

Prom Coast Centres for Children Inc.

Reg. No: A0060784V ABN 70 956 155 799

Annual Report 2022

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 5 centres in the Corner Inlet District of South Gippsland, Victoria. The Centres are located in Fish Creek, Toora, Welshpool, Foster (Long Day Care) and Foster Early Learning. 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 ninth annual report for Prom Coast Centres for Children and covers the financial year of operation 1st January 2022– 31st December 2022.

Early Years Manager's Report

“Opportunities don't just happen, you create them.”

In 2022 Prom Coast Centres for Children Inc. (PCCC) demonstrated its commitment to externally and internally invest and advocate for best practice in the future of early childhood education across our Corner Inlet communities.

The successful grant application of \$1.2 million from the Department of Education and Training saw the planning and successful delivery of Foster Early Learning: a fully funded modular kindergarten on the Foster Primary School site. The infrastructure project was evidence based on research and best practice that demonstrates when early years education is co-located and effectively integrated with primary schools, the benefits for children, families, teachers, professionals, and the broader community are measurable. The project has enabled PCCC to achieve best practice principles in early childhood, as well as address the deficit and growing demand for early childhood places in kindergarten and long day care. To complete the project, PCCC invested \$50K into the fitout of Foster Early Learning with furniture, resources and equipment.

Investment continued with PCCC securing \$200,000 of its own finances into a term deposit for Toora/Welshpool Kindergartens to support the future development of these services with ageing infrastructure. The organisation subsidised \$25,000 into the resourcing of the Kindergarten Extended Care Program at Fish Creek, Toora and Welshpool Kindergartens each Wednesday to support working families in these communities.

That is a total investment of \$1.5 million into early childhood education in the Corner Inlet community in 2022. The proactiveness of the organisation in seeking out, creating opportunities, investing, and acting on operational solutions to a lack of funded kindergarten and long day care places in Corner Inlet is to be applauded.

Infrastructure investment and advocacy also resulted in the installation of shade sails at Toora and Foster Kindergartens, upgrading of windows and furnishings at Toora and Welshpool Kindergartens, replacement of the bathroom floor at Toora Kindergarten and replacement of the external fence at Fish Creek Kindergarten. These projects totalled \$60K in upgrades across our services.

The organisation responded to the conditional COVID-19 operational environment as directed by government authorities and these efforts weighed heavily on the day to day operational requirements with mask wearing, RAT testing and front gate drop offs continuing until Term 3. It was relieving for all staff and families to return to some normal functionality from Term 4.

Local community advocacy for our kindergarten services in Toora and Welshpool was prioritised through a key stakeholder meeting in February. Led by community representatives and supported by PCCC, a tour of the services was organised for newly appointed South Gippsland Shire Councillors, Department of Education and Training Officers and the PCCC Committee of Management. The objective was to highlight the aging facilities and offer an opportunity for local families and communities to proactively voice their concerns around the current position relating to the facilities and services offered. Danny O'Brien was also given a briefing from PCCC management on the challenges of staff resourcing, infrastructure and access in the Early Years sector.

Recruitment of key roles including the Executive Support Officer, Foster Kindergarten teachers and Welshpool Kindergarten teachers resulted in high quality candidates and subsequent appointments giving confidence in the leadership of our services at a governance and service level.

Risk and compliance continued to be strengthened through the policy review process led by Kim Smith. The review and work in transitioning our policies to the ELAA format was extensive and has provided greater confidence with internal risk management and compliance across the organisation.

The Andrews Labor Government announced an ambitious overhaul of early childhood education and care, with a massive \$9 billion investment over the next decade designed to support infrastructure expansion, women returning to the workforce and deliver a significant extension of education provision. The announcement of Free Kindergarten from 2023 will reduce access barriers for our most vulnerable families in the community. The 'Best Start Best Life' initiative will offer 30 hours of kindergarten for 4 year olds from 2027, and deliver a new early years service in our region. These initiatives will require significant planning by PCCC in consultation with key stakeholders such as the South Gippsland Shire to ensure successful delivery in our communities.

All PCCC educators continued to demonstrate resilience, passion and commitment to their roles. They supported each other during the most challenging of times to ensure that the provision of education and care offered to children was delivered consistently and without interruption where possible. Our staff are our greatest resource and PCCC continued to invest in staff by offering training and above sector award conditions.

Every year the Committee of Management volunteers offer a consistent foundation of governance to ensure ongoing delivery of Early Childhood Education in Corner Inlet. Their role cannot be underestimated. Without their leadership and governance, PCCC could not exist and the sustainability of this group of community leaders is paramount to the future success of the organisation.

Led by our Committee of Management and its strategic plan, PCCC management staff continued to achieve the goals and direct their energy into delivering high quality, safe and accessible early childhood services that are inclusive and responsive to the needs of our children, families and communities. Our educators strive to offer every Prom Coast child an environment where they can be, belong and become successful learners, confident and creative individuals, active and informed young people.

Achievements don't happen by chance, they happen because they are created and made possible by a proactive and passionate group of community volunteers, leaders and educators who believe our Corner Inlet children are worth investing in. They inspire me to offer my best every day.

Wilhelmina Pruyn

Early Years Manager

Foster Centre Director's Report

Children & Families

2022 was a year of change and excitement for PCCC Foster as we continued to see a growth in the number of families needing access to long day care particularly for children under 18 months of age, and we transitioned our integrated kindergarten service to the Foster Primary School site.

The greater demand for long day care can be attributed to a combination of increase in the population post Covid-19, the high demand for workers locally, the higher cost of living expenses for families and the Government's increase in childcare subsidy available to families for their second child. This pattern of increased demand for long day care is expected to continue and was one of the driving factors in the plan to move our Foster Kindergarten service to the Foster Primary School site. The new service became fully operational at the beginning of 2023 and allows for our children over 3 years of age to access kindergarten and long day care services from there. This transition supports children to build strong connections with their local school and allows for additional long day care places to be created for under 3 year olds at PCCC Foster.

We know that the foundation for all future learning for children occurs in the first 5 years of life and the first 3 years are a time of unprecedented growth and development. They are also the years where building strong connection with families is vital to ongoing trusting partnerships that support both the child's and the family's wellbeing. Our focus on the provision of quality care and education for under 3's will drive our planning in 2023 as we work toward best practice in children's learning and development.

Throughout the year we continued to work toward our strategic goal ***to deliver quality educational and care practice that is evidenced based within a philosophy of continuous improvement.*** The Educational Program Advisory Group (EPAG) has been guiding this work by developing practices and resources that support best practice in children's learning and development across the whole organisation. This work will be ongoing in 2023.

Staff

In 2022, PCCC continued to recruit for qualified early childhood educators.

Despite extensive and ongoing recruitment, we were unable to meet our regulatory requirements regarding employment of qualified educators. This shortage of qualified staff is reflected across all early childhood sectors in Victoria and as such we were granted an exemption to this requirement.

To support our workforce into the future PCCC Foster has made a promise to mentor and train 7 committed and enthusiastic locally based trainees: 5 work based and 2 school based. We have also reduced the number of new enrolments when needed, in line with staffing availability. Our investment and commitment to engaging and working with trainees as they enter or advance in their early childhood profession has enabled PCCC to continue to provide quality long day care for our families and the community throughout the year. At the end of 2022, 2 educators had completed their Certificate 3 and enrolled in their Diploma in ECEC. Five educators are also expected to complete their Certificate 3 in 2023 and one educator to complete her Bachelor of Early Childhood Teaching in 2025. The need to recruit, train and support local staff has now been identified as an ongoing focus for the organisation to ensure we continue to provide a skilled and qualified workforce into the future.

In 2022, PCCC surveyed our current workforce with the aim to support wellbeing and identify ways to retain and support our current team. The survey results confirmed that staff wellbeing and work life balance were generally high across the organisation. PCCC Foster staff however identified the need for more time and support to develop the educational program, support trainees and lead teams. They also indicated a need for more

consistency with processes and procedures and role clarity. As a result of this feedback the Management Team, with the full support of the Committee of Management, engaged in a review of the existing organisational structure and leadership roles. This review will better target and reflect the changing needs of the organisation, provide more intensive and ongoing support and direction to trainees, educators and leaders, and allow for the development of clear and consistent processes and procedures. This review will be completed in 2023 and the new organisational structure will support PCCC to grow its workforce, plan for changes into the future and importantly meet its strategic objective for children ***to deliver high quality, safe and accessible early childhood services that are inclusive and responsive to the needs of our children, families and community.***

Leadership development

In 2022, PCCC also committed to support our staff in leadership positions. This was in direct response to educator feedback and our strategic goal ***to develop professional organisational structures that support the learning and development of all staff and build effective leadership that supports positive organisational culture and staff engagement.*** Service Leaders completed a Leadership Development Program over 6 sessions. This program focussed on building strong professional teams through reflection, support and continuous improvement. In addition, all staff participated in a team building workshop - **Building a professional and collaborative workplace culture.** This annual workshop will be offered at the beginning of each year to support all staff in their role as Early Childhood Professionals.

Community

Throughout 2022 we continued to build strong links with our local networks, and partnerships with our local schools. This included developing a school based apprenticeship program with Foster Secondary College, weekly visits from students in year 9 and sharing the produce supplied through the breakfast club. We worked closely with Foster Primary School in the establishment of the new kindergarten and built an effective transition program with prep teachers and year 5 students visiting our service regularly. Lisa from Foster Library was a welcome and regular visitor, sharing stories and songs with all children. Linda and Susan, our local Koorie Engagement Support Officers, visit the service to work with children and staff to implement our Indigenous Action Plan.

In 2023 we will continue to build on these connections and expand our networks to include regular visits from the Senior Activity Group, and work with Manna Gum Community House's Learn Local program to support building our local workforce.

Governance and Future direction

The construction of the new modular kindergarten on the Foster Primary school site has enabled PCCC Foster to review its structure and work toward creating additional long day care places in the area of greatest demand: the under 3 age group. The Committee of Management and the Management Team have worked closely with each other to create service and organisational structures that support the higher staff ratios for this age, and the associated impact on the service's finances and staffing requirements. These exciting opportunities for our future need to ensure that there is a balance between demand, quality, cost and staffing availability. The implementation of the new organisational structure will support PCCC Foster by putting in place systems and processes to support the organisation and will enable it to be effective, accountable and reflect best practice principles in children's learning and development for our current and future families and community.

Sue Millett

Foster Centre Director

President's Report

"Alone we can do so little, together we can do so much" – a quote from Helen Keller

Prom Coast Centres for Children went from strength to strength in 2022. It was an outstanding year where we rebuilt community engagement with our family and carer networks and yet another year which highlighted how adaptable our teachers, workers and families have had to be.

The Federal and State governments made several key announcements in 2022 relating to the future of early childhood education and care. \$9 billion has been allocated for investment over the next decade which will support infrastructure expansion, women returning to the workforce and extension of education programs. The 'Best Start, Best Life' program is being expanded from 2023 and includes free kindergarten which will make it easier for our vulnerable families to access early years education. 15 hours of 3 year old funded kindergarten will be introduced from the start of 2023, and over the next 10 years 4 year old kindergarten will transition to Pre-Prep, increasing to 30 hours of funded play based learning. There is also a commitment to deliver a new early years service in our region. All of these initiatives will require significant planning by PCCC in consultation with key stakeholders such as the South Gippsland Shire to ensure successful delivery in our communities.

An opportunity for grant funding presented itself through the Victorian School Building Authority which resulted in the construction of a modular kindergarten on the Foster Primary School site. The project control working group was formed in February 2022 and has achieved an outstanding result with Foster Early Learning becoming operational at the start of 2023.

PCCC is committed to working with the Toora and Welshpool communities and \$200,000 of PCCC's own finances has been set aside into a term deposit to support the future development of their aging infrastructure. \$25,000 has also been allocated into resourcing the Kindergarten Extended Care Program at Fish Creek, Toora and Welshpool Kindergartens each Wednesday which is helping to support our working families. In all, \$1.5 million was invested into early childhood education and care in the Corner Inlet community in 2022 highlighting the proactiveness of the organisation to seek out and create opportunities, invest in our services, and act on operational solutions to fund kindergarten and long day care places in our community.

The Committee of Management accepted with regret, the resignation of Lucy Allsop as Secretary early in 2023. Lucy held the role of Secretary since the Committee's inception in 2014. The knowledge, time, and commitment that Lucy brought to PCCC helped shape it into the successful and respected Association that it is. The Committee of Management is integral to the ongoing success of PCCC and I would encourage anyone who might be interested in a Committee position to consider nominating. Outside of the Committee there is always room for more volunteers and any support offered would be welcomed.

I would like to conclude by thanking the Committee members for their valuable contribution, especially Ralph Hubbert who ably led the development of Foster Early Learning as I was not able to attend these meetings. I would also like to thank all our staff for their outstanding efforts. The leadership of Wil Pruyn and Sue Millett has enabled the organisation to flourish during a very difficult period. I would personally like to thank Marilyn Heggie for her organisational skills in keeping the Committee and myself on track.

Well done and thank you.

Mohya Davies

President

Secretary's Report

Committee of Management 2022

The following members served on the PCCC Committee of Management in 2022:

Office Bearers:

President: **Mohya Davies**
Vice President: **Ralph Hubbert**
Secretary: **Lucy Allsop**
Treasurer: **Victoria Truscott**

Ordinary Committee Members:

Julia Allott, Lisa Fitzgerald, Denia Gilheany

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.

- *Mohya Davies* – Member of South Gippsland Shire Council
- *Lucy Allsop* – Member of Foster Primary School Council (Vice-President) , Secretary of Corner Inlet Junior Football Club
- *Julia Allott* – Member of Toora Primary School Parents and Friends Association
- *Lisa Fitzgerald* – Employee of Welshpool Transaction Centre, Member of Welshpool & District Primary School Council, Cleaning services contractor for PCCC.
- *Denia Gilheany* – Secretary of Foster Agricultural Show

Julia Allott

Secretary

Change of Secretary

On 20th March 2023 the PCCC Committee of Management accepted the resignation of Lucy Allsop from the Committee.

Under Section 28 of the Association Rules, the Committee appointed Julia Allott as Secretary for the remainder of the Secretary's term.

Treasurer's Report

The financial challenges faced during 2022 while navigating our way out of COVID, can be mainly attributed to the shortage of staff; vacancies, sick leave and tight housing conditions. These factors all impacted on the long day care and kindergarten places PCCC was able to offer to families in our community.

In this context, we present the financial results for 2022.

Overall our result was a negative \$3,012 outcome that was mainly driven by the impact of our challenges. While the conservative negative planning at the commencement of 2022 was overestimated, PCCC managed to reduce that impact through a combination of State and Federal Government grants as well as managing our costs efficiently.

An analysis of our income items addresses the direction of Long Day Care Fees which decreased 0.05% (or \$11K) when compared to the previous year. While our budget forecasted 80% attendance, the challenges of finding the staff to deliver the committed high-quality care limited the places offered.

When considering "other revenue" income streams, PCCC received \$85K for "Trainee Rebate". This was significantly higher than the previous year due to the pressure on staffing and the organisation's reliance on trainee recruitment to meet educator needs. (\$85K vs \$26K)

The grants that PCCC received from the Government for kindergarten were in line with last year's amounts and there was no significant change.

When analysing the costs, we identify that employee entitlements and cleaning expenses are the primary items responsible for the overall \$96K increase in costs. These items are within the figures forecasted at the beginning of the year in PCCC's budget.

Analysis of PCCC's financial statements demonstrates a strong tendency in liquidity position over the last 6 years, (from 1 to 4 in current assets to every current liability) which means that PCCC is able to adequately cover financial commitments in the short term. Assessment of operating cash flows to net sales shows that PCCC has been able to generate 2.36c of cash on every dollar of revenue earned which has improved the cash position for the year (37%).

This year witnessed the successful delivery of the modular Kindergarten in Foster as well as upgrades to the facilities in Toora, Fish Creek and Welshpool. Even though the main infrastructure costs were covered by the government grants, PCCC invested comprehensively across all facilities with purchases of program equipment and resources.

Victoria Truscott

Treasurer

Special Purpose Financial Report
for the Period ended 31st December 2021

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF PROM COAST CENTRES FOR CHILDREN INC.
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022, the Statement of 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 2022 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 is responsible for other information. The other information comprises the information included in the association's annual report for the financial year ended 31 December 2022 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

23 March 2023

Financial Statements

Prom Coast Centres for Children Inc

ABN 70 956 155 799

For the year ended 31 December 2022

Prepared by Duesburys Gippsland

Statement of Comprehensive Income

Prom Coast Centres for Children Inc
For the year ended 31 December 2022

	NOTES	2022	2021
Revenue from Ordinary Activities			
Revenue			
Grants	2	866,821	886,405
Fees	2	1,144,453	1,245,255
Other Income	2	93,929	31,211
Total Revenue		2,105,203	2,162,872
Total Revenue from Ordinary Activities		2,105,203	2,162,872
Total Income		2,105,203	2,162,872
Expenses			
Employee Entitlements	3	1,749,270	1,710,994
Supplies & Consumables	3	107,758	75,537
Other Expenses	3	224,267	200,742
Depreciation	4	26,920	24,093
Total Expenses		2,108,215	2,011,366
Net Surplus/(Deficit) for the year		(3,012)	151,506

Statement of Financial Position

Prom Coast Centres for Children Inc

As at 31 December 2022

	NOTES	31 DEC 2022	31 DEC 2021
Assets			
Current Assets			
Bank Accounts	11	484,839	726,686
Receivables	5	102,787	67,726
Other Financial Assets	6	540,934	350,612
Total Current Assets		1,128,561	1,145,023
Non-Current Assets			
Property, Plant and Equipment	14	92,465	47,949
Total Non-Current Assets		92,465	47,949
Total Assets		1,221,026	1,192,972
Liabilities			
Current Liabilities			
Payables	7	171,423	132,125
Unexpended Funding	8	-	18,000
Provisions	9	145,486	137,321
Total Current Liabilities		316,909	287,446
Non-Current Liabilities			
Staff E/tlement - LSL(non-cur)	9	8,198	15,520
Biz IT Phone Equip \$755.20 p.m inc GST (non current)	7	8,925	-
Total Non-Current Liabilities		17,123	15,520
Total Liabilities		334,032	302,966
Net Assets		886,994	890,006
Equity			
Retained Earnings			
Trust Funds (Equity)	12	7,500	7,500
Capital Contributed	12	335,306	335,306
Accumulated Surplus/(Deficit)	12	544,188	547,200
Total Retained Earnings		886,994	890,006
Total Equity		886,994	890,006

Statement of Cash Flows

Prom Coast Centres for Children Inc For the year ended 31 December 2022

	NOTES	2022	2021
1. Cash Flows From Operating Activities			
Receipts			
Grants		792,639	886,405
Fees		1,140,686	1,245,255
Other Revenue		90,751	31,211
Total Receipts		2,024,076	2,162,871
Payments			
Payments to Suppliers and Employees		(2,002,103)	(2,027,832)
GST Paid to ATO		(2,060)	(9,465)
Total Payments		(2,004,163)	(2,037,297)
Net Cash Flows Provided By/(Used In) Operating Activities		19,913	125,574
Cash Flows From Investing Activities			
Purchases of Property, Plant & Equipment		(71,436)	(19,273)
Disposals of Property, Plant & Equipment		-	1,496
Proceeds from Investments		(190,322)	(10,547)
Net Cash Provided By/(Used In) Investing Activities		(261,758)	(28,324)
Net Increase/(Decrease) In Cash Held		(241,845)	97,250
Cash At 1 January 2022		726,684	629,436
Cash At 31 December 2022	11	484,839	726,685

Statement Of Changes In Equity

Prom Coast Centres for Children Inc
For the year ended 31 December 2022

	2022	2021
Equity		
Opening Balance	890,006	738,501
Increases		
Net Surplus/ (Deficit) for the year	(3,012)	151,506
Total Increases	(3,012)	151,506
Total Equity	886,994	890,006

Notes to the Financial Statements

Prom Coast Centres for Children Inc For the year ended 31 December 2022

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.

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, 2022

Critical Accounting Estimates and Judgments

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.

(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.

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

(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 2022	Year ended 2021
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.

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

(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.

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.

	2022	2021
2. Revenue from ordinary activities		
Grants		
Grants DET	781,119	784,165
SGSC Maintenance Grant	12,796	12,240
Community Child Care Fund	57,000	90,000
Wages Backfill/Reimbursements	15,906	-
Total Grants	866,821	886,405
Fees		
Long day care fees	1,077,477	1,088,866
Kindergarten Extended Care	6,750	-
Kindergarten Parent Fees	60,226	156,389
Total Fees	1,144,453	1,245,255
Other Income		
Bank Interest	3,000	1,317
Donation/Gift Income	2,025	500
Fundraising Income	3,466	4,742
Gain/(Loss) on sale of asset	-	(1,496)
Operation Income	-	525
Trainee Rebate	85,438	25,622
Total Other Income	93,929	31,211
Total Revenue from ordinary activities	2,105,203	2,162,872
	2022	2021

3. Operating Expenses

Employee Entitlements		
Wages & Salaries Expense	1,501,743	1,462,610
Portable LSL Levy Paid	26,004	48,183
School Based Apprentice Expense	-	45
Workcover	31,177	27,384
Uniforms	1,004	43
Staff Training Expenses	10,102	5,267
Superannuation	156,246	147,807
Superannuation SS	16,714	16,500
Sundry staff expenses	6,280	3,155
Total Employee Entitlements	1,749,270	1,710,994
Supplies & consumables		
Program Consumables	31,612	18,188
Equipment (under \$500)	23,102	6,102
Program Costs	53,044	51,247
Total Supplies & consumables	107,758	75,537

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

	2022	2021
Other Expenses		
Accountancy Services	32,499	32,558
Advertising	-	300
Audit Fees	5,250	5,000
Bank Charges	416	2,957
Billing Services (CCS Solutions)	14,770	-
Board Expenses	236	-
Cleaning	70,645	60,252
Computer Expenses	21,222	9,284
Consultancy Fees	2,500	17,782
Consumables - Hats, Shirts & Wetbags	-	1,645
Electricity	13,948	14,135
Fundraising Expenses	2,177	2,033
Insurance	2,299	2,361
Printing, postage & stationary	11,581	10,788
Rent & rates	5,715	3,549
Repairs & maintenance	22,142	27,732
Subscriptions	16,122	8,463
Sundry Expenses	2,295	1,903
Staff Meeting	450	-
Total Other Expenses	224,267	200,742
Depreciation (refer to Note 4)	26,920	24,093
Total Operating Expenses	2,108,215	2,011,366
	2022	2021

4. Depreciation

Depreciation - Leasehold Imp	13,890	13,890
Depreciation - Office Equipment	3,695	2,655
Depreciation - Furniture	7,123	4,656
Depreciation - Computer Equipment	2,212	2,892
Total Depreciation	26,920	24,093
	2022	2021

5. Receivables

Debtors Fees & Refunds	371	1,028
Accounts Receivable	1,264	-
Accrued Income	82,407	45,480
Prepayment	18,746	21,218
Total Receivables	102,787	67,726

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

	2022	2021
6. Other Financial Assets		
Bendigo Bank Term Deposits	532,038	331,715
Meikle Trust Term Deposit(648)	8,896	8,896
Work in Progress	-	10,000
Total Other Financial Assets	540,934	350,612
	2022	2021

7. Payables

Current		
Creditors	16,582	18,547
Accruals	83,009	20,335
GST Payable	10,326	12,386
Prepaid Fees	5,013	5,165
PAYG withholding	35,366	32,430
Recoupments	-	23,815
Superannuation Payable	21,126	19,448
Total Current	171,423	132,125
Non Current		
Biz IT Phone Equip \$755.20 p.m inc GST (non current)	8,925	-
Total Non Current	8,925	-
Total Payables	180,348	132,125
	2022	2021

8. Unexpended Funding

Unexpended Funding	-	18,000
Total Unexpended Funding	-	18,000

In December 2021 PCCC Inc. received grant income of \$18,000 for improving ventilation at all four centres to decrease the risk of the spread of covid-19. This is expected to be implemented in early 2022.

	2022	2021
9. Provisions		
Current		
Staff Entitlements - AL	68,326	62,879
Staff entitlements - LSL	77,160	74,442
Total Current	145,486	137,321
Non Current		
Staff Entitlement - LSL(non-cur)	8,198	15,520
Total Non Current	8,198	15,520
Total Provisions	153,684	152,841

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

	2022	2021
Long Service Leave		
Balance of Long Service Leave - 1 Jan	89,962	111,798
Provision made during the year	6,845	26,347
Payments made during the year	(11,449)	(48,183)
Balance of Long Service Leave - 31 Dec	85,358	89,962
	2022	2021

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

Surplus/ (Deficit) for the Year	(3,012)	151,506
Depreciation	26,920	24,093
Increase/(Decrease) in Payables	50,283	(2,639)
Increase/(Decrease) in Unexpended Funding	(18,000)	18,000
Increase/(Decrease) in Employee Entitlements	843	(30,296)
Increase/(Decrease) in GST Payable	(2,060)	(9,465)
(Increase)/Decrease in Receivables	(35,061)	(24,647)
Net Cash provided by/(used In) operating activities	19,913	126,551
	2022	2021

11. Reconciliation of Cash

PCCC General Account	483,220	725,751
PCCC Debit Card Account	1,619	935
Total Cash on Hand	484,839	726,686
	2022	2021

12. Reconciliation of changes in equity**a) Trust Funds**

Balance at Beginning of Period	7,500	7,500
Balance at end of period	7,500	7,500

b) Contributed Capital

Balance at Beginning of Period	335,306	335,306
Balance at end of period	335,306	335,306

c) Accumulated Surpluses

Balance at Beginning of Period	547,200	395,695
Current Year Earnings	(3,012)	151,506
Balance at end of period	544,188	547,200

d) Equity

Total Equity at Beginning of Period	890,006	738,501
Current Year Earnings	(3,012)	151,506
Balance at end of period	886,994	890,006

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.

	2022	2021
14. Property, Plant & Equipment		
Office Equipment at Cost		
Office Equipment	64,271	36,486
Less Accumulated Depreciation on Office Equipment	(37,764)	(34,069)
Total Office Equipment at Cost	26,508	2,417
Furniture at Cost		
Furniture & Fittings	248,526	205,537
Less Accumulated Depreciation on Furniture	(191,142)	(184,018)
Total Furniture at Cost	57,384	21,519
Computer Equipment at Cost		
Computer Equipment	19,923	19,261
Less Accumulated Depreciation on Computer Equipment	(18,009)	(15,797)
Total Computer Equipment at Cost	1,914	3,463
Leasehold Improvements at Cost		
Leasehold Improvements	69,192	69,192
Less Accumulated Depreciation on Leasehold Improvement	(62,533)	(48,643)
Total Leasehold Improvements at Cost	6,660	20,550
Total Property, Plant & Equipment	92,465	47,949

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

	Office Equipment \$	Furniture \$	Information Technology \$	Leasehold Improvements \$	Total \$
Opening balance 01/01/2021	5,155	8,512	6,158	34,440	54,265
Additions	-	17,891	1,382	-	19,273
Disposals	(83)	(228)	(1,185)	-	(1,495)
Depreciation Expense (refer to Note 4)	(2,655)	(4,656)	(2,892)	(13,890)	(24,093)
Balance as at 31/12/2021	2,417	21,519	3,463	20,550	47,949
	Office Equipment \$	Furniture \$	Information Technology \$	Leasehold Improvements \$	Total \$
Opening balance 01/01/2022	2,417	21,519	3,463	20,550	47,949
Additions	27,786	39,874	663	-	68,323
Disposals	-	-	-	-	-
Depreciation Expense (refer to Note 4)	(3,695)	(6,984)	(2212)	(13,890)	(26,781)
Balance as at 31/12/2022	26,508	54,409	1,914	6,660	89,491

15. Commitments for Expenditure

a) Capital commitments

There were no capital commitments at 31st December 2022.

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.

PCCC Inc. lease the building situated at the Foster Primary School from Victorian School Building Authority for a peppercorn amount of \$1 per year. The lease commenced on January 2, 2023 for a term of twenty years with the option of a further two ten year terms.

16. Related Party Disclosures

Board of Management		Appointed	Resigned
Mohya Davies	Chair	24/04/2021	
Ralph Hubbert	Vice	24/04/2021	
Lucy Allsop	Secretary	18/02/2014	
Victoria Truscott	Treasurer	18/05/2020	
Julia Allott		23/04/2018	
Lisa Fitzgerald		17/08/2020	
Luke Haustorfer		17/08/2020	15/03/2022

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

Executives

Wilhelmina Pruyn
Suellen Millett

06/05/2015
07/10/2019

Executive Remuneration

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

Income Band	2022	2021
\$60,000 - \$69,999		1
\$80,000 - \$89,999	1	
\$100,000 - \$109,999	1	1

17. Remuneration of auditors

	2022	2021
	\$	\$
Audit Fees	5,250	5,000

18. Subsequent Events

There were no subsequent events at 31st December 2022

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 31/12/2022

	2022	2021
	\$	\$
Interest Income	-	-
Net Surplus for the year	-	-

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

Miekle Trust Balance Sheet
as at 31/12/2022

	2022	2021
	\$	\$
Assets		
Current Assets		
Bendigo Bank Term Deposit - Miekle Trust	8,896	8,896
Net Assets	<u>8,896</u>	<u>8,896</u>
Equity		
Contribution - Alice Miekle	7,500	7,500
Accumulated Surplus	<u>1,396</u>	<u>1,396</u>
	<u>8,896</u>	<u>8,896</u>

The Miekle Trust is funds held in trust bequested 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 Toora Kindergarten.

Statement By Members of the Committee

Prom Coast Centres for Children Inc For the year ended 31 December 2022

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, 2022 and its performance for the year ended on that date in accordance with the requirements of the Australian Charities and Not-for-Profit Commission Act 2012 and the accounting policies described in Note 1.

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 
Mohya Davies

Treasurer 
Victoria Truscott

Date 23/03/2023