



Community Child Care Association Inc.

ABN 90 494 504 678

Annual financial report

For the year ended 30 June 2022

Community Child Care Association Inc.

Suite 8 West, Bell City, 215 Bell Street, Preston VIC 3072

Tel 03 9486 3455 Fax 03 9486 3271

Email reception@cccinc.org.au Web www.cccinc.org.au

Community Child Care Association Inc.

ABN 90 494 504 678

Annual financial report For the year ended 30 June 2022

Contents

	Page
Statement of profit or loss and other comprehensive income.....	1
Statement of financial position.....	2
Statement of changes in equity.....	3
Statement of cash flows.....	4
Notes to the financial statements.....	5
1 Statement of significant accounting policies.....	5
2 Grants and service agreements.....	8
3 Other income.....	8
4 Employee benefits expense.....	8
5 Service delivery costs.....	9
6 Grants distributed.....	9
7 Depreciation.....	9
8 Other expenses.....	9
9 Cash and cash equivalents.....	10
10 Receivables.....	10
11 Equipment.....	10
12 Leases.....	11
13 Payables.....	11
14 Provisions.....	12
15 Income received in advance.....	12
16 Reserves and retained surplus.....	12
17 Cash flow information.....	13
18 Commitments.....	13
19 Auditors' remuneration.....	13
20 Significant changes in operations.....	14
21 COVID-19 impact.....	14
22 Events after the reporting period.....	15
Declaration by members of the board.....	16
Auditor's independence declaration.....	17
Independent auditor's report.....	18

Community Child Care Association Inc.
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Grants and service agreements	2	8,579,579	9,822,394
Trainings and conferences		228,336	194,844
Membership fees		80,345	75,254
Interest		2,358	5,529
Other income	3	6,126	706,039
Total income		8,896,744	10,804,060
Expenditure			
Employee benefits expense	4	2,678,236	2,351,018
Service delivery costs	5	551,040	528,465
Grants distributed	6	5,436,370	7,111,932
Accommodation expenses		105,916	112,710
Administrative expenses		35,521	32,139
Communications		72,469	74,355
Depreciation	7	13,980	17,423
Finance costs		1,245	1,020
Other expenses	8	134,551	87,864
Total expenditure		9,029,328	10,316,926
Net result for the period		(132,584)	487,134
Other comprehensive income (expense)		-	-
Total comprehensive result for the period		(132,584)	487,134

The accompanying notes form part of these financial statements.

Community Child Care Association Inc.
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	9	1,863,595	5,131,532
Receivables	10	1,934,574	64,627
Prepayments		83	7,334
Total current assets		3,798,252	5,203,493
Non-current assets			
Equipment	11	1,000	1,178
Right-of-use assets	12	13,671	13,932
Total non-current assets		14,671	15,110
Total assets		3,812,923	5,218,603
Liabilities			
Current liabilities			
Payables	13	1,415,853	2,740,018
Lease Liabilities	12	14,203	14,324
Provisions	14	558,601	489,816
Income received in advance	15	744,908	734,937
Total current liabilities		2,733,565	3,979,095
Non-current liabilities			
Provisions	14	28,277	55,843
Total non-current liabilities		28,277	55,843
Total liabilities		2,761,842	4,034,938
Net assets		1,051,081	1,183,665
Equity			
Reserves		200,608	200,786
Retained surplus		850,473	982,879
Total equity	16	1,051,081	1,183,665

The accompanying notes form part of these financial statements.

Community Child Care Association Inc.
Statement of changes in equity
For the year ended 30 June 2022

	Note	Retained surplus \$	Reserves \$	TOTAL \$
Balance at 1 July 2020		491,862	204,669	696,531
Net result for the period		487,134		487,134
Reserve transfers	16	3,883	(3,883)	-
Balance at 30 June 2021		982,879	200,786	1,183,665
Net result for the period		(132,584)		(132,584)
Reserve transfers	16	178	(178)	-
Balance at 30 June 2022	16	850,473	200,608	1,051,081

The accompanying notes form part of these financial statements.

Community Child Care Association Inc.
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Grants and service agreements (inclusive of GST)		7,515,839	10,375,324
Other receipts (inclusive of GST)		381,013	1,113,798
Employee benefits paid		(2,683,917)	(2,311,910)
Grants distributed (inclusive of GST)		(7,083,788)	(5,528,348)
Payments to suppliers (inclusive of GST)		(996,469)	(529,780)
Interest received		2,387	5,715
Interest paid		(1,245)	(1,020)
Net GST paid to ATO		(388,096)	(295,812)
Net cash provided by (used in) operating activities	17	(3,254,275)	2,827,967
Cash flow from financing activities			
Principal portion of lease payments		(13,662)	(13,540)
Net cash used in financing activities		(13,662)	(13,540)
Net change in cash held		(3,267,937)	2,814,427
Cash and cash equivalents at beginning of year		5,131,532	2,317,105
Cash and cash equivalents at end of year	9	1,863,595	5,131,532

The accompanying notes form part of these financial statements.

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2022

Note 1. Statement of significant accounting policies

The financial statements cover Community Child Care Association Inc. ("CCC" or "the association") as an individual entity. CCC is an incorporated association in Victoria under the *Associations Incorporation Reform Act 2012 (Victoria)*, a Registered Australian Body with the Australian Securities and Investments Commission (ASIC) under the *Corporations Act 2001 (Cth)*, and a registered charity with the Australian Charities and Not-for-profits Commission (ACNC).

Basis of preparation

The board of CCC has determined that the association is not a reporting entity because there are no users who rely on general purpose financial statements for financial information about the entity. These financial statements are therefore special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012 (Victoria)* and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to a 'tier three association' under the *Associations Incorporation Reform Act 2012* and a 'large charity' under the *Australian Charities and Not-for-profits Commission Act 2012*, and comply with the recognition and measurement requirements in Australian Accounting Standards. CCC is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, apart from cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated.

Accounting policies

The following material accounting policies have been applied in preparing the financial statements for the year ended 30 June 2022 and the comparative information for the year ended 30 June 2021, unless otherwise stated.

(a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the association, and where specific performance obligations exist, those obligations have been satisfied. Revenue is measured at the fair value of the consideration received or receivable. Specific revenues are recognised as follows:

Grants

Where grant contracts are enforceable and have sufficiently specific performance obligations, revenue is deferred and first recognised as a liability in the statement of financial position (income received in advance) until such obligations are met, then recognised as revenue in the statement of comprehensive income as performance occurs in accordance with grant requirements. Grants are otherwise recognised as revenue when control of the underlying assets received or receivable has been obtained and it is probable that the economic benefits will flow to the entity.

Rendering of services

Revenue from the rendering of services is recognised upon the delivery of the services to the customer, and where delivery is in progress, by reference to the performance obligations satisfied to that stage.

Sale of goods

Revenue from the sale of goods is recognised upon delivery of the goods to the customer.

Membership fees

Membership fees are received in advance throughout the year and first recognised as a liability in the statement of financial position (income received in advance), then allocated to revenue on a monthly pro rata basis, from the date of membership commencement or renewal.

Interest

Interest revenue is recognised on a proportional basis as it accrues, taking into account the effective yield on the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2022

(b) Cash and cash equivalents

Cash and cash equivalents comprises at-call and short term deposits held with financial institutions and cash on hand.

(c) Receivables

Receivables comprise trade and other short-term amounts owing to the association. Receivables are recognised and carried at the nominal amounts due for settlement less any impairment losses.

(d) Equipment

Each class of fixed asset is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of physical assets is reviewed annually to ensure it is not materially in excess of the recoverable amount from these assets.

Depreciation

Fixed assets are capitalised and depreciated on a straight-line basis over their useful lives commencing from the time assets are held ready for use. The capitalisation threshold for the recognition of individual fixed assets is \$3,000 (2021: \$3,000).

The depreciation rates used for each class of depreciable assets are:

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Computer equipment	10-40%
Office furniture and equipment	5-33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

(e) Leases (the entity as lessee)

At inception of a contract, the association assesses if the contract is, or contains, a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the association. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the association uses its incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(f) Impairment of assets

The association assesses the carrying amounts of its assets at the end of each reporting period for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated at the higher of the asset's fair value less costs to sell and value in use, and compared against its carrying amount. Any excess of the asset's carrying value over its recoverable amount is recognised as an impairment loss in the statement of profit or loss and other comprehensive income.

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2022

(g) Payables

Payables represent trade and other short-term liabilities for goods and services provided to the association prior to the end of the financial year which are unpaid. Payables are stated at cost.

(h) Provisions

Provisions are made when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. The amounts recognised represent an estimate of the obligations as at the end of the reporting period.

(i) Income received in advance

Income received in advance represents liabilities for amounts received by the association in advance of the related delivery of goods or services, for which contractual obligations exist. Refer also *Note 1 (a): Revenue*.

(j) Employee benefits

The association recognises liabilities for employee benefits which are in exchange for services rendered by employees or for the termination of employment. These benefits include salaries and wages, accumulating annual and long-service leave, superannuation and redundancy entitlements.

Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, including related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits plus related on-costs.

Superannuation Guarantee Contributions are made by the entity to employee-nominated superannuation funds and are charged as expenses as they become payable.

(k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for investing and financing activities, the GST component of which is disclosed as part of operating cash flow.

(l) Income Tax

CCC is endorsed as an income tax exempt charity under Division 50 (Subdivision 50-B) of the *Income Tax Assessment Act 1997*.

(m) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Accounting judgments and estimates

The preparation of the association's financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. Estimates and assumptions are based on historical experience, best available current information and reasonable expectations of future events. Actual results may differ from estimates.

Estimates and assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised in the period or periods affected by the revision.

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2022

(o) New and revised accounting standards

The association has applied Australian Accounting Standards that are mandatory for the current reporting period. Several amended standards became effective during the period, none of which had a material impact on the association's financial statements.

The association has assessed that there are no new or amended accounting standards that have been issued but are not yet effective which will have an expected material impact on the association's financial statements in the period of initial application.

Note 2. Grants and service agreements

	2022	2021
	\$	\$
Department of Education, Skills and Employment (Commonwealth) *	8,457,196	9,781,672
Department of Education and Training (Victoria)	66,401	17,267
Other	55,982	23,455
Total grants and service agreements	8,579,579	9,822,394

* Includes funds received for Victorian Inclusion Agency partners under the Inclusion Support Programme (ISP). Refer *Note 20: Significant changes in operations* for further information.

Note 3. Other income

	2022	2021
	\$	\$
Cash Flow Boosts	-	37,500
JobKeeper wage subsidies	-	653,400
All other	6,126	15,139
Total other income	6,126	706,039

Note 4. Employee benefits expense

	2022	2021
	\$	\$
Salaries and wages	2,357,258	2,092,552
Change in accrued entitlements	41,219	39,897
Superannuation	251,662	196,566
Workcover	28,097	22,003
Total employee benefits expense	2,678,236	2,351,018

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2022

Note 5. Service delivery costs

	2022	2021
	\$	\$
Contractors	392,344	418,932
Marketing and promotion	19,854	21,872
Printing and production	42,516	24,078
Resource materials	28,236	26,091
Travel expenses	50,765	21,168
Venue hire and catering	11,661	7,896
Other service delivery costs	5,664	8,428
Total service delivery costs	551,040	528,465

Note 6. Grants distributed

Amounts represent the share per year of Department of Education, Skills and Employment (Commonwealth) funding applicable to Victorian Inclusion Agency partners under the Inclusion Support Programme, as follows:

	2022	2021
	\$	\$
KU Children's Services	3,287,091	3,992,066
Yooralla	2,149,279	3,119,866
Total grants distributed	5,436,370	7,111,932

Note 7. Depreciation

	2022	2021
	\$	\$
Equipment	178	3,491
Right-of-use assets *	13,802	13,932
Total depreciation	13,980	17,423

* See also *Note 12: Leases*.

Note 8. Other expenses

	2022	2021
	\$	\$
Equipment-related expenses *	14,191	38,825
Staff professional development	110,748	44,805
All other	9,612	4,234
Total other expenses	134,551	87,864

* Includes mainly project-related minor equipment purchases and equipment repairs and maintenance costs.

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2022

Note 9. Cash and cash equivalents

	2022	2021
	\$	\$
Cash in bank accounts	1,478,442	4,746,809
Cash in short term deposits	385,153	384,723
Total cash	1,863,595	5,131,532

Note 10. Receivables

	2022	2021
	\$	\$
Trade debtors	1,880,832	47,033
Sundry debtors	53,742	17,594
Total receivables	1,934,574	64,627

Note 11. Equipment

	2022	2021
	\$	\$
Computer equipment:		
At cost	64,507	64,507
Accumulated depreciation	(64,507)	(64,505)
Total computer equipment	-	2
Office furniture and equipment:		
At cost	15,010	15,010
Accumulated depreciation	(14,010)	(13,834)
Total office furniture and equipment	1,000	1,176
Total equipment	1,000	1,178

Movements in carrying amounts

Movement in carrying amounts for each class of equipment between the beginning and the end of the current financial year:

	Computer equipment	Office furn & equip	Total
	\$	\$	\$
Balance at 1 July 2020	3,317	1,352	4,669
Depreciation expense	(3,315)	(176)	(3,491)
Balance at 30 June 2021	2	1,176	1,178
Depreciation expense	(2)	(176)	(178)
Carrying amount at 30 June 2022	-	1,000	1,000

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2022

Note 12. Leases

The association has a two-year tenancy lease for business premises in regional Victoria, covering the period July 2020 to June 2022. The lease has been measured in accordance with the association's accounting policy as outlined in *Note 1 (e): Leases*. The impact of the lease on the financial statements is as follows:

(a) Amounts recognised in the statement of financial position

	2022	2021
	\$	\$
Right-of-use assets:		
Leased building, recognised at commencement of lease	41,405	27,864
Accumulated depreciation	(27,733)	(13,932)
Net carrying amount	13,671	13,932
Lease liabilities:		
Current	14,203	14,324
Total lease liabilities	14,203	14,324

(b) Amounts recognised in the statement of profit or loss

	2022	2021
	\$	\$
Depreciation charge related to right-of-use assets	13,802	13,932
Interest expense on lease liabilities (under <i>finance costs</i>)	1,029	1,020
Total operating expenses	14,831	14,952

(c) Amounts recognised in the statement of cash flows

	2022	2021
	\$	\$
Cash outflow for principal portion of lease payments	13,662	13,540
Total cash outflows	13,662	13,540

The association also holds several service contracts in relation to the use of office space for its other business premises. These contracts comprise either licence or occupancy arrangements rather than commercial tenancy leases. The commitments associated with these arrangements are shown under *Note 18: Commitments*.

Note 13. Payables

	2022	2021
	\$	\$
Trade creditors	1,090,339	2,445,356
Accrued expenses	224,358	165,504
Goods and Services Tax (GST) payable	66,204	60,246
Pay-As-You-Go (PAYG) withholding tax payable	34,952	68,912
Total payables	1,415,853	2,740,018

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2022

Note 14. Provisions

	2022	2021
	\$	\$
Current		
Employee benefits		
-- Annual leave	220,965	190,242
-- Long-service leave	103,747	71,575
-- Other benefits	233,889	227,999
Total current	558,601	489,816
Non-current		
Employee benefits		
-- Long-service leave	28,277	55,843
Total non-current	28,277	55,843
Total provisions	586,878	545,659

Note 15. Income received in advance

	2022	2021
	\$	\$
Grants in advance	631,670	649,289
Memberships in advance	44,586	41,526
Training and other income in advance	68,652	44,122
Total income received in advance	744,908	734,937

Note 16. Reserves and retained surplus

Movements in equity

Movement in balances for reserves and retained surplus:

	Fixed & other asset reserve	Other reserves	Retained surplus	Total equity
	\$	\$	\$	\$
Balance at 1 July 2020	4,669	200,000	491,862	696,531
Increase (decrease) for year	(3,883)	-	491,017	487,134
Balance at 30 June 2021	786	200,000	982,879	1,183,665
Increase (decrease) for year	-	-	(132,584)	(132,584)
Balance at 30 June 2022	786	200,000	850,295	1,051,081

Nature and purpose of reserves

Fixed and other asset reserve

This reserve represents equity that is invested in fixed assets and other illiquid assets and therefore not available for other purposes. The level of the reserve equates to the net carrying amount of fixed and other assets held; movements in the reserve represent changes in the carrying amount of those assets.

Other reserves

Other reserves include funds set aside for other purposes including future equipment purchases / asset upgrades and funds held for contingency purposes. The amount at balance date comprised the contingency reserve.

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2022

Retained surplus

This represents the level of unrestricted funds available for general use.

The board of CCC reviews reserves on a regular basis and has discretion to alter the nature and purpose of reserves with reference to the entity's operating requirements.

Note 17. Cash flow information

	2022	2021
	\$	\$
Reconciliation of net result from statement of profit or loss and other comprehensive income to cash flow from operating activities:		
Net result	(132,584)	487,134
Non-cash flows in net result		
Depreciation	13,980	17,423
Changes in operating assets and liabilities		
(Increase) decrease in receivables	(1,869,947)	80,731
(Increase) decrease in prepayments	7,251	(3,954)
Increase (decrease) in payables	(1,324,165)	2,580,840
Increase in provisions	41,219	39,896
(Decrease) increase in income received in advance	9,971	(374,103)
Net cash provided by (used in) operating activities	(3,254,275)	2,827,967

Note 18. Commitments

The association holds several service contracts comprising either a licence or occupancy arrangement in relation to the use of office space for its business premises. Management has assessed that these contracts do not confer the rights of tenancy inherent in a commercial lease and accordingly no recognition and measurement of right-of-use assets or associated liabilities have been required. The costs associated with these contracts have been recognised as they occur as accommodation expenses in the statement of profit and loss and other comprehensive income.

As discussed in *Note 11: Leases*, the association also holds a two-year commercial tenancy lease for business premises in regional Victoria, which has been measured in the statement of financial position in accordance with the association's lease accounting policy as outlined in *Note 1 (e): Leases*.

The combined minimum expected payment commitments under all the association's office space arrangements, for licence / occupancy and lease arrangements, was \$144,262 (2021: \$86,130).

Note 19. Auditors' remuneration

	2022	2021
	\$	\$
Remuneration of the auditors of the association, Curtain & Co., for:		
-- Audit of the annual financial report and funding acquittals	10,150	10,630
Total auditors' remuneration	10,150	10,630

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2022

Note 20. Significant changes in operations

The current reporting period represents the sixth year of service delivery under the major Inclusion Support Programme (ISP) contract with the Australian Government Department of Education, Skills and Employment. The contract commenced 1 July 2016 for an initial three-year period and has subsequently been extended to 30 June 2023

As of 30 June, 2022 the organisation has a net asset position of \$1,051,081 (2021: \$1,183,665). In the event the ISP does not continue past June 2023, the organisation has made adequate provisions for employees who will be required to be made redundant. The organisation will continue with core business services to deliver consulting and training. The current level of net assets continues to afford the organisation an accountable financial buffer to continue to deliver large body of work.

Note 21. COVID-19 impact

The association's operating circumstances have been affected by the coronavirus (COVID-19) outbreak, which was declared a pandemic by the World Health Organisation in March 2020. The COVID-19 situation is unprecedented and has adversely impacted the Australian economy, including for the effects of government restrictions. Management continues to assess the current and potential implications of COVID-19 for the association.

The impact on the association has been reflected in reduced trading revenue in the first quarter of the financial year. The COVID-19 financial assistance from the Australia Government has ceased since March-21, see *Note 3*. The impact of COVID-19 has been reflected in these financial statements.

The board of CCC expects a constrained environment to remain in effect in the next financial year, and operations will continue to be monitored and adjusted as necessary in response, though it remains difficult to accurately determine the extent of modifications that may be required and the potential impact on financial results. Notwithstanding, the board believes the association has appropriate financial capacity to meet its ongoing obligations.

Community Child Care Association Inc.
Notes to the financial statements
For the year ended 30 June 2022

Note 22. Events after the reporting period

Except as disclosed in Note 20, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of CCC, the results of those operations, or the state of affairs of CCC in subsequent financial years.

The Directors have reviewed the performance and position of the organisation and consider that the going concern basis is appropriate for the preparation of the financial report due to the following factors:

- 1) The ending of COVID-19 global pandemic and removal of the government travel restrictions will have a positive impact on the organisation's operation and service delivery.
- 2) The Board and Management has engaged external consultants to build business cases and delivery models that will be used as part of philanthropy fund and tender applications.
- 3) The Management is working on the renewal of the ISP or new tender.

The Directors are of the opinion that the organisation will continue to operate on a going concern basis.

**Community Child Care Association Inc.
Declaration by members of the board
For the year ended 30 June 2022**

In accordance with a resolution of the members of the board of Community Child Care Association Inc. ("CCC"), the board declares that:

In the opinion of the board:

1. The financial statements and notes, as set out on pages 1 to 15, satisfy the requirements of the *Associations Incorporation Reform Act 2012 (Victoria)* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - a. complying with the Australian Accounting Standards applicable to the entity and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - b. giving a true and fair view of the financial position of CCC as at 30 June 2022 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that CCC will be able to pay all of its debts as and when they become due and payable.

On behalf of the board of CCC,

Signed:



Linda Davison (Chair)

Signed:



Brian Newman (Treasurer)

Dated this 29th day of September 2022

**Auditor's Independence Declaration
To the Directors of Community Child Care Association Incorporated**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Community Child Care Association Incorporation for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- i. No contraventions of the auditor independence requirements of the 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit

Curtain & Co Audit Pty Ltd



Peter Gillis
Partner

Address: Level 3, 369 Royal Parade PARKVILLE VIC 3052

Dated: 30 September 2022

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THE COMMUNITY CHILD CARE ASSOCIATION INCORPORATED**

Opinion

I have audited the financial report of Community Child Care Association Incorporated (the Association), which comprises the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by members of the Board.

In my opinion, the accompanying financial report of the Association is in accordance with the *Associations Incorporation Reform Act 2012* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2022 and of its financial performance and cash flows for the year then ended; and
- ii. complying 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

I conducted my audit 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 the Association in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (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 have also fulfilled my other 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 opinion.

Emphasis of Matter - Basis of Accounting

Without further modifying my opinion, I 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 the executive Board's reporting responsibilities under the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Other Matters

In March 2020, the Australian Government declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions. The impact on the association has been reflected in reduced trading revenue in the first quarter of the financial year.

Information Other than the Financial Report and Auditor's Report Thereon

The Board are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2022 but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report in accordance with Australian Accounting Standards, the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as management determines is necessary to enable the preparation of the financial report that 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 related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

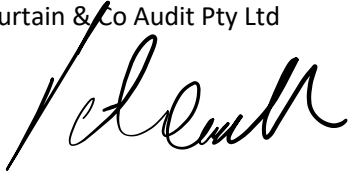
The Board are responsible for overseeing the Association's financial reporting process.

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 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 the financial report.

A further description of my responsibilities for the audit of the financial report is included in Appendix A of this auditor's report. This description, which is located directly after the audit report, forms part of my auditor's report.

Curtain & Co Audit Pty Ltd



Peter Gillis
Partner

Address: Level 3, 369 Royal Parade PARKVILLE VIC 3052

Dated: 30 September 2022

Appendix A: Auditor's Responsibilities for the Audit of the Financial Report

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement 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 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 related disclosures made by management.
- Conclude on the appropriateness 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 the Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my 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 my auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.