

Alpine Children's Services Incorporated

ABN 87 882 601 364

Financial statements for year ended 31 December 2017

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Statement of profit or loss and other comprehensive income for the year ended 31 December 2017

	Note	12 months to 31 Dec 2017 \$	6 months to 31 Dec 2016 \$
Revenue			
Commonwealth Care Benefits		1,597,951	755,483
Grant and program funding		593,098	308,832
Fees		1,307,419	620,884
Fundraising		14,555	10,090
Donations		360	2,021
Other Income		9,896	17,729
Expenses			
Salaries and wages		2,841,850	1,495,099
Administration		183,986	111,214
Repairs and Maintenance		77,898	25,143
Depreciation		14,267	6,474
Food & Drink		111,295	53,783
Program Expenses		40,282	12,112
Other Expenses		107,742	88,520
Financial income		8,876	8,311
Net financing income		8,876	8,311
Net profit/(loss) for the period		154,835	(68,995)
Other comprehensive income		-	-
Total comprehensive income		154,835	(68,995)

The statement of profit or loss and other comprehensive income should be read in conjunction with the notes to and forming part of the financial statements as set out on pages 5 to 12.

Statement of changes in equity
for the year ended 31 December 2017

	Note	At 31 Dec 2017 \$	At 31 Dec 2016 \$
Opening balance		159,577	228,572
Net profit/(loss) for the period		154,835	(68,995)
Closing balance		314,412	159,577

The statement of changes in equity should be read in conjunction with the notes to and forming part of the financial statements as set out on pages 5 to 12.

Statement of financial position as at 31 December 2017

	Note	At 31 Dec 2017 \$	At 31 Dec 2016 \$
Current Assets			
Cash and cash equivalents	3	411,334	340,375
Trade and other receivables		105,048	68,480
Investments	4	396,826	387,613
Total Current Assets		913,208	796,468
Non Current Assets			
Plant and equipment	5	43,806	64,994
Total Non-Current Assets		43,806	64,994
Total Assets		957,014	861,462
Current Liabilities			
Trade and other payables	6	218,992	271,485
Employee benefits	7	390,506	404,057
Total Current Liabilities		609,498	675,542
Non-Current Liabilities			
Employee benefits	7	33,104	26,343
Total Non-Current Liabilities		33,104	26,343
Total Liabilities		642,602	701,885
Net Assets		314,412	159,577
Equity			
Retained earnings		314,412	159,577
Total Equity		314,412	159,577

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 5 to 12.

Statement of cash flows

For the year ended 31 December 2017

	Note	12 months to 31 Dec 2017 \$	6 months to 31 Dec 2016 \$
Cash flows from operating activities			
Cash receipts in the course of operations		3,537,925	1,737,569
Cash payments in the course of operations		(3,462,318)	(1,730,876)
Interest received		8,876	8,311
Net cash from operating activities	8	84,483	15,004
Cash flows from investing activities			
Purchase of term deposits		(9,213)	(5,288)
Purchase of Property, Plant & Equipment		(4,311)	(10,818)
Net cash from/(utilised in) investing activities		(13,524)	(16,106)
Net increase/(decrease) in cash held		70,959	(1,102)
Cash at the beginning of the period		340,375	341,477
Cash at the end of the period	3	411,334	340,375

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 5 to 12.

Notes to and forming part of the financial statements for the year ended 31 December 2017

1. Statement of significant accounting policies

Alpine Children's Services Incorporated (ACS) is an association incorporated in Victoria under the *Associations Incorporation Reform Act 2012*, and has its principal place of business located at Deacon Avenue, Bright, Victoria.

Change of reporting period and balance date

During the prior year the financial balance date of the Association was changed from 30 June to 31 December so as to be coterminous with the education year. Accordingly, the comparative information is for the 6 month period from 1 July 2016 to 31 December 2016. As a result, the comparative figures stated in the statement of profit or loss and other comprehensive income, statement of changes in equity, cash flow statement and related notes are not comparable.

(a) Statement of compliance

In the opinion of the Board of Management, ACS is not a reporting entity. The financial statements of ACS have been drawn up as special purpose financial statements to meet the reporting needs of ACS and to satisfy the requirements of the *Associations Incorporation Reform Act 2012*.

The financial statements have been prepared in accordance with the *Associations Incorporation Reform Act 2012*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 '*Presentation of Financial Statements*', AASB 107 '*Statement of Cash Flows*', AASB 108 '*Accounting Policies, Changes in Accounting Estimates and Errors*', and AASB 1054 '*Australian Additional Disclosures*'.

The financial statements are presented in Australian Dollars.

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention and, except where stated, do not take into account changing money values or fair value of assets.

The accounting policies which have been adopted are as set out below.

Not-for-profit status

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) requirements. ACS has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently where appropriate, ACS has elected to apply options and exemptions within AIFRS that are applicable to not-for-profit entities.

Notes to and forming part of the financial statements for the year ended 31 December 2017 (continued)

1. Statement of significant accounting policies (continued) (b) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Trade and other receivables

Receivables are recognised at cost, less any provision for impairment.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the Australian Taxation Office. Revenue is measured on major income categories as follows:

Fees

Revenue is recognised for fees when the services are performed.

Government Grants

Government grants and subsidies are recognised as income in the period to which they relate and not when they are received. Grants received in advance are treated as a liability.

Income is recognised when ACS obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to ACS and the amount of the contribution can be measured reliably.

Donations

Donations are recognised at the time the pledge is made.

Interest Revenue

Interest revenue is recognised as it accrues.

(e) Tax

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST incurred is not recoverable from the Australian Tax Office (ATO). Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. The GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the ATO are classified as operating activities.

Income Tax

Alpine Children's Services is exempt from income tax.

Notes to and forming part of the financial statements for the year ended 31 December 2017 (continued)

1. Statement of significant accounting policies (continued)

(f) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation/amortisation and impairment losses.

Fixed assets with a cost in excess of \$1,000 are capitalised at historical cost and are depreciated over their estimated useful lives. Assets of less than \$1,000 are expensed as equipment purchases.

Depreciation/ amortisation

Depreciation/Amortisation is charged to the statement of profit or loss over the estimated useful lives of each part of an item of property, plant and equipment. The incorporated association does not own the land or buildings in which it operates. Throughout the year, the incorporated association revised the useful lives of each class of asset. In some cases, this resulted in both an increase and a decrease to the useful lives of the assets. The depreciation rates and methodology applied in the current period are as follows:

Leasehold improvements	10%
Plant and equipment	10% - 20%
Office Equipment	10% - 33.3%

(g) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Employee entitlements

Annual Leave

This provision for employee entitlements to annual leave has been calculated on the basis of pro-rata entitlements under appropriate awards, based on current wage rates and includes related on-costs.

Long Service Leave

The liability for employees' entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employee's service provided up to the balance date. In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the ACS's experience with staff departures. Related on-costs have also been included in the liability.

Where ACS does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(i) Going concern basis of preparation

The Association reported a net profit for the year of \$154,835 (31 December 2016: loss of \$68,995).

ACS reports positive net cash flows from operating activities of \$84,483 (31 December 2016: \$15,004) and a surplus of working capital (being the amount the current assets exceed current liabilities) of \$303,710 as at 31 December 2017 (31 December 2016: \$120,926).

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The value attributed to the ACS's assets represent true and fair values on the basis that ACS is a going concern.

The Board of Management have reviewed the future budgeted operating position, the ongoing demand of early childhood services, continued subsidies & grants available from the government to supplement income, sufficient investments in term deposits which can be drawn upon to support cash flow if required and are satisfied that it is appropriate to prepare the financial statements on the going concern basis.

(j) New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting year ended 31 December 2017. The Association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Notes to and forming part of the financial statements for the year ended 31 December 2017 (continued)

2. Fundraising operations	12 months to 31 Dec 2017	6 months to 31 Dec 2016
	\$	\$
Fundraising income	14,555	10,090
Items purchased from fundraising income	(11,820)	(8,350)
	<hr/>	<hr/>
Net income from fundraising	<u>2,735</u>	<u>1,740</u>
3. Cash and cash equivalents	At 31 Dec 2017	At 31 Dec 2016
	\$	\$
ACS - Cheque account	387,727	318,628
AVCC - Family & Friends - Fundraising account	13,500	12,704
LVCC - Family & Friends - Fundraising account	5,239	5,477
MVCC - Family & Friends - Fundraising account	4,868	2,691
Petty cash	-	875
	<hr/>	<hr/>
	<u>411,334</u>	<u>340,375</u>
4. Investments	At 31 Dec 2017	At 31 Dec 2016
	\$	\$
Investment accounts consist of:		
Bendigo Bank		
- Term deposit #1	181,929	177,209
- Term deposit #2	109,059	106,140
- Term deposit #3	105,838	104,264
	<hr/>	<hr/>
	<u>396,826</u>	<u>387,613</u>

Notes to and forming part of the financial statements
for year ended 31 December 2017 (continued)

5. Plant and equipment	At 31 Dec 2017	At 31 Dec 2016
	\$	\$
<i>Leasehold Improvements</i>		
At cost	36,764	54,904
Accumulated depreciation	(23,453)	(22,529)
	13,311	32,375
<i>Plant and Equipment</i>		
At cost	69,300	88,847
Accumulated depreciation	(42,509)	(63,012)
	26,791	25,835
<i>Office Equipment</i>		
At Cost	13,510	28,798
Accumulated Depreciation	(9,806)	(22,014)
	3,704	6,784
	43,806	64,994

	Leasehold improvements	Plant and equipment	Office Equipment	Total
	\$	\$	\$	\$
Balance at 1 January 2017	32,375	25,835	6,784	64,994
Additions	-	2,289	2,362	4,651
Revaluations	-	-	-	-
Internal transfers	(12,960)	12,594	366	-
Disposals	(2,060)	(5,402)	(4,109)	(11,572)
Depreciation	(4,044)	(8,525)	(1,698)	(14,267)
Balance at 31 December 2017	13,311	26,791	3,704	43,806

Notes to and forming part of the financial statements for the year ended 31 December 2017 (continued)

6. Trade and other liabilities	At 31 Dec 2017 \$	At 31 Dec 2016 \$
Trade creditors	32,760	53,992
Salary & Wages Accrual	79,370	105,242
Audit Accrual	5,500	5,440
PAYG	51,906	37,904
GST Payable	6,443	-
NAB Credit Card	2,960	4,913
Superannuation Payable	39,094	63,273
Union Fees Payable	959	721
	218,992	271,485
7. Employee benefits		
<i>Current</i>		
Provision for holiday pay	111,512	140,205
Provision for long service leave	278,994	263,852
	390,506	404,057
<i>Non-Current</i>		
Provision for long service leave	33,104	26,343
	423,610	430,400
	12 months to 31 Dec 2017 \$	6 months to 31 Dec 2016 \$
8. Notes to the cash flow statement		
Operating profit	154,835	(68,995)
Add/(less) non-cash items		
Depreciation	14,267	6,473
Loss on disposal of assets	11,232	13,988
Provision for ELE	(6,790)	77,984
Net cash from operating activities before change in assets and liabilities	173,544	29,450
Changes in assets and liabilities during the period		
Decrease/(increase) in trade & other receivables	(36,568)	(1,300)
(Decrease)/increase in trade & other payables	(52,493)	44,239
(Decrease)/increase in income in advance	-	(57,385)
Net cash from operating activities	84,483	15,004

Notes to and forming part of the financial statements for the year ended 31 December 2017 (continued)

9. Remuneration of auditors

	12 months to 31 Dec 2017	6 months to 31 Dec 2016
	\$	\$
During the period the following fees were paid or payable for services provided by the auditor of ACS.		
Audit of the financial statements	5,500	5,440

10. Board member remuneration

Under the rules of incorporation, each Board member who attends a Board meeting may claim a contribution towards costs incurred in relation to their preparation and attendance of that meeting. This is at a rate of \$20 per meeting and is paid annually. Throughout the period, amounts have been paid to Board members in respect of these costs.

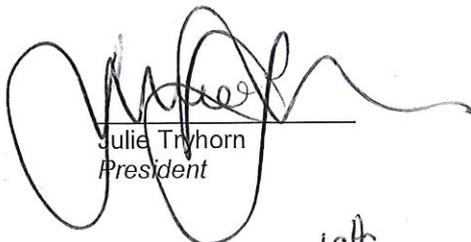
11. Subsequent events

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Board of Management, to affect significantly the operations of ACS, the results of those operations, or the state of affairs of ACS in subsequent financial years.

Board of Management Declaration

We, the President and Treasurer of Alpine Children's Services Incorporated declare, in our opinion:

1. The attached special purpose financial statements for Alpine Children's Services Incorporated are properly drawn up so as to present fairly the financial position of Alpine Children's Services at 31 December 2017 and the results of its operations for the year ended, in accordance with the accounting policies applied as outlined in Note 1 to the financial report,
2. In accordance with the requirements of the *Association Incorporations Reform Act 2012*:
 - (a) The financial statements give a true and fair view of all income and expenditure of Alpine Children's Services Incorporated with respect to fundraising appeals;
 - (b) The statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals;
 - (c) The provisions of the *Association Incorporations Reform Act 2012* and the regulations under that Act and the conditions attached to the authority have been complied with for the year 1 January 2017 to 31 December 2017, and
 - (d) The internal controls exercised by Alpine Children's Services Incorporated are appropriate and effective in accounting for all income received.



Julie Tryhorn
President



Jeanette McLaren
Treasurer

Dated at Bright this 19th day of April 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALPINE CHILDREN'S SERVICES INC

Opinion

We have audited the financial report of Alpine Children's Services Incorporated (ACS), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Board of management.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of ACS as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 1 and the *Associations Incorporation Reform Act 2012*.

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 are independent of ACS 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 to assist ACS to meet the requirements of the *Associations Incorporation Reform Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Management for the Financial Report

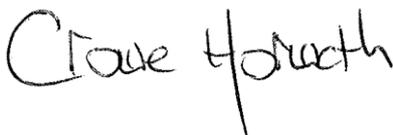
The Board of Management is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the Board of Management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Management is responsible for assessing ACS'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 Board of Management either intends to liquidate ACS or to cease operations, or has no realistic alternative but to do so.

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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.



CROWE HORWATH ALBURY



BRADLEY D. BOHUN

Partner

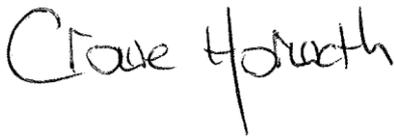
Dated at Albury this 19th day of April 2018

ALPINE CHILDREN'S SERVICES INCORPORATED
DISCLAIMER

The detailed income and expenditure statement presented on page 17-18 ('additional financial information') has been prepared based on the books and records of Alpine Children's Services Inc. for the year ended 31 December 2017.

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

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.



CROWE HORWATH ALBURY



BRADLEY D BOHUN
Partner

Dated at Albury this 19th day of April 2018

Detailed income and expenditure statement for the year ended 31 December 2017

	12 months to 31 Dec 2017 \$	6 months to 31 Dec 2016 \$
Income		
Cwlth Childcare Benefit	1,597,951	755,483
Community Support Funding	124,986	56,288
Long Day Care PDP Funding	-	57,385
Vic Department of Education & Training	391,714	169,577
Donations	360	2,021
Fees	1,307,419	620,884
Fundraising Income	14,555	10,091
Government Community Grants	1,000	5,235
Conference Income	-	7,414
Interest Received	8,876	8,311
Inclusion Support Funding	75,398	18,774
Job Employment Training Scheme	3,923	1,572
Other Income General	1,990	2,235
Workcover Insurance Recoveries	3,983	8,081
	-	-
Total Income	3,532,155	1,723,351
Expenses		
Advertising and Promotion	4,120	6,769
Audit Fees	5,500	5,440
Bank Charges	7,889	4,343
Board Expenses	780	961
Child Supplies	33,928	15,026
Conference Expenses	-	7,059
Consumables	9,561	2,946
Debt Collection	108	-
Depreciation	14,267	6,474
Donations	100	-
Electricity	30,494	12,729
FDC Contractors	38,068	13,522
Food & Drink	111,295	53,783
Fundraising Expenses	11,820	8,351
Gas	2,154	1,113
Information Technology	15,842	25,354
Insurance	5,852	-
Lease Payments Photocopier	11,680	6,938
Loss on disposal of assets	11,232	13,988
Outside Play space Projects	16,484	21,525
Office Supplies	5,850	2,996

Alpine Children's Services Incorporated
Annual Financial Report
ABN 87 882 604 364

	12 months to 31 Dec 2017 \$	6 months to 31 Dec 2016 \$
Professional Services	8,531	2,695
Program Equipment & Supplies	35,535	16,018
Provision for LSL Annual Leave	(6,790)	77,983
Water Rates	6,782	2,597
Repairs and Maintenance	77,898	32,217
Staff General Expenses	5,436	5,124
Staff Training	15,198	7,212
Staff Travel	6,007	3,417
Staff Uniforms	14,652	5,125
Subscriptions & Registrations	8,537	5,120
Superannuation	240,341	125,342
Telephone	14,753	7,317
Wages	2,564,321	1,270,188
Waste Removal	5,118	1,088
Workers' Compensation	43,977	21,586
Total Expenses	3,377,320	1,792,346

Where necessary, comparative information for the detailed income and expenditure statement has been adjusted to reflect revised account numbers in the current period.