

Prom Coast Centres for Children Inc.

Reg. No: A0060784V ABN 70 956 155 799

Annual Report 2020

## Prom Coast Centres for Children Inc.

### Our Mission

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

### Our Vision

***Every Prom Coast child is offered an environment where they can be, belong and become successful learners, confident and creative individuals and active, informed young people.***

### Background

Prom Coast Centres for Children Inc is a not-for-profit community based incorporated association that operates 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 and 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 sixth annual report for Prom Coast Centres for Children and covers the financial year of operation 1<sup>st</sup> January 2020 – 31<sup>st</sup> December 2020.

## Early Years Manager's Report

***"It is not the strongest species that survive, nor the most intelligent, but the one most responsive to change"*** - Charles Darwin.

In 2020 Prom Coast Centres for Children proved that responsiveness is a key strength of the organisation.

Our response to deliver 15 hours of 3 & 4 year old Kindergarten under tight delivery timelines at all our 4 Kindergarten services was a credit to our adaptable educational teams, led by teachers who are motivated by a challenge and are guided by the vision and objectives of Prom Coast Centres for Children.

In January our Fish Creek Kindergarten moved back from the primary school site into their refurbished service that offered an accessible entry, foyer, bag area, kitchen, office and bathroom facilities. It was officially opened by Jane Garrett, Member for Eastern Victoria. Responding to the high enrolment numbers at Fish Creek enabled the delivery of separate 3 & 4 year old kindergarten programs and the service operating 5 days a week offering excellent accessibility for our families.

The COVID-19 pandemic challenged us to become adaptable every day and our services responded. As a low-risk population, early childhood services were able to continue to deliver education to our children with the appropriate risk mitigation strategies in place. Our educational teams responded positively and continued in their role to delivery effective teaching and learning with the children attending. During Term 1, 2 and 3 our educators responded to manage parent-driven absenteeism, providing learning resources to children at home, and at times just making themselves available for families to talk to over the phone.

Welshpool Kindergarten opened its doors as a standalone service after 20 years operating as an alternating service. The staff engaged in a 12-month Program Improving Quality through Leadership Program offered by the Department of Education and Training. The service was able to develop its own Quality Improvement Plan and complete a revision of the service philosophy that brought in the views and perspectives of the local community, current families, staff and children. The service welcomed a refurbishment of the kitchen and office area.

School Readiness Funding at Toora Kindergarten allowed the staff to engage intensive training in the Early Language and Literacy (EL&L) Program to target the development of oral language and early literacy. Toora kindergarten children benefited from an additional 5 hours of Kindergarten each week in Term four to make up for lost time during COVID crisis. This time was invested in offering an extended school transition program for the 4 year old children and was fundamental in ensuring a successful transition to school. The service welcomed some minor improvement to the bathroom area.

To engage and support staff in their professional learning, individual performance development plans were created to clearly articulate service and individual goals. The plans focus on goals for individual, service and organisational improvement. Increased professionalism and accountability of staff to their roles and their training was identified as a focus area. We look forward to the improved outcomes for our children as our teams raise the bar in their professional collaboration through the broad range of diverse learning opportunities that have been planned.

Our Annual Family Survey identified that our families required greater clarity and information about how they can access information about their children's learning and development and that families felt disconnected from their service in the 2020 COVID year. These two items offered clear goals for improvement in 2021 and PCCC will respond to ensure we engage in effective communication strategies to respond to the needs of our families.

Prom Coast centres for Children's commitment to the delivery of 15 hours of three year old kindergarten in Welshpool, Toora, Fish Creek and Foster was a milestone achievement in 2020 and is a natural response from an organisation that is committed to delivering high quality, safe and accessible early childhood services that are inclusive and responsive to the need of our children, families and communities.

***"We are all in this together"***

*Wilhelmina Pruyn*

**Early Years Manager**

## Foster Centre Director's Report

Many of us have been glad to see the end of 2020 and the start of a new year in 2021. As I reflect on 2020, I am encouraged by the positives, as well as the challenges, the year brought for Prom Coast Centres for Children. PCCC Foster was able to continue providing quality care and education for children despite the challenges of the pandemic. We were supported to do this financially by the Government's childcare support package, and Job Keeper payments, but it was the positive, ongoing commitment and trust of the staff and families that enabled us to navigate the year successfully. It was a rare opportunity to highlight the importance of long day care, educators, and families and the role they all play in supporting our communities and businesses.

In 2020, PCCC took on the challenge of introducing 15 hours of 3 year old kindergarten across all services, including Foster. Evidence clearly demonstrates 2 years of kindergarten provides better outcomes for children and PCCC rose to the challenge of adjusting its structure to accommodate this important opportunity, offering kindergarten in the Koala and Rosella Rooms.

Foster was also able to use School Readiness funding to provide coaching for staff, and engage the support of allied health professionals, to continue to improve the program and outcomes for children across the service. The opportunities in 2020 enabled the team to reflect on programs and practices, to build on skills and knowledge and implement positive changes for the children.

I would like to congratulate the Foster staff team for their resilience and commitment to the families and children in 2020. Staff responded quickly and professionally to increased cleaning requirements, limits to activities, temperature checking and social distancing, as well as supporting families and colleagues. Despite a challenging and uncertain environment, the team continued to offer quality care and education to the children every single day.

The team is now implementing the priorities identified in the 2020 strategic plan. We will be focussing on developing leadership skills, building strong communication in our team and applying current best practice in children's programs. The Committee of Management has made a major investment in training, and the whole staff team will be engaging in professional development to promote children's language and communication, in 2021.

It has been a disjointed year for our Out of School Hours Care program as it responded to the constant changing landscape in 2020. The Afterschool Care service move from Foster Primary, to PCCC Foster in term 1, and ceased to run at the end of term 2, due to very low utilisation. The vacation care program continued to operate from Foster Primary School in 2020.

PCCC understands there is community interest in having a viable OSHC program into the future and will be discussing the options for an ongoing program with Foster Primary and interested families in 2021. In the interim PCCC will continue to operate the very popular vacation care program from Foster Primary school. I would like to thank Educators Amy Pattie and Zoe Harvey, for their enthusiasm and commitment to the program. Amy and Zoe both moved on from their roles in OSHC at the end of 2020. They will be greatly missed.

Despite the challenges PCCC continued to work hard to respond to issues raised in the 2019 parent survey and build stronger relationships with families by implementing the Partnerships with Parents program, sharing information about children with families, being involved in the orientation of new children and using planning and daily reflections to share children's learning. Families have acknowledged this improvement and reflected this in the positive feedback in the 2020 family survey responses.

We understand 2020 was an isolating year for many and PCCC is now focussing on engaging and building networks and support for our families. This will be done through social activities and opportunities and will be guided by our Parent Advisory Group (PAG).

We will also be providing families with greater opportunities to share in their child's learning and will be implementing parent /staff meetings twice a year, to ensure families know where and how to find out about their child's learning and development and will also create opportunities for staff and families to connect via phone, zoom or in person.

PCCC Foster has been working with the community to build employment pathways and local skilled workers and has partnered with Foster Secondary College and Tafe Gippsland, to offer traineeships. We train and mentor the trainees in their work placement and Foster Secondary College and Gippsland Tafe support them to complete their Certificate 3 in Child Care. We plan for this to be an ongoing commitment each year and the trainees we have at present - Paige, Brooke and Hayley, are wonderful ambassadors for the quality of the program.

As I reflect on 2020, I see many valuable achievements for PCCC. The children are more resilient, the staff team is stronger and more skilled, the families more connected and informed and the community more understanding and appreciative. I am increasingly grateful to be working in a wonderful, dynamic and progressive organisation led by a compassionate and highly skilled Committee of Management.

*Sue Millett*

**Foster Centre Director**

## President's Report

The first paragraph of former President Kate's report for 2019 referred to the challenges for the Organisation; 2020 took those to a new level with the arrival of Covid-19.

I was formally appointed President in August following the postponement of our AGM. My report relates to the calendar year 2020 during which I was either Vice President or President.

Clearly Covid-19 had an enormous impact on our Organisation much of which was felt by our families and staff. The preparedness and capacity of our staff to operate under the ever changing landscape was outstanding. Under the guidance of Sue Millett and Wil Pruyn, PCCC was able to respond to the range of needs of our families, in both a program and support sense, at all centres. Fifteen hours of kinder was provided for three and four year olds at Fish Creek, Toora and Welshpool and an integrated Long Day Care Program, from babies to fours, that best met family needs at Foster.

The review of our Strategic Plan was commenced and this will be a major focus going forward. One of the key aspects will be the consideration of Infrastructure needs at all centres to support the outcomes of the Plan. This will guide our input and response to a planned Infrastructure Review to be conducted on behalf of the South Gippsland Shire.

Amongst the turmoil of the year there has been some clarity in what our ideal Senior Management staffing structure looks like particularly in terms of administrative support at Foster and executive support to the Committee of Management. These matters will be addressed.

As the Treasurer will report, there is a financial surplus for 2020 despite budgeting for a small trading deficit. It is important to point out that this was achieved through Federal and State Governments' policies of support for childcare and kindergarten and the "one size fits all" manner in which funding was allocated to these services to support the economic impact of the Covid virus. I would like to acknowledge the assistance provided by Duesburys in navigating us through the accounting challenges and expenditure reporting requirements to ensure we met all eligibility criteria to the satisfaction of External Audit. It is important that these funds are applied to support the ongoing viability of our Organisation and the provision of programs, services and facilities that meet the needs of the children, families and community.

I would like to thank all Committee of Management members for "coping" with 2020 which was made considerably easier through the efforts of our excellent staff and in particular Sue Millett, Wil Pruyn and Sue Burke.

*Ralph Hubbert*

**President**

## Secretary's Report

### *Committee of Management 2020*

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

#### **Office Bearers:**

President: **Ralph Hubbert**

Vice President: **Mohya Davies**

Secretary: **Lucy Allsop**

Treasurer: **Victoria Truscott**

Ordinary Committee Members:

**Julia Allott, Lisa Fitzgerald, Luke Haustorfer, Chelsie Shellcot**

### *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.

- *Luke Haustorfer* – Principal, Toora Primary School.
- *Lisa Fitzgerald* – Cleaning Contractor, Welshpool, Fish Creek and Toora Kindergartens
- *Lucy Allsop* – Member of School Council, Foster Primary School

*Lucy Allsop*

**Secretary**

## Treasurer's Report

During this unusual year, a positive result was achieved by Prom Coast Centres for Children (PCCC). However, this outcome was obtained through the suite of government financial subsidies and schemes to support businesses to continue operating during the pandemic.

An analysis of income demonstrates a 20% reduction in Long Day Care fees. This is the result of the reduced confidence of those families who withdrew their children from the service on an extended basis due to the COVID-19. Despite full subsidisation of fees for 12 weeks, a portion of families were apprehensive about returning to service which impacted the final quarter attendance.

Kindergarten fees increased by 67% due to the doubling of kindergarten service provision with the introduction of 3 year old kindergarten at all 4 services. The state government per capita kindergarten grants were CPI adjusted to support kindergarten wage increases.

Operating costs have increased: salaries and wages are higher by 18%, primarily due to engagement of additional kindergarten staff to deliver 3 & 4 year old kindergarten in Fish Creek and Welshpool. In addition, PCCC Inc. kept all the staff employed so as to be compliant with the Government requirements for business to receive the "JobKeeper" supplement. Operationally, the executive management structure was fulfilled in 2020 with a full time Centre Director for Foster and part time Early Years Manager to support satellite kindergartens. Cleaning consumable expenses were operationally higher due to the increased needs of ensuring the services maintained compliant with the Government safety COVID-19 requirements.

Analysis of PCCC's financial statements demonstrates the strongest liquidity position in the last 4 years (3.27 current assets to every current liability), which means that PCCC is able to adequately cover financial commitments in the short term. This was mainly driven by financial assets. Assessment of operating cash flows to net sales shows that PCCC has been able to generate 1.5c (or 15%) of cash on every dollar of revenue earned which has improved the cash position for the year. (9%).

*Victoria Truscott*

**Treasurer**



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**Special Purpose Financial Report**  
**for the Period ended 31st December 2020**

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF PROM COAST CENTRES FOR CHILDREN INC.  
FOR THE YEAR ENDED 31 DECEMBER 2020**

### 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 2020, 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 2020 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 2020 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

16 March 2021

# Financial Statements

Prom Coast Centres for Children Inc

ABN 70 956 155 799

For the year ended 31 December 2020

Prepared by Duesburys Gippsland

# Statement of Comprehensive Income

Prom Coast Centres for Children Inc  
For the year ended 31 December 2020

	NOTES	2020	2019
<b>Revenue from Ordinary Activities</b>			
<b>Revenue</b>			
Grants	2	983,071	607,420
Fees	2	972,241	1,163,925
Other Income	2	476,912	17,574
<b>Total Revenue</b>		<b>2,432,225</b>	<b>1,788,919</b>
<b>Total Revenue from Ordinary Activities</b>		<b>2,432,225</b>	<b>1,788,919</b>
<b>Total Income</b>		<b>2,432,225</b>	<b>1,788,919</b>
<b>Expenses</b>			
Employee Entitlements	3	1,758,535	1,488,190
Supplies & Consumables	3	58,124	55,144
Other Expenses	3	173,226	200,083
Depreciation	4	25,993	31,838
<b>Total Expenses</b>		<b>2,015,877</b>	<b>1,775,255</b>
<b>Net Surplus/(Deficit) for the year</b>		<b>416,348</b>	<b>13,665</b>

# Statement of Financial Position

Prom Coast Centres for Children Inc

As at 31 December 2020

	NOTES	31 DEC 2020	31 DEC 2019
<b>Assets</b>			
<b>Current Assets</b>			
Bank Accounts	11	629,436	260,280
Receivables	5	42,173	16,850
Other Financial Assets	6	340,065	337,365
<b>Total Current Assets</b>		<b>1,011,674</b>	<b>614,495</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	14	54,265	76,182
<b>Total Non-Current Assets</b>		<b>54,265</b>	<b>76,182</b>
<b>Total Assets</b>		<b>1,065,939</b>	<b>690,678</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	7	144,301	113,729
Unexpended Funding	8	-	93,450
Provisions	9	164,734	141,984
<b>Total Current Liabilities</b>		<b>309,035</b>	<b>349,163</b>
<b>Non-Current Liabilities</b>			
Staff E/tlement - LSL(non-cur)	9	18,403	19,362
<b>Total Non-Current Liabilities</b>		<b>18,403</b>	<b>19,362</b>
<b>Total Liabilities</b>		<b>327,438</b>	<b>368,525</b>
<b>Net Assets</b>		<b>738,501</b>	<b>322,153</b>
<b>Equity</b>			
<b>Retained Earnings</b>			
Trust Funds (Equity)	12	7,500	7,500
Capital Contributed	12	335,306	335,306
Accumulated Surplus/(Deficit)	12	395,695	(20,653)
<b>Total Retained Earnings</b>		<b>738,501</b>	<b>322,153</b>
<b>Total Equity</b>		<b>738,501</b>	<b>322,153</b>

# Statement of Cash Flows

## Prom Coast Centres for Children Inc For the year ended 31 December 2020

	NOTES	2020	2019
<b>1. Cash Flows From Operating Activities</b>			
<b>Receipts</b>			
Grants		889,621	700,871
Fees		956,648	1,164,010
Other Revenue		472,749	17,626
<b>Total Receipts</b>		<b>2,319,018</b>	<b>1,882,507</b>
<b>Payments</b>			
Payments to Suppliers and Employees		(1,952,736)	(1,727,590)
GST Paid to ATO		9,650	2,121
<b>Total Payments</b>		<b>(1,943,086)</b>	<b>(1,725,469)</b>
Net Cash Flows Provided By/(Used In) Operating Activities		375,932	157,038
<b>Cash Flows From Investing Activities</b>			
Purchases of Property, Plant & Equipment		(4,076)	(63,042)
Disposals of Property, Plant & Equipment		-	2,374
Proceeds from Investments		(2,700)	(4,768)
<b>Net Cash Provided By/(Used In) Investing Activities</b>		<b>(6,776)</b>	<b>(65,436)</b>
Net Increase/(Decrease) In Cash Held		369,156	91,602
Cash At 1 January 2020		260,281	168,679
Cash At 31 December 2020	11	629,436	260,281

# Statement Of Changes In Equity

Prom Coast Centres for Children Inc  
For the year ended 31 December 2020

	2020	2019
<b>Equity</b>		
Opening Balance	322,153	308,488
<b>Increases</b>		
Net Surplus/ (Deficit) for the year	416,348	13,665
<b>Total Increases</b>	<b>416,348</b>	<b>13,665</b>
<b>Total Equity</b>	<b>738,501</b>	<b>322,153</b>



# Notes to the Financial Statements

## Prom Coast Centres for Children Inc For the year ended 31 December 2020

### 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, 2020

#### (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.

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These notes should be read in conjunction with the attached compilation report.

#### (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.

#### (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 2020	Year ended 2019
Leasehold Improvements	Per Lease Term	Per Lease Term
Office Equipment	Up to 10 years	Up to 10 years

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These notes should be read in conjunction with the attached compilation report.

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.

#### (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 AASB1058. Income of Not-for-profit Entities and recorded as income when received unless the income is related to a service contract where revenue is recognised as income in accordance with AASB15 Income from Contracts with Customers.

#### 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.

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These notes should be read in conjunction with the attached compilation report.

**Day Care and Kindergarten Fees**

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

**Interest Revenue**

Interest revenue is recognised on a time proportionate basis.

**(m) Changes in accounting policies**

There have been no significant changes in accounting policy during the financial year.

	2020	2019
<b>2. Revenue from ordinary activities</b>		
<b>Grants</b>		
Grants DET	955,572	529,894
SGSC Maintenance Grant	12,240	12,000
Community Support Program (CSP)	-	42,220
Other Grant Income	6,346	3,661
Wages Backfill/Reimbursements	8,914	19,645
<b>Total Grants</b>	<b>983,071</b>	<b>607,420</b>
<b>Fees</b>		
Long day care fees	877,873	1,107,679
Kindergarten Parent Fees	94,368	56,246
<b>Total Fees</b>	<b>972,241</b>	<b>1,163,925</b>
<b>Other Income</b>		
Bank Interest	3,815	7,432
Donation/Gift Income	-	1,150
Fundraising Income	7,097	8,826
Gain/(Loss) on sale of asset	-	166
ATO Cash Flow Boost	100,000	-
Jobkeeper Receipts	366,000	-
<b>Total Other Income</b>	<b>476,912</b>	<b>17,574</b>
<b>Total Revenue from ordinary activities</b>	<b>2,432,225</b>	<b>1,788,919</b>
	2020	2019

**3. Operating Expenses**

<b>Employee Entitlements</b>		
Wages & Salaries Expense	1,559,659	1,324,914
School Based Apprentice Expense	17,740	3,334
Workcover	26,042	28,896
Uniforms	2,379	1,507
Staff Training Expenses	6,380	1,191
Superannuation	133,763	120,257

These notes should be read in conjunction with the attached compilation report.

	2020	2019
Superannuation SS	10,300	5,950
Sundry staff expenses	2,273	2,141
<b>Total Employee Entitlements</b>	<b>1,758,535</b>	<b>1,488,190</b>
<b>Supplies &amp; consumables</b>		
Program Consumables	17,166	22,824
Equipment (under \$500)	10,715	15,203
Program Costs	30,243	17,116
<b>Total Supplies &amp; consumables</b>	<b>58,124</b>	<b>55,144</b>
<b>Other Expenses</b>		
Accounting/Bookkeeping Fees	29,417	24,995
Advertising & Marketing	279	2,135
Audit Fees	4,900	3,780
Bad Debts	-	792
Bank Charges	3,171	3,675
Cleaning	56,729	44,289
Computer Expenses	2,989	5,367
Consultancy Fees	7,804	37,609
Consumables - Hats, Shirts & Wetbags	948	500
Doubtful debts Expense	-	152
Electricity	16,734	15,794
Fundraising Expenses	2,317	14,742
Insurance	1,251	3,226
Loss on Sale of Asset	-	2,358
Printing, postage & stationary	11,865	10,317
Rent & rates	1,853	1,671
Repairs & maintenance	18,283	10,531
Subscriptions	4,348	6,074
Sundry Expenses	1,693	2,090
Telephone & Internet	5,925	7,518
Water Expenses	2,720	2,468
<b>Total Other Expenses</b>	<b>173,226</b>	<b>200,083</b>
Depreciation (refer to Note 4)	25,993	31,838
<b>Total Operating Expenses</b>	<b>2,015,877</b>	<b>1,775,255</b>
	2020	2019

**4. Depreciation**

Depreciation - Leasehold Imp	14,067	10,638
Depreciation - Office Equipment	2,939	3,583
Depreciation - Furniture	5,712	15,451
Depreciation - Computer Equipment	3,276	2,166
<b>Total Depreciation</b>	<b>25,993</b>	<b>31,838</b>

These notes should be read in conjunction with the attached compilation report.

	2020	2019
<b>5. Receivables</b>		
Debtors Fees & Refunds	1,601	14,954
Accounts Receivable	440	446
Accrued Income	39,332	650
Prepayment	800	800
<b>Total Receivables</b>	<b>42,173</b>	<b>16,850</b>

	2020	2019
<b>6. Other Financial Assets</b>		
Bendigo Bank Term Deposits	331,169	328,469
Meikle Trust Term Deposit(648)	8,896	8,896
<b>Total Other Financial Assets</b>	<b>340,065</b>	<b>337,365</b>

	2020	2019
<b>7. Payables</b>		
Creditors	4,266	5,751
Accruals	67,896	48,111
GST Payable	21,851	12,200
Prepaid Fees	6,705	1,139
PAYG withholding	19,792	34,978
Superannuation Payable	23,792	11,549
<b>Total Payables</b>	<b>144,301</b>	<b>113,729</b>

	2020	2019
<b>8. Unexpended Funding</b>		
Unexpended Funding	-	93,450
<b>Total Unexpended Funding</b>	<b>-</b>	<b>93,450</b>

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

	2020	2019
<b>9. Provisions</b>		
<b>Current</b>		
Staff Entitlements - AL	71,339	57,770
Staff entitlements - LSL	93,395	84,215
<b>Total Current</b>	<b>164,734</b>	<b>141,984</b>
<b>Non Current</b>		
Staff Entitlement - LSL(non-cur)	18,403	19,362
<b>Total Non Current</b>	<b>18,403</b>	<b>19,362</b>
<b>Total Provisions</b>	<b>183,137</b>	<b>161,346</b>

These notes should be read in conjunction with the attached compilation report.

	2020	2019
<b>Long Service Leave</b>		
Balance of Long Service Leave - 1 Jan	103,576	105,242
Provision made during the year	14,407	24,639
Payments made during the year	(6,185)	(26,305)
Balance of Long Service Leave - 31 Dec	111,798	103,576
	2020	2019

**10. Reconciliation of net cash used in operating activities to operating result**

	2020	2019
Surplus/ (Deficit) for the Year	416,348	13,665
Depreciation	25,993	31,838
Increase/(Decrease) in Payables	(72,527)	103,083
Increase/(Decrease) in Employee Entitlements	21,791	3,484
Increase/(Decrease) in GST Payable	9,650	2,121
(Increase)/Decrease in Receivables	(25,323)	2,847
Net Cash provided by/(used In) operating activities	375,931	157,038
	2020	2019

**11. Reconciliation of Cash**

	2020	2019
PCCC General Account	628,186	257,360
PCCC Debit Card Account	1,250	1,099
Toora Kinder Account	-	1,822
Total Cash on Hand	629,436	260,280
	2020	2019

**12. Reconciliation of changes in equity**

<b>a) Trust Funds</b>		
Balance at Beginning of Period	7,500	7,500
Balance at end of period	7,500	7,500
<b>b) Contributed Capital</b>		
Balance at Beginning of Period	335,306	335,306
Balance at end of period	335,306	335,306
<b>c) Accumulated Surpluses</b>		
Balance at Beginning of Period	(20,653)	(34,318)
Current Year Earnings	416,348	13,665
Balance at end of period	395,695	(20,653)
<b>d) Equity</b>		
Total Equity at Beginning of Period	322,153	308,488
Current Year Earnings	416,348	13,665
Balance at end of period	738,501	322,153

These notes should be read in conjunction with the attached compilation report.

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 20

### 13. Contingent Assets & Liabilities

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

	2020	2019
<b>14. Property, Plant &amp; Equipment</b>		
<b>Office Equipment at Cost</b>		
Office Equipment	40,576	40,185
Less Accumulated Depreciation on Office Equipment	(35,420)	(32,481)
<b>Total Office Equipment at Cost</b>	<b>5,155</b>	<b>7,704</b>
<b>Furniture at Cost</b>		
Furniture & Fittings	191,023	188,561
Less Accumulated Depreciation on Furniture	(182,511)	(176,800)
<b>Total Furniture at Cost</b>	<b>8,512</b>	<b>11,761</b>
<b>Computer Equipment at Cost</b>		
Computer Equipment	19,933	18,711
Less Accumulated Depreciation on Computer Equipment	(13,776)	(10,500)
<b>Total Computer Equipment at Cost</b>	<b>6,158</b>	<b>8,211</b>
<b>Leasehold Improvements at Cost</b>		
Leasehold Improvements	69,192	69,192
Less Accumulated Depreciation on Leasehold Improvement	(34,753)	(20,685)
<b>Total Leasehold Improvements at Cost</b>	<b>34,440</b>	<b>48,507</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>54,265</b>	<b>76,182</b>

	Office Equipment \$	Furniture \$	Information Technology \$	Leasehold Improvements \$	Total \$
<b>Opening balance 01/01/2019</b>	<b>11,464</b>	<b>29,408</b>	<b>2,895</b>	<b>3,585</b>	<b>47,352</b>
Additions	-	-	7,482	55,560	<b>63,042</b>
Disposals	(177)	(2,196)	-	-	<b>(2,373)</b>
Depreciation Expense (refer to Note 4)	(3,583)	(15,451)	(2,166)	(10,638)	<b>(31,838)</b>
<b>Balance as at 31/12/2019</b>	<b>7,704</b>	<b>11,761</b>	<b>8,211</b>	<b>48,507</b>	<b>76,183</b>

These notes should be read in conjunction with the attached compilation report.



	Office Equipment \$	Furniture \$	Information Technology \$	Leasehold Improvements \$	Total \$
<b>Opening balance 01/01/2020</b>	<b>7,704</b>	<b>11,761</b>	<b>8,211</b>	<b>48,507</b>	<b>76,183</b>
Additions	390	2,463	1223	-	
<b>4,075</b>					
Disposals	-	-	-	-	-
Depreciation Expense (refer to Note 4)	(2,939)	(5,712)	(3,276)	(14,067)	(25,993)
<b>Balance as at 31/12/2020</b>	<b>5,155</b>	<b>8,512</b>	<b>6,175</b>	<b>34,440</b>	<b>54,265</b>

## 15. Commitments for Expenditure

### a) Capital commitments

There were no capital commitments at 31st December 2020.

### b) Lease Commitments

PCCC Inc. lease the four kindergartens buildings (Fish Creek, Foster, Toora and Welshpool) from 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.

## 16. 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	17/08/2020
Jessica Armstrong	Treasurer	18/02/2014	18/05/2020
Victoria Truscott	Treasurer	18/05/2020	
Moyha Davies		05/10/2015	
Gabrielle Boyd		18/04/2016	26/05/2020
Carly Buckland		23/04/2018	17/08/2020
Julia Allott		23/04/2018	
Renee Hutchinson		20/05/2019	13/08/2020
Lisa Fitzgerald		17/08/2020	
Luke Haustorfer		17/08/2020	
Chelsie Shellcot		19/10/2020	

### Executives

Wilhelmina Pruyn	06/05/2015
Suellen Millett	07/10/2019

### Executive Remuneration

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

<b>Income Band</b>	<b>2020</b>	<b>2019</b>
\$40,000 - \$49,999	-	1
\$70,000 - \$79,999	1	-

## 17. Remuneration of auditors

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Audit Fees	4,900	3,780

These notes should be read in conjunction with the attached compilation report.

**18. Subsequent Events**

There were no subsequent events at 31st December 2020

**19. Association Details**

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

**20. Mickle Trust**

**Mickle Trust Profit & Loss**  
for the year ended 31/12/2020

	2020	2019
	\$	\$
Interest Income	-	371
<b>Net Surplus for the year</b>	<b>-</b>	<b>371</b>

**Mickle Trust Balance Sheet**  
as at 31/12/2020

	2020	2019
	\$	\$
<b>Assets</b>		
<b>Current Assets</b>		
Bendigo Bank Term Deposit - Mickle Trust	8,896	8,896
<b>Net Assets</b>	<b>8,896</b>	<b>8,896</b>
<b>Equity</b>		
Contribution - Alice Mickle	7,500	7,500
Accumulated Surplus	1,396	1,396
	<b>8,896</b>	<b>8,896</b>

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

**21. Covid - 19**

A pandemic was declared in March 2020, as a result of Covid-19 the government then released a number of stimulus amounts to support the economic impact of the virus. Prom Coast Centre's for Children Inc received three different types of assistance being jobkeeper payments of \$361,500, CCS Transition Payments of \$118,629.59 and ATO Cash Flow Boost of \$100,000. The Covid-19 virus did not have a detrimental financial impact on Prom Coast Centre's for Children Inc. The CCS Transition Payment was paid up until 31 January 2021.

These notes should be read in conjunction with the attached compilation report.

# Statement By Members of the Committee

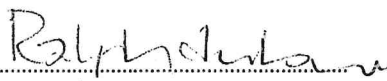
## Prom Coast Centres for Children Inc For the year ended 31 December 2020


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 of the accounts.

In the opinion of the Committee of Management the special purpose financial report on page 1 - 16.

1. Presents fairly the financial position of Prom Coast Centres for Children Inc as at 31st December, 2020 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 .....   
Ralph Hubbert

Treasurer .....   
Victoria Truscott

Date ..... 15/3/21 .....

