



# ANNUAL REPORT 2011







# Chairperson's report



**As I move around the sector speaking to practitioners, bureaucrats, and the people who work for organisations similar to Community Child Care, it is evident that while much has been achieved in the last year, there is still much more to do.**

It has been a big year for Community Child Care. We have been ever present in the sector: whether it be hosting forums, preparing resources, providing advice, writing submissions, making representations to Ministers, sitting on sector reference groups or offering professional development, we were there supporting and speaking for the sector. I am sure we will do even more of this in the coming 12 months.

Within the organisation, a great deal has also been achieved. We have reviewed our systems and policies, we have made changes within our management structure and how the organisation operates, we have implemented a new strategic plan that takes our 30 year history of supporting, advocating and resourcing children's services and envelopes it succinctly into our purpose for being: to inform, influence and inspire. We have also focused on strengthening and growing our position in the sector. Our collegial and strategic alliances are robust; our ability to influence government is supported by a membership which is strong and expanding; our service delivery is informed and responsive; and our structure is streamlined, accountable and ready for the future.

I said a 'big year': I should have said a 'huge year'! And so to the huge thank yous – to the people and organisations that have supported and contributed to the success of Community Child Care. Our CEO, Leanne Gibbs and the management team – Marie Deverill, Carolyn McGuinness, Arian Ploeg, Sylvia Sekuloska, Carol Nagel and Danielle Gallacher have done an outstanding job. Leanne's strong leadership is reflected in the continually increasing regard which with Community Child Care is held in the sector and by both State and Commonwealth governments. I know that every team member of Community Child Care is committed to making this organisation great and I thank

you all for your hard work and input.

Community Child Care could not accomplish as much as we do without the support of the Department of Education, Employment and Workplace Relations, NSW Family and Community Services and the NSW Department of Education and Communities. Thank you for your belief in us and for encouraging us to do, and achieve, more.

Thank you also to our strategic alliances and partners, Guild Insurance, Educational Experience and the organisations that comprise Children's Services Central. We value and appreciate your ongoing support.

Thanks to my fellow board members for their dedication and professionalism. Wendy Lindgren, Gerard Moon, Anita Jovanovski, Michelle Fishwick, Gary Withyman, Wendy Shepherd and Maria Pender. As always, the workload that our Board shoulders is tremendous. I also take this opportunity to thank Denise Taylor and the departing NCAC team for their dedication and contribution to the sector. The work undertaken by NCAC over the years has helped to influence and move the thinking around quality and practice.

In considering the future, I look to the past and cannot remember a year where the landscape of early childhood has changed so much. The NQF brings with it enormous promise, but it also brings much work. Integral to the work undertaken by Community Child Care remains the belief that the National Quality Framework will, of course, lead to better quality education and care for children. For children must always remain the centre of what it is that we and the sector work for. As with our like-minded partners, I say: bring it on!

*Bernadette Dunn*

**Bernadette Dunn**  
Chairperson, Community Child Care Co-operative (NSW) Ltd.





# CEO's report



**2010/11 has seen early education and care finally become a true focus for government action in the lead up to the start of the National Quality Framework.**

This year has been an exciting one of growth and change both within Community Child Care and the children's services sector. I noted last year that our efforts would no doubt be doubled in the coming year as we embraced the government reform agenda. I believe we have done just that and faced that workload with optimistic enthusiasm.

This enthusiasm is drawn from our commitment to children's rights and quality services for children and families.

In our role in professional development, we encourage services and educators to grow and adapt with change to meet new challenges and landscapes. We have certainly 'walked the talk' at Community Child Care in this last year!

A revised organisational structure was implemented within the organisation, ensuring discrete and focussed teams and program areas, and we undertook a modest office refurbishment to ensure comfort and adequate space for our people. Our *Strategic Directions 2011-2014*, charts a course for the future that aims to inform, influence and inspire educators, management and the children's services community and, in the years ahead, we will work in the spirit of our values of integrity, opportunity, education and learning, rights, and relationships.

In the year past, through our collaborative efforts, we have delivered professional development, training, support, resources and publications to our sector on the key areas of the National Quality Framework, Standards, Early Years Learning Framework and all aspects of the related reforms. Our work as a peak and advocacy body has ensured the presence of the community sector and also a wealth of information for all.

Our teams within Community Child Care deserve heartfelt thanks, along with our Managers: Carolyn McGuinness, Marie Deverill, Arian Ploeg, Carol Nagel, Sylvia Sekuloska; and Danielle Gallacher, Manager of our controlled entity, Children's Services Community Management. All have worked incredibly hard and with passion. Our Board – Bernadette Dunn, Wendy Lindgren, Maria Pender, Wendy Shepherd, Gary Withyman Gerard Moon, Anita Jovanovski and Michelle Hilton – have committed themselves to Board business with a supportive yet rigorous approach. Thank you also to our trusted and talented consultants: Lisa Bryant, and the team at ARMEDIA. The strength of our work is enhanced by our partnerships most notably within Children's Services Central with NSW Family Day Care, Network of Community Activities, Ethnic Child Care and Family Services, Contact Inc. and Semann & Slattery.

Thank you to our Members – your continued loyalty and feedback assists us in providing high quality services that enhance and enrich the sector. We look forward to the year ahead with determination and optimism.

*'Optimism is the faith that leads to achievement, nothing can be done without hope and confidence.'*

– Helen Keller

A handwritten signature in black ink, reading 'Leanne Gibbs'.

**Leanne Gibbs**  
CEO, Community Child Care Co-operative (NSW)





## undertook advocacy over the year

Managed by LEANNE GIBBS

Community Child Care sees one of our major roles as advocacy. Advocacy for children, families and the children's services that exist to provide NSW with high quality early education and care.

Over the 2010/2011 year, the key areas of our advocacy remained as always, affordability, accessibility and quality of early education and care. With both a Commonwealth and a NSW election occurring during this period, and a consequent change of government in NSW, the opportunities for advocating on these issues were high.

But of course, like the rest of the sector, a large amount of our advocacy time was spent on the National Quality Framework (NQF). Our aim around the NQF has always been to ensure that the outcomes it delivers remain true to the principles and high expectations that COAG had in framing it, while simultaneously ensuring that it worked for children's services.

### SUBMISSIONS

Community Child Care has made extensive submissions during the year about the:

- ▶ Draft Children's Services Amendment Regulation 2010;
- ▶ Productivity Commission ECEC Workforce Study;
- ▶ The draft National Regulations;
- ▶ 15 hours issue in relation to Universal Access; and
- ▶ Preschool Funding.

### FORUMS

Community Child Care hosted three important advocacy forums this year in partnership with other peak organisations, large providers and unions.

- ▶ **Childcare: An Election Issue Forum** (August 2010) with Education and Care spokespeople from all major parties in attendance.

**During 2010/2011 – Community Child Care made five extensive submissions and held three advocacy forums.**

- ▶ **In the wake of the Federal Election ... The Road Ahead for Children's Services Forum** (November 2010).
- ▶ **Children's Services and the State Election** (March 2011) with spokespeople from all major parties in attendance.

### COMMITTEES

Community Child Care has held representation on a range of state reference groups and consultative committees throughout the year.

### RESEARCH

Community Child Care has undertaken and published research on a range of issues affecting the sector during the year, including issues relating to the implementation of the 15 Hours Universal Access policy.

### OUR ADVOCACY SUCCESSIONS DURING THE 2010/11 YEAR?

- ▶ Getting agreement from all major parties to attend our NSW and Federal Election Forums;
- ▶ Raising the profile of early education and care issues in both elections;
- ▶ Ensuring that both the NSW and Commonwealth governments understood the need to resource the sector in the lead up to the NQF;
- ▶ Minister Adrian Piccoli agreeing to adapt funding for preschools by removing funding lags and the 15 per cent rule; and
- ▶ Hosting the 2010 CeeCees as a way of recognition for those who choose to work for and manage community-based not-for-profit services.

Community Child Care would like to thank every early education and care service and every individual who joined with us in advocacy over the last year.



# was the lead agency for Children's Services Central

Managed by CAROLYN McGUINNESS

**During 2010/2011 – Children's Services Central provided 565 professional development events to 13,048 participants.**

Children's Services Central has led the provision of National Quality Framework (NQF) professional development and support for children's services in NSW. We have provided two comprehensive Professional Development Calendars during this period, seeing a significant increase in both professional development opportunities and participation from the sector.

The focus of these Calendars has been NQF-related topics. Children's Services Central has delivered free NQF Information Sessions and built on educators knowledge through progressive NQF professional development opportunities; which have included 'National Quality Framework – Making Your Service NQF Ready' and through the 'National Quality Framework: Preparation Working Groups for Preschools and Long Day care Centres'. Children's Services Central has also worked with our counterparts in other states and territories through the Professional Support Co-ordinators through the Professional Support Co-ordinators' Alliance to develop and deliver nationally consistent professional development opportunities on the NQF.

Professional development opportunities and resources continue to focus on the identified and emerging needs of NSW children's services, with the Early Years Learning Framework (EYLF) remaining as a preferred topic.

Children's Services Central and our providers have delivered:

- ▶ 565 professional development events for 13,048 participants – 1,734 family day care (FDC), 1,379 Out-of-school hours care (OOSH) and 9,935 long day care (LDC);
- ▶ E-tips to 3,508 subscribers;
- ▶ 1,931 EYLF Team Meeting Packages sent to services – 97 FDC, 1,834 LDC;
- ▶ 667 Enduring Exchanges Packages sent to services – 14 FDC, 653 LDC;
- ▶ 980 onsite Bicultural Supports and 155 off-site Bicultural Supports;
- ▶ 386 Specialist Equipment loans – 6 per cent to FDC, 8 per cent to OOSH, 86 per cent to LDC;
- ▶ 4,525 General Resource Library loans for 269 members – 17 FDC members, 21 OOSH members, 231 LDC members;
- ▶ Mentoring Support for 20 pairs and 5 ISF pairs;
- ▶ Individual and Quality Assurance Support for 156 services – 4 FDC, 16 OOSH, 136 LDC;
- ▶ Support to 5,646 callers from children's services – 1,430 FDC, 1,340 OOSH, 2,876 LDC.









# provided Professional Development and Support

Managed by MARIE DEVERILL

**During 2010/2011 – Community Child Care delivered 167 professional development events to 3,155 participants and provided 207 customised training courses.**

The Professional Development and Support program is responsible for delivery of customised fee-for-service training, individual consultancies and provision of calendared training courses to long day care services and preschools through Children's Services Central.

The introduction of the National Quality Framework (NQF) and a new National Quality Standard (NQS) will provide consistency for the majority of children's services settings across Australia.

This will have immense benefit for program delivery and therefore, for outcomes for children.

The advent of the NQF has produced the greatest impact on the work of the Professional Development and Support program as the sector requests more and more professional learning in preparation for 1 January 2012. We recognise this need to know the 'what' and 'how' for long day care and preschool in particular and so have developed and delivered a wide range of training, available in a variety of modes, and at free or competitive rates.

The Professional Development and Support program, including our team of dedicated trainers, has travelled

the length and breadth of NSW facilitating delivery of sessions under the Children's Services Central Professional Development Calendar. Additionally, we have embraced the technological opportunities of webinars which can provide simultaneous training across a wider area direct to service or home computers. During 2010/2011, we delivered 167 calendar training sessions to 3,155 participants.

Our Mentoring, Individual Service Support and New Services programs have enabled over 120 services and individuals to be guided through a range of issues, such as NCAC accreditation, financial and management provision, and educational program and practice.

While keen to attend subsidised training, many services also use tailored fee-for-service training for staff professional development. This year we have facilitated professional learning on 33 different topics for 207 groups, including 47 preschool-specific NQF sessions.

The Professional Development and Support section has also undertaken a number of consultations throughout the year including local government development applications and planning for new child facilities.



# managed a successful Registered Training Organisation

Managed by ARIAN PLOEG

**During 2010/2011 – the Community Child Care RTO provided nationally recognised training to over 400 participants.**

Nationally recognised training offered by Community Child Care Co-operative's RTO (Registered Training Organisation) has been a success during the 2010/2011 financial year, with the Certificate III in Children's Services being a highlight. With all educators needing to hold this entry level qualification by 2014, many of those who have been employed in early education and care for some years have opted for the RPL (Recognition of Prior Learning) process to achieve this outcome. The number of employers and employees entering into traineeships for this qualification and for the next step, the Diploma of Children's Services, has grown dramatically over the year.

The RTO has also been training those who will train, assess, supervise and mentor their colleagues by providing the latest Training and Assessment qualification – the TAE 40110.

### DURING THE YEAR, WE ENROLLED:

- ▶ 7 people in the Promote team effectiveness unit;
- ▶ 64 people in the Diploma of Management;
- ▶ 112 people in the Certificate III in Children's Services;
- ▶ A Certificate III New Entrant Trainee;
- ▶ 21 people in the Diploma of Children's Services;
- ▶ 38 people in a Child Protection unit;
- ▶ 6 people in a Manage Children's Services unit;
- ▶ 74 people in a Food Safety unit;
- ▶ 63 people in Menu Planning;
- ▶ 22 in the Certificate IV in Training and Assessment.









# managed the Preschool Growth Program over the year

Managed by CAROL NAGEL

During 2010/2011 – the Preschool Growth Program completed the allocation of \$25.6 million dollars of funding to community-based preschools.

The Preschool Growth Program concluded on 30 June 2011. In its two and a half years of operation, the Preschool Growth Program:

- ▶ Completed nine rounds of funding recommendations through a rigorous assessment process;
- ▶ Made 555 individual funding recommendations;
- ▶ Approved total funding of \$25.6 million;
- ▶ Worked with preschools to grow 2,555 new spots with another 2,733 progressing (as at the end of December 2010);
- ▶ Developed PreschoolsNSW marketing initiatives, including a state-wide television advertising campaign, a website, and marketing materials;
- ▶ Had 27,000 visits to this website which profiles all community based preschools operating in NSW;
- ▶ Distributed 1,736 marketing kits to services across NSW;
- ▶ Distributed 723 preschool marketing packs to agencies that work with children and families;
- ▶ Arranged the broadcasting of the PreschoolsNSW television commercial across NSW in August 2010 and again in May 2011 on the Seven network and regional subsidiaries;

- ▶ Arranged the broadcast of the commercial as a community service announcement on a range of networks in May and June 2011;
- ▶ Resourced preschools through nine *Growing Places* newsletters and nine fact sheets on different issues;
- ▶ Developed and distributed capital works information packs;
- ▶ Hosted 61 regional forums;
- ▶ Provided over 100 preschools with finance support (to resoundingly positive feedback);
- ▶ Worked collaboratively with the PGP Reference Group – including hosting 11 meetings;
- ▶ Provided on-the-ground support via regionally-based project officers; and
- ▶ Had 13,608 (1 January 2009 to 30 June 2011) separate contacts with services (email, phone, visit, support).

While the Preschool Growth Program has concluded, Community Child Care will, of course, continue to support and resource NSW preschools.

## produced publications

During 2010/2011 – Community Child Care many publications for the early childhood education sector and its members.

COMMUNITY CHILD CARE IS JUSTIFIABLY PROUD OF OUR PUBLICATIONS.

- ▶ **Rattler** is the quarterly publication of Community Child Care and contains high-quality essays and articles about a wide range of social, economic, educational and political issues that affect the childcare sector, from both industry and human interest perspectives.
- ▶ **Broadside** is the monthly six-page newsletter of Community Child Care and brings you all the latest childcare industry political news and comments. *Broadside* is an issues-orientated newsletter – providing up to the minute commentary on political issues affecting the childcare industry.
- ▶ **Shortside** is our email newsletter keeps service informed about all the latest news and issues as they happen. Over 66 issues were sent to over 4,000 subscribers.
- ▶ **Central News** sent to 4,400 services quarterly.
- ▶ **Children's Services Central Professional Development Calendar** – 9,700 calendars distributed twice yearly across NSW.
- ▶ **Central E-news** – distributed as needed to all early and middle education and care services in NSW.
- ▶ **NQF e-Tips** – 17 NQF e-Tips sent to 3,730 current subscribers.

OTHER PUBLICATIONS PRODUCED THIS YEAR INCLUDE:

- ▶ *Growing Places* and Preschool Growth Program Fact Sheets;
- ▶ 2011 Children's Services Diary;
- ▶ *Broadside* Briefing Papers;
- ▶ Changes in ECEC In July 2010 – Community Child Care produced a special 'Change' edition of *Rattler* which covered all the then new changes affecting the early education and care sector;
- ▶ Professional Support Co-ordinator's Alliance NQF Fact Sheets and Newsletter. Community Child Care produced these factsheets and newsletter for the Professional Support Co-ordinator's Alliance for distribution to services across Australia;
- ▶ Recruitment and Selection Guide; and
- ▶ *Love to Learn* – A Professional Support Needs Analysis of Child Care Practitioners Across NSW.
- ▶ *Contemporary Research Insights* – An occasional journal translating contemporary sector research for practitioners.

Community Child Care also provides two websites – [www.ccccnsw.org.au](http://www.ccccnsw.org.au) and [www.cscentral.org.au](http://www.cscentral.org.au)









## COMMUNITY CHILD CARE

### managed our Finances, Systems and Human Resources

Managed by SYLVIA SEKULOSKA

**During 2010/2011 – Community Child Care managed finances of over \$19 million.**

2010/11 saw a change to our 'accounts' section with the bringing in of systems and human resources to this area. The new unit was physically relocated to the original Community Child Care building at Addison Road.

The role of the Finances, Systems and Human Resources section of Community Child Care is to provide support in finance, systems and human resources to enable Community Child Care's management and Board to make informed decisions. We also ensure compliance to enable the organisation to successfully operate and grow.

Community Child Care has a very large volume of financial transactions. In bookings to professional

development events through Children's Services Central alone, we handled over 13,000 individual transactions throughout the year! We work at ensuring our business structure is robust enough to accommodate this workload and any changes and developments which occur to the organisation. We ensure that the activities we undertake support the productive functioning of the other areas of Community Child Care.

One of our major successes this year was the accurate and timely processing of over \$9 million of funding for preschools via the Preschool Growth Program.

## COMMUNITY CHILD CARE

### operated Children's Services Community Management

Managed by DANIELLE GALLACHER

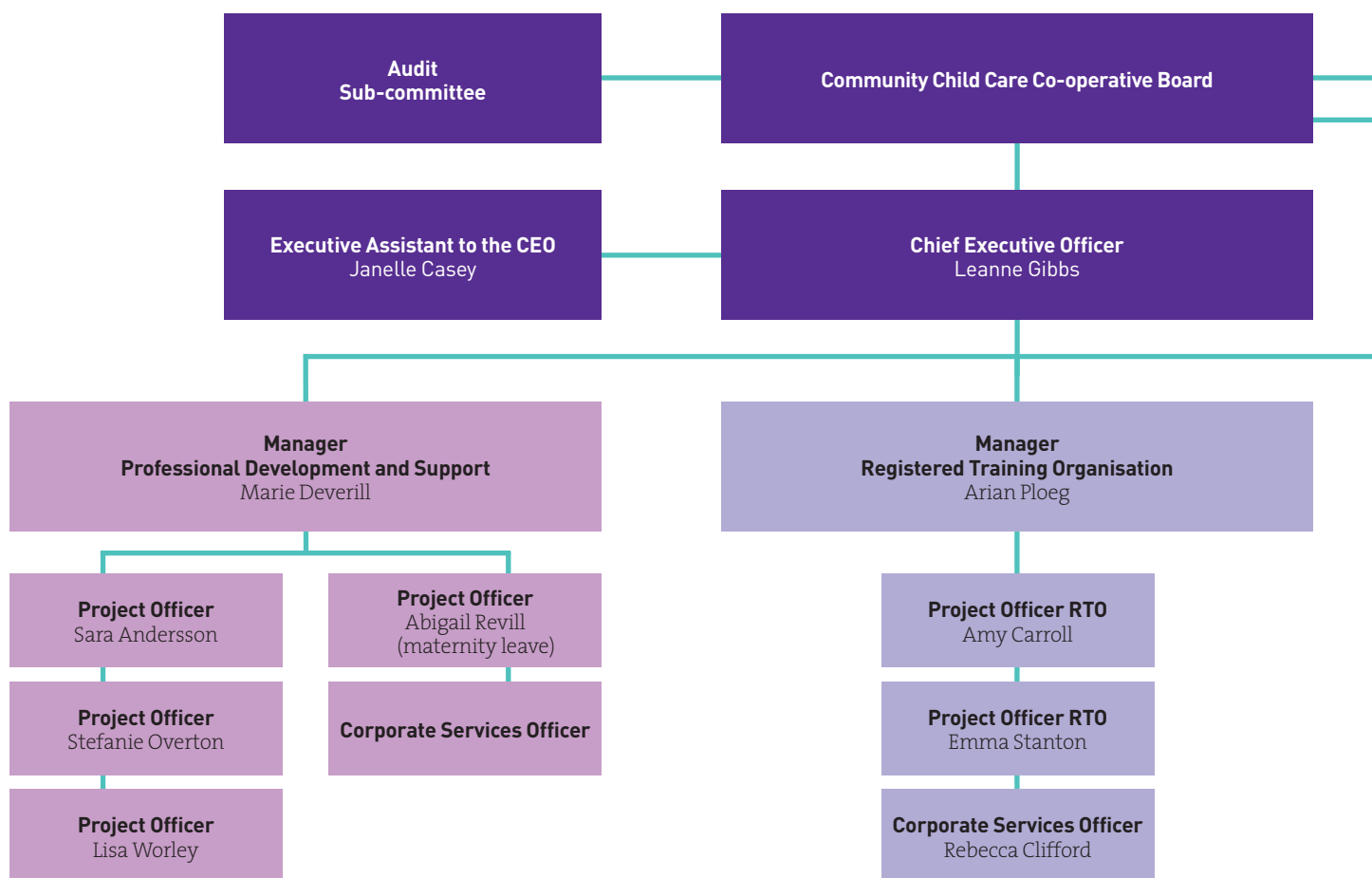
**In 2010/2011 – CSCM managed two long day care services and three preschools.**

Children's Services Community Management (CSCM) is a wholly controlled entity of Community Child Care.

A separate 2010/2011 Annual Report has been prepared for CSCM. Please see [www.cscommunity.org.au](http://www.cscommunity.org.au)

# Our people

The following staff have left the organisation since the last Annual Report: Treena Cutmore, Marilyn Thorpe, Alison Wallis, Vanessa Peacock, Renate Gebhart-Jones, Maryann Kirkby and Kerri Jacobsen. This chart is correct as at July 2011.

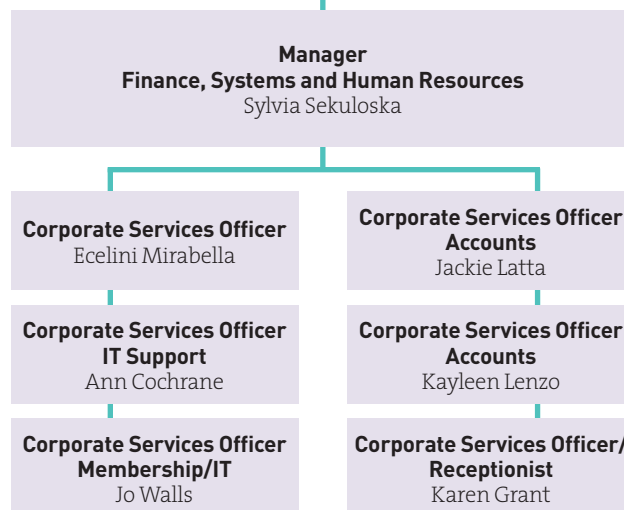
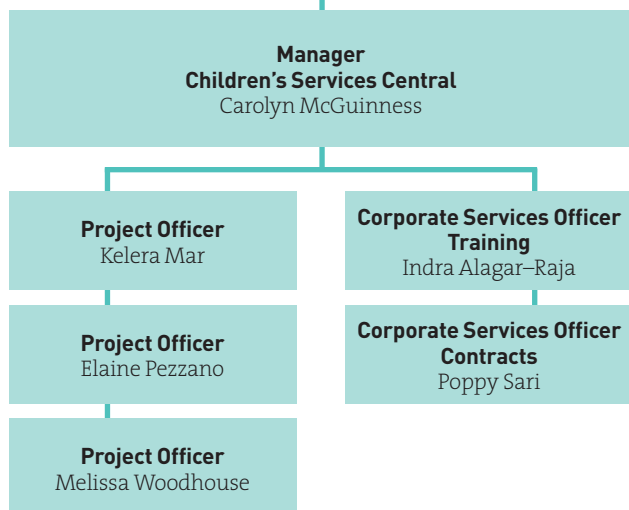




Until 30 June 2011

**Children's Services Central  
Sub-committee**

**Preschool Growth Program  
Reference Group**



# Financial report

COMMUNITY CHILD CARE CO-OPERATIVE (NSW) LIMITED ABN 81 174 903 921

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2011

The directors of Community Child Care Co-Operative (NSW) Limited present their report for the year ended 30 June 2011.

### DIRECTORS

The directors in office at any time during or since the end of the year are:

Bernadette Dunn (Chairperson)	Wendy Lindgren
Gary Withyman	Gerard Moon
Wendy Shepherd	Maria Pender
Anita Jovanovski	Michelle Fishwick (resigned 14/09/2010)

Directors have been in office since the start of the financial year to the date of this report, unless otherwise stated.

### PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the entity consisted of:

- operating an accessible central body of information and resources;
- undertaking both an advocacy/lobby role and a liaison/networking role; and
- providing training and research facilities.

### OPERATING RESULTS

The net result of operations for the year was a profit of \$781,240 (2010: \$1,992).

### REVIEW OF OPERATIONS

Community Child Care Co-Operative (NSW) Limited was active in promoting and supporting good quality children's services in NSW. It has continued to advocate on specific issues, providing training for staff and management committees and to provide advice, support and publications to children's services.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the entity during the financial year.

### DIRECTORS' MEETINGS

During the financial year, 10 Meetings of Directors were held. Attendees were:

	Number Eligible to Attend	Number Attended
Bernadette Dunn (Chairperson)	10	9
Wendy Lindgren	10	10
Gary Withyman	10	8
Anita Jovanovski	10	10
Maria Pender	10	7
Gerard Moon	10	9
Wendy Shepherd	10	6
Michelle Fishwick (resigned October 2009)	3	3

Signed at Sydney on 13 October 2011, in accordance with a resolution of the directors.

*Bernadette Dunn*

Director, Bernadette Dunn

Note	2011 \$	2010 \$
------	------------	------------

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

<b>REVENUE</b>	2	19,034,908	12,020,105
Cost of Sales of Publications	3	(60,954)	(105,328)
Depreciation	3	(62,327)	(68,661)
Accounting & Auditing		(56,983)	(103,692)
Advertising & Marketing		(247,596)	(150,908)
Board Expenses		(16,524)	(36,207)
Computers & Office Equipment		(34,117)	(65,079)
Contractor & Consulting		(861,198)	(768,166)
Employment Benefits		(2,493,760)	(2,537,573)
Insurance		(9,514)	(11,982)
Motor Vehicles		(23,805)	(32,031)
Printing/Postage		(101,663)	(258,352)
Professional Support Service Provider Contract		(4,154,279)	(3,995,563)
Pre-school Growth Program		(9,088,400)	(3,361,972)
Rent		(70,061)	(68,174)
Repairs & Maintenance		(37,847)	(37,628)
Travel & Accommodation		(95,261)	(78,140)
Utility Expenses		(96,870)	(68,970)
Web Development Cost		(46,941)	(50,102)
Other Expenses		(695,566)	(219,585)
<b>Profit/(Loss) for the year</b>	3	<b>781,240</b>	<b>1,992</b>

Other comprehensive income	-	-
----------------------------	---	---

<b>Total comprehensive income for the year</b>	<b>781,240</b>	<b>1,992</b>
--	----------------	--------------

<b>Total comprehensive income attributable to the entity</b>	<b>781,240</b>	<b>1,992</b>
--	----------------	--------------

	Note	2011 \$	2010 \$
<b>STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011</b>			
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	11	3,816,755	7,547,041
Receivables	4	736,079	464,103
Inventories	5	50,780	76,997
Other Assets	6	41,617	105,711
<b>TOTAL CURRENT ASSETS</b>		<b>4,645,231</b>	<b>8,193,852</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	265,967	184,045
<b>TOTAL NON-CURRENT ASSETS</b>		<b>265,967</b>	<b>184,045</b>
<b>TOTAL ASSETS</b>		<b>4,911,198</b>	<b>8,377,897</b>
<b>CURRENT LIABILITIES</b>			
Payables	8	3,831,045	8,100,118
Provisions	9	157,578	161,249
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,988,623</b>	<b>8,261,368</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9	30,701	5,895
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>30,701</b>	<b>5,895</b>
<b>TOTAL LIABILITIES</b>		<b>4,019,324</b>	<b>8,267,263</b>
<b>NET ASSETS</b>		<b>891,875</b>	<b>110,634</b>
<b>EQUITY</b>			
Retained Profits	10	891,875	110,634
<b>TOTAL EQUITY</b>		<b>891,875</b>	<b>110,634</b>

	Note	
<b>STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011</b>		
		Retained Earnings (\$)
Balance at 1 July 2009		372,476
Correction of prior period errors	1(o)	(263,834)
Profit/(Loss) for the year		1,992
Total other comprehensive income for the year		-
Balance at 30 June 2010		<b>110,634</b>
Profit/(Loss) for the year		781,240
Total other comprehensive income for the year		-
Balance at 30 June 2011		<b>891,875</b>

#### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

##### CASH FLOWS FROM OPERATING ACTIVITIES

Grants received	14,804,543	9,241,652
Receipts from customers	1,941,961	971,483
Payments to suppliers and employees	(20,443,246)	(13,035,810)
Interest received	110,703	75,993
Net cash used in operating activities	11 (b) (3,586,038)	(2,746,683)

##### CASH FLOWS FROM INVESTING ACTIVITIES

Receipts from sale of property, plant & equipment	10,909	-
Payments for purchase of property, plant & equipment	(155,157)	(52,375)
Net cash used in investing activities	(144,248)	(52,375)

##### CASH FLOWS FROM FINANCING ACTIVITIES

Net cash used in financing activities	-	-
Net increase in cash held	(3,730,286)	(2,799,059)
Cash at the beginning of the financial year	7,547,041	10,346,100
Cash at the end of the financial year	11 (a) 3,816,755	7,547,041



# Financial report

COMMUNITY CHILD CARE CO-OPERATIVE (NSW) LIMITED ABN 81 174 903 921

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The co-operative is registered under the *Co-operatives Act 1992*. This general purpose financial report has been prepared in accordance with the requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and in accordance with the historical cost convention.

A summary of the significant accounting policies adopted by the entity is set out below. The policies adopted are consistently applied unless otherwise stated.

#### (a) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes direct materials and is assigned on a weighted average basis.

#### (b) Recoverable amount of non-current assets

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in the net profit or loss in the reporting period in which the recoverable amount write-down occurs.

The expected net cash flows included in determining recoverable amounts of non-current assets are discounted to their present values using a market-determined, risk-adjusted discount rate.

#### (c) Depreciation of property, plant and equipment

Depreciation is calculated on a straight line basis to write off the net cost of each depreciable non-current asset during its expected useful life. The expected useful lives are as follows:

Leasehold Building	11 years
Plant & Equipment	5 years
Furniture and Fittings	5 years
Computer Equipment	3 years

#### (d) Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the entity, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over 11 years.

#### (e) Leased non-current assets

Operating lease payments are charged to the income statement in the periods in which they are incurred.

#### (f) Maintenance and repairs

Maintenance, repair costs and minor renewals are charged as expenses as incurred.

#### (g) Website costs

Costs in relation to websites controlled by the entity are charged as expenses in the period in which they are incurred unless they related to the acquisition of an asset, in which case they are capitalised and amortised over their period of the expected benefit.

#### (h) Employee benefits

Liabilities for employee benefits are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

#### (i) Grants

Grants received which are intended to cover expenditure for a specific period will only be taken into account as income to the extent that they relate to the current financial period.

#### (j) Income tax

The entity has obtained an exemption from income tax.

#### (k) Cash

For the purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

#### (l) Receivables

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

#### (m) Trade and other creditors

These amounts represent liabilities for services provided to the entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (n) Revenue recognition

Revenue comprises the amounts received and receivable for goods and services supplied to customers in the ordinary course of business. Revenue is brought to account in the accounting period that it is earned.

#### (o) Correction of prior year errors

During the 2009/10 financial year the directors became aware that the treatment of fringe benefits paid to members of staff had been treated incorrectly. The Directors were previously advised that the company was exempt from FBT. This has proved to be incorrect. The company is an FBT Rebataable Entity. The relevant returns for prior years have been prepared and lodged with the Tax office. The estimates of tax liability were bought to account in the years that they related as follows:

- i) For the 2010 year the liability for the 2010 FBT to March was included in the results together with an accrual for the period from 1st April 2010 to 30th June 2010.
- ii) For the prior year the amount of the FBT Payable as at 31st March 2009 period was included in the comparatives.
- iii) For the periods prior to 2009 an adjustment was made against the opening retained earnings.

	2011 \$	2010 \$
--	------------	------------

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### 2 REVENUE

Grants	17,013,089	10,836,219
Management Fee	41,198	101,717
Advertising	13,640	1,605
Membership	195,835	164,349
Publications	47,121	87,751
Subscriptions	28,503	27,489
Training/Consulting	531,440	478,004
Other Income	909,194	123,732
	18,780,021	11,820,866

Income from outside the operating activities

Interest	110,703	75,993
Referral Income	144,184	123,245
	254,887	199,238
Revenue	19,034,908	12,020,105

### 3 PROFIT/(LOSS) FOR THE YEAR

Net gains and expenses

Profit for the year includes the following specific net gains and expenses:

Expenses		
Cost of Sales	60,954	105,328

Depreciation

Leasehold Building Improvements	11,775	12,654
Computer Equipment	23,888	23,346
Furniture and Fittings	1,549	1,383
Motor Vehicles	23,621	29,557
Plant and Equipment	1,494	1,720
Total Depreciation	62,327	68,661

Rental Expenses Relating to Operating Leases

Minimum Lease Payments	70,061	68,174
------------------------	--------	--------

	2011 \$	2010 \$
--	------------	------------

### 4 RECEIVABLES

Trade debtors	361,813	286,522
Less: Provision for doubtful debts	(1,429)	(500)
	360,384	286,022

Loan to CSCM	371,291	139,476
GST Receivable	4,404	38,605
	736,079	464,103

### 5 INVENTORIES

Publications	50,780	76,997
	50,780	76,997

### 6 OTHER ASSETS

Prepayments	41,617	105,711
	41,617	105,711

### 7 PROPERTY, PLANT AND EQUIPMENT

Leasehold Building – at cost	282,111	159,065
Less: accumulated depreciation	(135,529)	(123,753)
	146,582	35,312

Plant and Equipment – at cost	14,802	13,184
Less: accumulated depreciation	(10,511)	(8,982)
	4,291	4,202

Computer Equipment – at cost	106,900	92,678
Less: accumulated depreciation	(88,578)	(64,727)
	18,322	27,951

Motor Vehicles – at cost	145,461	166,472
Less: accumulated depreciation	(67,066)	(53,729)
	78,395	112,743

Furniture and Fittings – at cost	30,769	14,679
Less: accumulated depreciation	(12,391)	(10,842)
	18,378	3,837

	265,967	184,045
--	---------	---------



# Financial report

COMMUNITY CHILD CARE CO-OPERATIVE (NSW) LIMITED ABN 81 174 903 921

	2011 \$	2010 \$
--	------------	------------

## 8 PAYABLES

Trade Creditors and Accruals	289,883	596,023
Grants Received in Advance	3,217,938	6,772,352
Other Income Received in Advance	171,912	171,482
FBT Payable	151,312	560,262
	<u>3,831,045</u>	<u>8,100,118</u>

## 9 PROVISIONS

### CURRENT

Provision for Annual Leave	138,413	139,429
Provision for Parental Leave	19,165	21,820
	<u>157,578</u>	<u>161,249</u>

### NON-CURRENT

Provision for Long Service Leave	30,701	5,895
----------------------------------	--------	-------

## 10 RETAINED PROFITS

Retained Profits at the beginning of the year	110,634	372,476
Correction of prior period errors	-	(263,834)
Profit/(Loss) for the year	781,240	1,992
Retained Profits at the end of the year	<u>891,875</u>	<u>110,634</u>

## 11 RECONCILIATION OF CASH

- (a) Cash at the end of the year, as shown in the Statement of Cash Flows, is reconciled to the related item in the Statement of Financial Position as follows:

Cash on Hand	300	300
Cash at Bank	828,241	7,444,754
Short-term Deposits	2,988,214	101,987
	<u>3,816,755</u>	<u>7,547,041</u>

	2011 \$	2010 \$
--	------------	------------

## (b) RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO PROFIT FOR THE YEAR

Profit/(Loss) for the year	781,240	1,992
Depreciation	62,327	68,661
(Increase) Decrease in Receivables	(271,976)	(204,647)
(Increase) Decrease in Other Assets	64,094	(79,044)
(Increase) Decrease in Inventories	26,217	(48,694)
(Decrease) Increase in Payables	(4,269,073)	(2,494,569)
(Decrease) Increase in Provisions	21,134	9,618
Net Cash Flow Provided by Operating Activities	<u>(3,586,038)</u>	<u>(2,746,683)</u>

## 12 FINANCIAL INSTRUMENTS

### (a) Credit risk exposure

The credit risk on financial assets of the entity which have been recognised in the statement of financial position is generally the carrying amounts, net of any provision for doubtful debts.

### (b) Interest rate risk exposure

The entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and liabilities is set out below.

	Floating interest rate (\$)	Non-interest bearing (\$)
Cash at bank	3,816,755	
Receivables		736,079
	<u>3,816,755</u>	<u>736,079</u>
Weighted average interest rate	2%	
Creditors and accruals		3,831,045
Net financial assets/(liabilities)	<u>3,816,755</u>	<u>(3,094,966)</u>

### (c) Net fair value of financial assets and liabilities

The net fair value of financial assets and liabilities approximates their carrying value.

	2011	2010
	\$	\$

### 13 SEGMENT INFORMATION

The entity operates in the child care industry and only in Australia.

### 14 AUDITORS' REMUNERATION

Total amounts receivable by the auditors for the audit of the financial report	20,000	20,000
Remuneration for other services	–	63,745
	20,000	83,745

### 15 LEASING COMMITMENTS

#### Operating Leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	16,653	12,527
Later than one year but not later than 5 years	22,993	27,141
	39,646	39,668

#### Rental Operating Lease

Commitments for minimum lease payments in relation to cancellable rental leases are payable as follows:

Within one year	76,978	75,172
Later than one year but not later than 5 years	–	–
	76,978	75,172

### 16 KEY MANAGEMENT PERSONNEL COMPENSATION

Short-term benefits	140,963	164,143
Post-employment benefits	12,372	12,096
	153,335	176,239

### 17 EVENTS AFTER BALANCE SHEET DATE

Since the end of the financial year, no circumstances have arisen which would materially affect these financial statements.

### 18 ENTITY DETAILS

The registered office of the entity is:  
Community Child Care Co-operative (NSW) Limited  
Building 21, 142 Addison Road, Marrickville NSW 2204

### DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2011

The directors of the entity declare that:

- The financial statements and notes are in accordance with the Co-operatives Act 1992:
  - comply with Accounting Standards; and
  - give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the entity;
- In the opinion of the directors there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board of Directors.

*Bernadette Dunn*

Director, Bernadette Dunn

Signed at Sydney on 13 October 2011, in accordance with a resolution of the Directors.

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITY CHILD CARE CO-OPERATIVE (NSW) LIMITED

#### Report on the Financial Statements

We have audited the financial statements of the Community Child Care Co-Operative (NSW) Limited being the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements and the Director's Declaration for the year ended 30 June 2011.

#### Directors' Responsibility for the Financial Statements

The directors of the Community Child Care Co-Operative (NSW) Limited are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

#### Independence

In conducting our audit, we have complied with applicable independence requirements of Australian professional ethical announcements.

#### Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Community Child Care Co-Operative Limited as at 30 June 2011, and of its financial performance and its cash flows for the year then ended in accordance with the Co-operatives Act 1992 and Australian Accounting Standards (including Australian Accounting Interpretations.)

**HILL ROGERS SPENCER STEER**

Assurance Partners

**BRETT HANGER**  
Partner

*B. Hanger*

Dated at Sydney, this 13th day of October 2011.

