

ADELAIDE EASTERN COMMUNITY CHILDCARE CENTRE INCORPORATED
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

ADELAIDE EASTERN COMMUNITY CHILDCARE CENTRE INCORPORATED

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ADELAIDE EASTERN COMMUNITY CHILDCARE CENTRE INCORPORATED**

Report on the Audit of the Financial Report

I have audited the attached special purpose financial report comprising Profit and Loss Statement, Balance Sheet and Notes to the financial statements of Adelaide Eastern Community Childcare Centre Incorporated for the year ended 30 June 2018.

In my opinion the special purpose financial report, which has been prepared in accordance with the accounting policies described in Note 1 to the financial statements and Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act):

- (a) Gives a true and fair view of the financial position of Adelaide Eastern Community Childcare Centre Incorporated as at 30 June 2018 and its income and expenditure for the year then ended; and
- (b) Complies with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the Australian Charities and Not-for-Profits Commission Regulation 2013.

Basis for Opinion

My audit has been conducted in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of Adelaide Eastern Community Childcare Centre Incorporated in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

The financial report has been prepared for the purpose of fulfilling the needs of the members and reporting under the ACNC Act. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any other entity or for any purpose other than that for which it was prepared.

Emphasis of Matters

I draw attention to note 1 of the financial report which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling Adelaide Eastern Community Childcare Centre Incorporated's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for other purposes. My audit opinion is not modified in respect of this matter.

As is common for this type of organisation, it is not practicable for Adelaide Eastern Community Childcare Centre Incorporated to maintain effective systems of internal control over items such as cash receipts until their initial entry in the accounting records. Accordingly my audit in relation to these income items has been limited to analytical audit techniques on amounts recorded.

Responsible Entity's Responsibilities for the Financial Report

The Board of Management of Adelaide Eastern Community Childcare Centre Incorporated is responsible for the preparation and fair presentation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the need of the members. The Board of Management is also responsible for such internal control as they consider 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, the Board of Management is responsible for assessing Adelaide Eastern Community Childcare Centre Incorporated's ability to continue as a going concern, disclosing, as



applicable, matters relating to going concern and using the going concern basis of accounting.

The Board of Management is responsible for overseeing Adelaide Eastern Community Childcare Centre Incorporated's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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, or the override of internal control.
- Obtain an understanding of internal controls 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 Adelaide Eastern Community Childcare Centre Incorporated's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Conclude on the appropriateness of the Board of Management'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 Adelaide Eastern Community Childcare Centre Incorporated's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause Adelaide Eastern Community Childcare Centre Incorporated 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.

When considered necessary, I communicate with Adelaide Eastern Community Childcare Centre Incorporated regarding, among other matters, the planned scope and timing of the audit and significant audit findings, if any, including any significant deficiencies in internal control that I identify during the audit.



Almeida Consulting A.B.N. 86 539 246 242
37 River Drive, Athelstone SA 5076
Neale Almeida Chartered Accountant 76316
Partner

30 August 2018

ADELAIDE EASTERN COMMUNITY CHILDCARE CENTRE INCORPORATED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 1
SIGNIFICANT ACCOUNTING POLICIES**

In the opinion of the Board of Management of Adelaide Eastern Community Childcare Centre Incorporated (the association), it is not a reporting entity. This special purpose financial report has been prepared for the members of the association and to fulfill the reporting requirements of the association's constitution, the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 1985. The financial policies used in the preparation of the financial statements are consistent with the financial reporting requirements of the association's constitution and are, in the opinion of the Board of Management, appropriate to meet the needs of the members.

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012 and the significant accounting policies noted below.

The financial report has been prepared on the basis of going concern, historical costs, the accrual basis of accounting and it does not take into account changing money values nor current valuations of non current assets. Accounting policies have been consistently applied.

Equipment, Furniture and Fittings

All items of equipment, furniture and fittings are recorded as expenses in the profit and loss statement. Land and buildings are recorded at council valuation under assets in the balance sheet .

Employee Leave Entitlements

A provision has been taken up in the financial statements for all employees' annual leave entitlements measured at their nominal values. A provision has been taken up in the financial statements for employees' long service leave entitlements measured at their nominal values adjusted for probability factors reflecting likely staff retention.

Provisions For Centre Upgrade

In accordance with policies set by the Board of Management, provisions for the upgrade of the Centre are maintained in liabilities in the Balance Sheet consistent with previous years. They totaled \$80,000 as at the beginning of the year.

The provisions are increased from time to time and the increases are recorded in expenses in the profit and loss statement. \$170,000 was added to the provisions this year.

Without these policies the net assets as at 30 June 2018 would increase by \$250,000.



ADELAIDE EASTERN COMMUNITY CHILDCARE CENTRE INCORPORATED

**STATEMENT AND REPORT BY THE BOARD OF MANAGEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

STATEMENT

In the opinion of the Board of Management of Adelaide Eastern Community Childcare Centre Incorporated:

- (a) The accompanying financial statements comprising Profit and Loss Statement for the year ended 30 June 2018, Balance Sheet as at that date and notes to the financial statements have been properly drawn up so as to present fairly the income and expenditure of Adelaide Eastern Community Childcare Centre Incorporated for the year ended 30 June 2018 and its financial position as at that date.
- (b) As at the date of this statement there are reasonable grounds to believe that Adelaide Eastern Community Childcare Centre Incorporated will be able to pay its debts as and when they fall due.

REPORT

- (c) During the year ended 30 June 2018 no officer or no firm of which an officer is a member or no corporation in which an officer has a substantial financial interest has received or become entitled to receive a benefit as a result of a contract between the officer, firm or corporation and Adelaide Eastern Community Childcare Centre Incorporated.
- (d) During the year ended 30 June 2018 no officer has received directly or indirectly any payment or other benefit of a pecuniary value other than remuneration payments to employees and reimbursements of out-of-pocket expenses in relation to Adelaide Eastern Community Childcare Centre Incorporated.

Signed in Rose Park this 30th day of August 2018 on behalf of the Board of Management.



Board Member



Board Member

Profit & Loss [Last Year Analysis]

July 2017 To June 2018

ABN: 45 020 026 742

	This Year	Last Year	\$ Difference	% Difference
Income				
Total Fees				
Fees	\$851,841.32	\$687,088.19	\$164,753.13	24.0%
Fees as Child Care Rebate	\$356,054.54	\$309,705.04	\$46,349.50	15.0%
Ord Childcare Benefits Receivea	\$115,877.78	\$130,517.71	-\$14,639.93	(11.2)%
Special Child Care Benefit	\$4,845.00	\$4,115.60	\$729.40	17.7%
Total Total Fees	\$1,328,618.64	\$1,131,426.54	\$197,192.10	17.4%
Other Income				
Interest Received	\$234.71	\$1,714.49	-\$1,479.78	(86.3)%
Excursions	\$420.00	\$0.00	\$420.00	NA
Fundraising	\$4,093.00	\$8,696.25	-\$4,603.25	(52.9)%
Gov't LDC PDP Grant Utilised	\$0.00	\$12,243.06	-\$12,243.06	(100.0)%
Sundry Income	\$3.05	\$836.42	-\$833.37	(99.6)%
GST Rounding	\$0.65	\$9.92	-\$9.27	(93.4)%
Total Other Income	\$4,751.41	\$23,500.14	-\$18,748.73	(79.8)%
Transfers In from Provisions				
Transfer from Provn Bldg Upgrd	\$0.00	\$30,274.73	-\$30,274.73	(100.0)%
Transfer from Provn Bldg Maint	\$0.00	\$3,637.98	-\$3,637.98	(100.0)%
Transfer from Provn Equip Upg	\$0.00	\$2,406.35	-\$2,406.35	(100.0)%
Transfer from LSL Provision	\$0.00	\$19,351.50	-\$19,351.50	(100.0)%
Total Transfers In from Provisions	\$0.00	\$55,670.56	-\$55,670.56	(100.0)%
Total Income	\$1,333,370.05	\$1,210,597.24	\$122,772.81	10.1%
Gross Profit	\$1,333,370.05	\$1,210,597.24	\$122,772.81	10.1%
Expenses				
Salaries				
Primary Contact Staff	\$595,506.00	\$730,278.68	-\$134,772.68	(18.5)%
Relief Staff	\$190,419.68	\$78,739.74	\$111,679.94	141.8%
LDCPDP Backfill Staff	\$0.00	\$3,653.52	-\$3,653.52	(100.0)%
Annual Leave	\$62,211.07	\$55,253.34	\$6,957.73	12.6%
Provn - Annual Leave	-\$2,533.67	\$4,598.73	-\$7,132.40	(155.1)%
Sick Leave	\$26,510.52	\$25,997.88	\$512.64	2.0%
Long Service Leave	\$0.00	\$46,363.03	-\$46,363.03	(100.0)%
Provn - Long Service Leave	\$14,400.00	-\$27,424.85	\$41,824.85	152.5%
Total Salaries	\$886,513.60	\$917,460.07	-\$30,946.47	(3.4)%
Salary on Costs				
Superannuation	\$81,702.47	\$75,961.17	\$5,741.30	7.6%
Workcover	\$18,394.89	\$18,711.35	-\$316.46	(1.7)%
Employment Expenses	\$707.94	\$4,495.45	-\$3,787.51	(84.3)%
Staff Training	\$5,016.90	\$197.53	\$4,819.37	2,439.8%
LDC PDP Training Expenses	\$0.00	\$9,302.49	-\$9,302.49	(100.0)%
Total Salary on Costs	\$105,822.20	\$108,667.99	-\$2,845.79	(2.6)%
Consumables				
Consumables - Art & Craft	\$2,075.92	\$2,192.73	-\$116.81	(5.3)%
Consumables - Hygiene	\$12,715.16	\$14,449.52	-\$1,734.36	(12.0)%
Food & Drink	\$32,320.99	\$35,151.82	-\$2,830.83	(8.1)%
Linen	\$1,233.29	\$1,426.30	-\$193.01	(13.5)%
Total Consumables	\$48,345.36	\$53,220.37	-\$4,875.01	(9.2)%
Administration				
Advertising	\$710.22	\$1,604.42	-\$894.20	(55.7)%

This report includes Year-End Adjustments.

Profit & Loss [Last Year Analysis]

July 2017 To June 2018

ABN: 45 020 026 742

	This Year	Last Year	\$ Difference	% Difference
Bad Debts	\$0.00	\$3,652.64	-\$3,652.64	(100.0)%
Computer Supplies	\$3,874.44	\$500.45	\$3,373.99	674.2%
Other	\$996.25	\$224.27	\$771.98	344.2%
Postage, Courier, Fuel Levy	\$274.15	\$580.08	-\$305.93	(52.7)%
Printing & Stationery	\$6,130.57	\$5,259.31	\$871.26	16.6%
Subscriptions & Memberships	\$3,697.57	\$4,452.23	-\$754.66	(17.0)%
Telephone, Internet & Mobile	\$3,695.24	\$2,638.45	\$1,056.79	40.1%
Record Management	\$280.00	\$0.00	\$280.00	NA
Website	\$210.45	\$705.45	-\$495.00	(70.2)%
Governance	\$1,486.52	\$1,851.12	-\$364.60	(19.7)%
Total Administration	\$21,355.41	\$21,468.42	-\$113.01	(0.5)%
Financial Services				
Bank Charges	\$74.40	\$76.00	-\$1.60	(2.1)%
Audit Fees	\$1,360.00	\$1,010.00	\$350.00	34.7%
Accountant	\$3,200.00	\$3,169.55	\$30.45	1.0%
Other	\$692.56	\$130.31	\$562.25	431.5%
Insurance	\$10,139.95	\$9,526.17	\$613.78	6.4%
Total Financial Services	\$15,466.91	\$13,912.03	\$1,554.88	11.2%
Equipment Purchases				
Books	\$180.00	\$119.96	\$60.04	50.1%
Outdoor Equipment	\$608.56	\$418.13	\$190.43	45.5%
Purchases - Children	\$3,591.13	\$1,077.66	\$2,513.47	233.2%
Purchases - Equipment	\$8,176.88	\$2,605.28	\$5,571.60	213.9%
Purchases - Kitchen	\$43.62	\$733.32	-\$689.70	(94.1)%
Purchases-Staff Resources	\$774.86	\$957.23	-\$182.37	(19.1)%
Total Equipment Purchases	\$13,375.05	\$5,911.58	\$7,463.47	126.3%
Maintenance				
Building & Equip Upgrade	\$1,423.87	\$36,319.06	-\$34,895.19	(96.1)%
Cleaning	\$17,251.82	\$17,909.46	-\$657.64	(3.7)%
Lawns/Garden	\$1,670.73	\$1,386.17	\$284.56	20.5%
Waste Disposal	\$2,258.27	\$1,492.85	\$765.42	51.3%
Build & Equip Maint & Repairs	\$10,868.73	\$11,462.20	-\$593.47	(5.2)%
Pest Control	\$1,580.93	\$1,067.27	\$513.66	48.1%
Alarm Monitoring	\$416.00	\$390.00	\$26.00	6.7%
Total Maintenance	\$35,470.35	\$70,027.01	-\$34,556.66	(49.3)%
Utilities				
Council Rates	\$549.25	\$524.65	\$24.60	4.7%
SA Water	\$1,741.94	\$2,667.52	-\$925.58	(34.7)%
Electricity	\$5,211.78	\$4,652.86	\$558.92	12.0%
Gas	\$2,592.71	\$2,530.14	\$62.57	2.5%
Emergency Services Levy	\$631.75	\$607.00	\$24.75	4.1%
Eastern Health Authority Inc	\$0.00	\$556.36	-\$556.36	(100.0)%
Total Utilities	\$10,727.43	\$11,538.53	-\$811.10	(7.0)%
Provisions				
Provn - Building Maintenance	\$0.00	\$4,992.00	-\$4,992.00	(100.0)%
Provn - Building Upgrade	\$140,000.00	\$24,996.00	\$115,004.00	460.1%
Provn - Equipment Maintenance	\$30,000.00	\$0.00	\$30,000.00	NA
Provn - Equipment Expenditure	\$0.00	\$19,712.35	-\$19,712.35	(100.0)%
Total Provisions	\$170,000.00	\$49,700.35	\$120,299.65	242.0%
Miscellaneous Expenses				
Excursions	\$1,060.91	\$209.09	\$851.82	407.4%

This report includes Year-End Adjustments.

Profit & Loss [Last Year Analysis]

July 2017 To June 2018

ABN: 45 020 026 742

	This Year	Last Year	\$ Difference	% Difference
Fundraising	\$821.28	\$3,233.68	-\$2,412.40	(74.6)%
Staff Benefits Fund	\$1,091.03	\$177.27	\$913.76	515.5%
Sundries	\$78.45	\$0.00	\$78.45	NA
Redevelopment				
Heating & Cooling	\$270.00	\$0.00	\$270.00	NA
Total Redevelopment	\$270.00	\$0.00	\$270.00	NA
Total Miscellaneous Expenses	\$3,321.67	\$3,620.04	-\$298.37	(8.2)%
Total Expenses	\$1,310,397.98	\$1,255,526.39	\$54,871.59	4.4%
Operating Profit	\$22,972.07	-\$44,929.15	\$67,901.22	151.1%
Other Income				
Sick Leave Prov'n NOT Req'd	\$0.00	\$9,680.56	-\$9,680.56	(100.0)%
Bldg Upgrade Prov NOT Req'd	\$0.00	\$11,205.01	-\$11,205.01	(100.0)%
Total Other Income	\$0.00	\$20,885.57	-\$20,885.57	(100.0)%
Total Other Expenses	\$0.00	\$0.00	\$0.00	NA
Net Profit/(Loss)	\$22,972.07	-\$24,043.58	\$47,015.65	195.5%

This report includes Year-End Adjustments.



Balance Sheet [Last Year Analysis]

June 2018

ABN: 45 020 026 742

	This Year	Last Year	\$ Difference	% Difference
Assets				
Current Assets				
Cash at Bank and on Hand				
ANZ Cheque Account	\$78,509.16	\$69,387.32	\$9,121.84	13.1%
ANZ Bank Classic	\$1,928.04	\$1,030.48	\$897.56	87.1%
Undeposited Funds	\$6,455.33	\$0.00	\$6,455.33	NA
ANZ V2 Investment Account	\$240,193.19	\$59,958.48	\$180,234.71	300.6%
Total Cash at Bank and on Hand	\$327,085.72	\$130,376.28	\$196,709.44	150.9%
Accounts Receivable				
Accounts Receivable - Fees	\$5,790.36	\$13,188.33	-\$7,397.97	(56.1)%
Fees/CCMS not yet billed	\$26,265.00	\$22,927.00	\$3,338.00	14.6%
Accounts Receivable (CCMS)	\$1,561.30	\$1,821.30	-\$260.00	(14.3)%
Total Accounts Receivable	\$33,616.66	\$37,936.63	-\$4,319.97	(11.4)%
Total Current Assets	\$360,702.38	\$168,312.91	\$192,389.47	114.3%
Non Current Assets				
Property Plant & Equipment				
Property Plant & Equip at Val'	\$880,000.00	\$880,000.00	\$0.00	0.0%
Total Property Plant & Equipment	\$880,000.00	\$880,000.00	\$0.00	0.0%
Total Non Current Assets	\$880,000.00	\$880,000.00	\$0.00	0.0%
Total Assets	\$1,240,702.38	\$1,048,312.91	\$192,389.47	18.4%
Liabilities				
Current Liabilities				
Sundry Creditors & Accruals				
Creditors	\$1,120.30	\$3,318.62	-\$2,198.32	(66.2)%
Accrued Salaries & costs	\$34,216.09	\$36,042.09	-\$1,826.00	(5.1)%
Group Tax Payable	\$10,358.00	\$12,326.00	-\$1,968.00	(16.0)%
Superannuation Payable	\$92.33	\$6,255.20	-\$6,162.87	(98.5)%
Workcover Payable	\$1,377.30	\$96.40	\$1,280.90	1,328.7%
Staff Benefits Fund	\$1,317.94	\$1,317.94	\$0.00	0.0%
Total Sundry Creditors & Accruals	\$48,481.96	\$59,356.25	-\$10,874.29	(18.3)%
GST Liabilities				
GST Collected	\$0.25	\$0.00	\$0.25	NA
GST Paid	-\$1,203.77	-\$1,140.19	-\$63.58	(5.6)%
GST - Adjustments	-\$22.00	-\$21.00	-\$1.00	(4.8)%
Total GST Liabilities	-\$1,225.52	-\$1,161.19	-\$64.33	(5.5)%
Parent Bonds	\$32,104.39	\$27,996.41	\$4,107.98	14.7%
Enrolments Advance CCMS	\$8,837.37	\$14,455.66	-\$5,618.29	(38.9)%
Provisions				
Provn for Building Upgrade	\$60,000.00	\$10,000.00	\$50,000.00	500.0%
Provn for Annual Leave	\$38,626.30	\$41,159.97	-\$2,533.67	(6.2)%
Provn for Long Service Leave	\$20,887.00	\$20,887.00	\$0.00	0.0%
Provn for Equipment Upgrade	\$5,000.00	\$5,000.00	\$0.00	0.0%
Provn for Building Maintenance	\$5,000.00	\$5,000.00	\$0.00	0.0%
Total Provisions	\$129,513.30	\$82,046.97	\$47,466.33	57.9%
Total Current Liabilities	\$217,711.50	\$182,694.10	\$35,017.40	19.2%
Non Current Liabilities				
Prov for Building Upgrade & Ma	\$130,000.00	\$40,000.00	\$90,000.00	225.0%
Prov for Long Service Leave	\$31,860.00	\$17,460.00	\$14,400.00	82.5%
Prov for Equipment Upgrade	\$50,000.00	\$20,000.00	\$30,000.00	150.0%

This report includes Year-End Adjustments.



Balance Sheet [Last Year Analysis]

June 2018

ABN: 45 020 026 742

	This Year	Last Year	\$ Difference	% Difference
Total Non Current Liabilities	\$211,860.00	\$77,460.00	\$134,400.00	173.5%
Total Liabilities	\$429,571.50	\$260,154.10	\$169,417.40	65.1%
Net Assets	\$811,130.88	\$788,158.81	\$22,972.07	2.9%
Equity				
Retained Earnings	-\$12,323.19	\$11,720.39	-\$24,043.58	(205.1)%
Current Earnings	\$22,972.07	-\$24,043.58	\$47,015.65	195.5%
Asset Revaluation Reserve	\$800,482.00	\$800,482.00	\$0.00	0.0%
Total Equity	\$811,130.88	\$788,158.81	\$22,972.07	2.9%

This report includes Year-End Adjustments.

