,439)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	<u>\$ 157,038</u>	<u>(\$13,312)</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 2019

NOTE 10: RECONCILIATION OF CASH

	Total 2019 \$	Total 2018 \$
CASH ON HAND		
- Bendigo Bank Trading Account	257,360	165,854
- Bendigo Bank Debit Account	1,099	1,004
- Bendigo Bank Kindergarten Accounts	1,822	1,822
	<u>\$ 260,281</u>	<u>\$ 168,680</u>

NOTE 11: RECONCILIATION OF CHANGES IN EQUITY

	Total 2019 \$	Total 2018 \$
a) Trust Funds		
Balance at Beginning of Period	7,500	7,500
Balance at end of Period	<u>\$ 7,500</u>	<u>\$ 7,500</u>
b) Contributed Capital		
Balance at Beginning of Period	335,306	335,306
Balance at end of Period	<u>\$ 335,306</u>	<u>\$ 335,306</u>
c) Accumulated Surpluses		
Balance at Beginning of Period	(34,318)	40,651
Net Result for the Year	13,665	(74,969)
Balance at end of Period	<u>(\$ 20,653)</u>	<u>(\$ 34,318)</u>
d) Equity		
Total Equity at Beginning of Period	308,488	383,457
Total changes Recognised in the Income Statement	13,665	(74,969)
Balance at end of Period	<u>\$ 322,153</u>	<u>\$ 308,488</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. - Refer to Note 19

NOTE 12: 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 2019

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

	Total 2019 \$	Total 2018 \$
OFFICE EQUIPMENT AT COST		
Office Equipment at Cost	40,185	41,722
Less: Accumulated Depreciation	(32,481)	(30,258)
Total Office Equipment	\$ 7,704	\$ 11,464
FURNITURE		
Furniture at cost	188,561	200,700
Less: Accumulated Depreciation	(176,800)	(171,292)
Total Furniture	\$ 11,761	\$ 29,408
INFORMATION TECHNOLOGY		
Information Technology at cost	18,711	11,229
Less: Accumulated Depreciation	(10,500)	(8,334)
Total Information Technology	\$ 8,211	\$ 2,895
LEASEHOLD IMPROVEMENT AT COST		
Leasehold Improvement at Cost	69,192	13,632
Less: Accumulated Depreciation	(20,685)	(10,047)
Total Leasehold Improvement	\$ 48,507	\$ 3,585
TOTAL PROPERTY, PLANT AND EQUIPMENT	\$ 76,183	\$ 47,352

	Office Equipment \$	Furniture \$	Information Technology \$	Leasehold Improvements \$	Total \$
Opening balance 01/01/2018	16,483	68,605	3,782	6,573	95,443
Additions	-	1,603	2,112	-	3,715
Depreciation Expense (refer Note 3)	(5,019)	(40,800)	(2,999)	(2,988)	(51,806)
Balance as at 31/12/2018	11,464	29,408	2,895	3,585	\$ 47,352

	Office Equipment \$	Furniture \$	Information Technology \$	Leasehold Improvements \$	Total \$
Opening balance 01/01/2019	11,464	29,408	2,895	3,585	47,352
Additions	-	-	7,482	55,560	63,042
Disposals	(177)	(2,196)	-	-	(2,373)
Depreciation Expense (refer Note 3)	(3,583)	(15,451)	(2,166)	(10,638)	(31,838)
Balance as at 31/12/2019	7,704	11,761	8,211	48,507	\$ 76,183

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 2019

NOTE 14: COMMITMENTS FOR EXPENDITURE

a) Capital Commitments

There were no capital commitments at 31st December 2019.

b) Lease Commitments

PCCC Inc. lease the four kindergarten buildings (Fish Creek, Foster, Toora and Welshpool) from the South Gippsland Shire for a peppercorn lease amount of \$104 per year for each building. The leases commenced in May 2019 for a term of five years.

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	
Lisa Cowgill		20/04/2015	30/04/2019
Moyha Davies		05/10/2015	
Gabrielle Boyd		18/04/2016	
Carly Buckland		23/04/2018	
Julia Allott		23/04/2018	
Renee Hutchinson		20/05/2019	

Executives

Wilhelmina Pruyn	26/05/2015
Suellen Millett	07/10/2019

Executive Remuneration

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

Income Band	2019	2018
\$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

	2019	2018
	\$	\$
Audit Fees	5,280	5,940

NOTE 17: SUBSEQUENT EVENTS

There were no subsequent events at 31st December 2019

NOTE 18: ASSOCIATION DETAILS

Prom Coast Centres For Children Inc.
 30/32 Pioneer Street
 Foster Vic 3960

PROM COAST CENTRES FOR CHILDREN INC.
ABN: 70 956 155 799
Miekle Trust Profit & Loss
For the year ended 31/12/2019

NOTE 19: MIEKLE TRUST

	2019	2018
	\$	\$
Interest Income	371	356
Net Surplus for the year	371	356

Miekle Trust Balance Sheet

	Note	Total 2019	Total 2018
		\$	\$
ASSETS			
Current Assets			
Bendigo Bank Term Deposit - Miekle Trust		8,896	8,526
Net Assets		8,896	8,526
Equity			
Contribution - Alice Miekle		7,500	7,500
Accumulated Surplus		1,396	1,026
		8,896	8,526

The Miekle Trust is funds held in trusted bequest by Alice Miekle for the Toora Kindergarten. While the \$7,500 contribution must be retained any interest on this amount is to be spent on the Toora Kindergarten.

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.

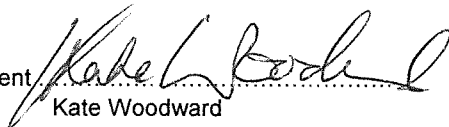
The Committee of Management has determined that this special purpose financial report comprising of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows and Notes to the Accounts should be prepared in accordance with the accounting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

In the opinion of the Committee of Management the special purpose financial report on pages 1 to 16:

1. Presents fairly the financial position of Prom Coast Centres for Children Inc. as at 31st December, 2019 and its performance for the year ended on that date in accordance with Australian Accounting Standards to the extent described in Note 1 to the financial statements, 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



Kate Woodward

Treasurer



Jessica Armstrong

Date 16th March 2020

