



ANNUAL REPORT 2018

PO Box 12163
A'Beckett Street
Melbourne, VIC 8006

THE ASSOCIATION OF GRADUATES IN EARLY CHILDHOOD STUDIES

Level 5, 100 Leicester Street, The University of Melbourne, VIC 3010

PO Box 12163 A'Beckett Street Melbourne VIC 8006

COUNCIL MEMBERS

President	Maree Wiggins
Vice-President	Alannah Dore
Honorary Treasurer	Avril McHugh
Honorary Secretary	Sue Lopez-Atkinson
General Members	Tess Brooks Dorothy Connop Sue Emmett Wendy Grenfell (Editor of AUDAX) Helen Holden Sandra McCarthy-Wilson Sarah O'Donnell Sophie Patitsas Annette Sax

DIRECTORS	Avril McHugh Sophia Patitsas Maree Wiggins
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FINANCE SUB-COMMITTEE 2017

	Trevor Jewell Avril McHugh Maree Wiggins
Financial Advisor	Ray Bullen
AUDITORS	Nexia Melbourne Audit Pty Ltd
COMPANY SECRETARY	Trevor Jewell
BANK	ANZ
Project Administrator	Kay Margetts

ANNUAL REPORT FROM THE PRESIDENT OF THE ASSOCIATION OF GRADUATES IN EARLY CHILDHOOD STUDIES (AGECS)

AGECS inspiring, respecting and challenging Early Childhood Professionals

Welcome to the AGECS Annual General Meeting for 2018 and it gives me great pleasure to present this report.

The Council of the Association of Graduates in Early Childhood Studies has increased its activities to build a capacity that promotes in Early Childhood professionals informed and up to date knowledge and opinion on Early Childhood development and learning.

Melbourne Kindergarten Teachers' College was an innovator in early childhood education and advocated for progressive strategies in responding to the changing needs of children and their families.

AGECS follows in this tradition to provide platforms for Early Childhood professionals to learn and be challenged, and to advocate for quality early childhood practice.

AGECS Council has approved payments to projects and training that are solely applied towards the promotion of the Association to achieve the objectives as set out in the Constitution. I would like to acknowledge the dedication and commitment of the AGECS Council members; inspiring, respecting and challenging Early Childhood professionals.

The following free Professional Learning events were organised by AGECS in the past year:

❖ ***The Joy of Stuff!! Loose Parts: Stuff for Children to Do Stuff With***

with Niki Buchan

At LaTrobe University Bendigo 09/02/2018, 4:00 pm - 6:00 pm

This workshop explored the Theory of Loose Parts, age appropriate resources and practical ways to offer these within an early childhood environment, and how they can be used to encourage children's engagement and imagination. Issues around judging the play value of resources against the cost both financially and environmentally were also addressed. Niki shared lots of practical ideas on resources for indoors and outdoors that are simple and affordable and yet offer highly complex play and learning opportunities for children of all ages.

❖ ***An Evening of Theatre and Dialogue. Troubling Place and Reconciliation Pedagogies in Early Childhood Education***

with Mat Jakobi, Catherine Hamm, and Mindy Blaise

At Melbourne University Carlton 27/02/2018, 7:00 pm - 9:00 pm

This presentation presented a dialogue with an Australian Aboriginal teacher educator and two settler white women which explored ways that scratched at the layers of inscription that are present in the Australian landscape. Three critical placing practices- engaging, scratching, and re(turn)ing were presented as a dialogic performance and as a strategy to make visible the processes of troubling place and reconciliation pedagogies in early childhood education.

❖ ***Science Learning with Young Children. Putting STEM in Children's Learning***

with Associate Professor Coral Campbell

At - RMIT Bundoora 19/04/2018, 7:00 pm - 9:00 pm,-

Federation University Ballarat 3/05/2018, 7.00pm to 9.00pm

Federation University Churchill 07/06/2018, 6:30 pm - 9:00 pm

This workshop highlighted children's learning through play and how they interact with science through all aspects of our natural and constructed world, and how educators can stimulate and sustain learning. Discussion explored how those involved with young children can develop their own understanding and help young children to explore, investigate and remain curious about the world around. This workshop was based on an interactive delivery mode, including 'hands-

on, minds-on' activities, and participants explored science in ways which will help them scaffold young children's development of scientific understanding.

❖ ***Loose Parts: Stuff for Children to do Stuff With***

with Carolyn Lunt

At Deakin University Werribee 12/07/2018 10:00 am - 12:00 pm

This workshop explored practical ways to offer loose parts within an early childhood environment; the use of the natural environment as an integral part of children's play and how they can be used to encourage children's engagement and imagination. She brought a wealth of knowledge using videos and photographs of children's play with loose part items, handouts and worksheets. At the end of the session the participants were invited to take the materials that Carolyn had brought with her – years of accumulated treasure - there was very little left.

Thank you to all the Universities for providing a venue and support with organising these events: these partnerships are important to providing access to Early Childhood professionals and assisting with reducing costs so that AGECS can provide more free workshops /forums and access to quality learning.

This year AGECS has funded two projects, the outcomes of these projects will provide free resources to the Early Childhood community:

1. Title: Cultural Change in Early Childhood Education and Practice

Aim: To develop, implement and evaluate a model for the early childhood sector that uses mentoring to support a collaborative culture of reflective practice as a means to continuing quality improvement in educational programs and practice.

Methodology: One LDC centre was chosen for the pilot. It was noted that all LDC centres have Educational Leaders and their effectiveness can be limited by their training, grasp of their role, and the understanding and willingness of some of the other Early Childhood professionals to collaborate. Therefore, training only one or two staff does not address the issues of poor practise and does not skill up all ECEC professionals, especially those who are resistant or do not feel confident and 'safe' to reflect with peers. The project aims to build a climate that will enable professional collaborative discussions to take place and collegial relationships to develop. This will be achieved with professional learning sessions attended by all staff. These will include sessions on:

- Action Research – an overview to the project and an introduction to Action Research as a systematic approach to researching one's practice.
- Critical thinking and reflective practice - acquisition of knowledge and skills to develop a collaborative culture of reflective practice that is respectful and reciprocal.
- Emotional resilience – promotion of a 'safe' environment for Early Childhood professionals to confidently discuss issues and ideas.

Outcome: A model that can be replicated across other services in the Early Childhood that can develop a mentoring culture across a centre that will evolve and promote ongoing collaboration and critical thinking about practice.

The project report and evaluation will be available in 2019.

2. Title: *Possum Skin Pedagogy*

Aim: To develop a Victorian early childhood pedagogy focusing on the Possum Skin Cloaks of the Victorian Aboriginal community.

Indigenous early childhood consultant, Dr Sue Atkinson (Lopez) consulted with 7 Victoria Aboriginal Elders and senior community members to design the content of this project. The key themes from the project are presented as narratives and represent informed cultural knowledge and protocols outlining learning experiences that sit within seven narratives. Thirty participants will be selected to attend the training and be able to champion their learning with their Early Childhood professionals.

Methodology:

- A series of 12 hours training sessions - 4 sessions of 3 hours in Metropolitan Melbourne
- Authentic engagement with Aboriginal Elders and senior community members will be role modelled and implemented
- Local partnerships with Aboriginal communities will be created and supported within a framework of Aboriginal protocols
- Early childhood educators will be supported and encouraged to reflect on the learnings for self, children, families and communities; identify and overcome barriers to implementation of the document and meaningfully and sensitively implement changes in practice
- Peer support will be established across a series of workshops supporting future work and allow for sustainable connections to be created

Outcomes:

- Early childhood educator participants will become community champions in the respectful and culturally appropriate implementation of the Possum Skin Pedagogy
- Publicly launch the Possum Skin Pedagogy, alongside specific resources to support implementation
- Collection and evaluation of data to inform future training and teaching practices
- Development and distribution of generalised resources –e.g. videos snippets, podcasts of guest speakers to be used in e.g. teacher education, other in-services

These innovative projects have been funded to support and provide resources to inspire, respect and challenge Early Childhood professionals.

Networking

The Members' Walking Tour: We walked with a Koorie guide from Federation Square and down to the Birrarung Wilam (Common Ground) Aboriginal art installations, learning and experiencing the Aboriginal history of the Birrarung Marr (Beside the river of mists) and Aboriginal Peoples of the Kulin Nation. We learned how the land on which Melbourne is located has changed over time and the significance of the Birrarung Wilam to the local Kulin peoples. Members also took the opportunity of being at the Trust to explore the latest temporary exhibition in the ground floor gallery and to view the permanent collections on the top floor. It was stirring and inspirational to walk alongside our Koorie guide to listen and learn the history of the land. Thank you to the Koori Heritage Trust for providing a high quality and memorable experience of the cultural richness of South-Eastern Australia.

Project Administrator

AGECS has increased its support to Early Childhood professionals through additional forums/workshops in Victoria and projects. This has been achieved with the assistance of a paid Project Administrator, Kay Margetts, who supports the Council in organising speakers, venues, registration, advertising, catering, the AGECS website and membership matters, posting educational articles and activities on email and the AGECS website to all Early Childhood professionals, are some of the many tasks. Kay has provided expertise in this position and we thank her for her professional implementation of assisting AGECS to be a valuable resource for Early Childhood professionals.

AGECS Finance

AGECS is guided by good governance from the constant work of the Honorary Treasurer Avril McHugh and the Bookkeeper Trevor Jewell. The AGECS Finance Sub – Committee, chaired by Ray Bullen, maintains a steady review of investments and our Association's finances. Ray Bullen has been key in advising and supporting the capacity of AGECS through strong financial and investment management.

Foundation of Graduates in Early Childhood Studies

AGECS values the role of the Foundation of Graduates in Early Childhood Studies and continues to strengthen this link. Our gratitude is extended to the Trustees of the Foundation and the members of the Warrawong and Forest Hills Advisory Committees for their untiring work with grant applications. It is through these grants that AGECS can provide resources and training to early childhood services and educators particularly those in disadvantaged situations.

The AGECS Fellowship Programme for Leadership and Change

The Fellowship Advisory Committee have provided their time and support to assess and guide fellowship applications. All applicants are given positive feedback and advice to meet the expectations of the Fellowship grant.

We congratulate the following successful 2018 Fellowship recipients -

1. Learning with Place: Generating New Pedagogies for Early Childhood Education

Dr Catherine Hamm will work as a pedagogical facilitator/researcher with children and educators as they go Out & About each week. The research will initiate intentional provocations that emerge from local places for children and educators; to respectfully engage with indigenous locals and to embed Aboriginal culture as part of everyday teaching and learning practices. At the end of the research Catherine will present the work through an arts- informed showcase; "The Kulin Seasons Studio". This interactive showcase will share the outcomes of the inquiry with the local early childhood community and include two professional learning sessions.

This work responds to the imperative from the revised Victorian Early Years Learning Framework for teachers to have a strengthened focus on “recognis[ing] and respect[ing] Aboriginal cultures and their unique place in the heritage and future of Victoria. Learning about and valuing the place of Aboriginal people will enhance all Victorian children's sense of place in our community”.

2. Supporting Children with Sensory Processing Differences by Sharing the A SECRET Framework with Early Childhood Educators and Early Intervention Professionals

Andrea Broughton will attend The STAR Institute Intensive Mentorship training program in Denver Colorado. Andrea has been engaging with the STAR Institute to adapt the A SECRET framework developed by Dr Lucy Jan Miller to coach Early Childhood professionals to understand Sensory Processing using the A SECRET framework and to upskill the local educators to confidently support children with additional needs.

Andrea will train groups of Early Childhood Educators/Teachers and Early Intervention workers in using the A SECRET framework. These sessions will also promote stronger connections between Early Childhood professionals and visiting therapists and provide a framework that is used consistently over the 40 Early Childhood settings in the Bendigo/Loddon/Goldfields region.

3. Cultural Competency and Inclusion through a Reggio Lens: Re-imagining Participation and Partnerships with Families

Sarah Denholm will be visiting Reggio Emilia programs in Eton House Tokyo Japan, Eton House, Shanghai China and Blue House International School, Singapore. Sarah will be focusing on how the Reggio Emilia approach can be applied in different contexts. Sarah will provide questionnaires to the families of children who attend these centres to ascertain their

understanding of how their children are learning in this type of program compared to more traditional views of learning and teaching.

Using the information she gains from the overseas families she will offer parent workshops and conversation nights to develop partnerships in relation to developing children's learning, and have a family project group to consult with when making service decisions, share data in school magazine/articles

Sarah will also offer 2 workshops to educators in the City of Boroondara, present a workshop to the Melbourne REAIE (Reggio Emilia Australia Information Exchange) Network and open up her centre for a Twilight Tour for people to visit. She will also write a journal article for REAIE or Early Childhood Australia to share with a wider audience.

4. *Resilience Building for Educators*

Sarah O'Donnell will attend a training course to develop skills that will allow her to coach Emotional Freedom Technique (EFT). Sarah has been working with Early Childhood Educators to assist with dealing with stress in the workforce, and the demand has led her to want to be fully qualified to not only work 1:1 with tapping but to facilitate the learning of the educators in a train the trainer model. Sarah will set up two sessions to pilot the effectiveness of EFT as an effective strategy to reduce stress in Early Childhood professionals in the workplace. The results of this study will guide her implementation. Sarah will engage with Mind Heart Connect Foundation to use the technique more widely with early childhood services who are facing continual distress due to the traumatic nature of their work with vulnerable children.

In the coming years, we will remain dedicated to playing a significant role in innovation and function in the implementation of opportunities for Early Childhood professionals to be leaders in the future of all children.

Maree Wiggins
AGECS President
November 2018

REPORT FROM THE TRUSTEES OF THE FOUNDATION OF GRADUATES IN EARLY CHILDHOOD STUDIES

The Foundation's investments have had a strong year this year, with the value of the fund increasing by a bit over 6% (or almost \$500,000) after all expenses and paying grants totalling \$492,477 during the year.

In part this good financial performance was a result of the significant changes we made to the investment portfolio, and the type of stocks held in particular, in the previous year. We reported on that in last year's annual report but in essence it was a strategic move to significantly reduce the exposure to high income stocks that had served us well in the past but had now become low or no growth companies and replace them with some lower income but higher growth companies. This meant that we sold out of companies like Telstra and substantially reduced exposure to the banks in particular in very early 2017. The events of the past year with the banking royal commission (amongst other things) hurting bank shares as well as the woes at Telstra, contrasted sharply with the good performance of the companies like CSL which we included in the portfolio. As a result, even though our income was a bit lower this year, the total fund was higher and therefore the lower income did not reduce our ability to pay out over \$50,000 extra in grants compared to the year before.

The main reason for the sharp increase in grants paid this year was a change in the timing of when the grants were considered which meant that two years' worth of grants were considered within the one financial year. While most of the grants decided in the second round held earlier this year were not paid until the current (2019) year we were in a strong enough financial position to pay some urgent Warrawong ones early which was the main reason behind the large increase of grants paid in the financial accounts.

We are confident that the Foundation's portfolio is strongly placed to weather any financial market turbulence, such as we are seeing while I am writing this report and, as we stated in last year's report, over time we expect to continue the type of structural changes to the portfolio that we started last year, which have contributed significantly to the great result this year. Below is the list of grants we made in year from our accumulated funds.

FOREST HILL grants totalling \$182,990 were paid to:

Acacia Indochinese Community Support Association Inc, Australian Christian College Hume Limited, Australian Karen Organisation Inc, Barmah Kindergarten - Occasional Child Care Centre Inc, Benalla & District Preschool Partnership-Bernard Briggs Kindergarten Inc, Berry Street Victoria Inc, Biala Peninsula, Box Hill Area Toy Library, Californian Gully Kindergarten, Children's Protection Society Inc, Children's Protection Society Inc-Korin Korin Child and Family Centre, Early Childhood Management Services (ECMS), Henry Family Children's Centre, Hollins Children's Centre, Kinglake Ranges Children's Centre Inc, Knitting For The Needy Community Support Group Inc, Knox And District Toy Library Inc, Laverton Community Integrated Services Incorporated, Macedon Ranges Shire Council, Melbourne City Mission, Merri Steiner Playgroup, Mission Australia, Mitchell Shire Council, Moreland Toy Library Inc (MTL), Prom Coast Centres For Children Inc, Reading Out Of Poverty Inc, Rosebud West Community Hub Ltd, Southern Migrant and Refugee Centre, Tamil Graded Readers Incorporated, The Lady Gowrie Child Centre (Melb) Inc, Thomastown Child Care Centre Inc, Thomastown West Kindergarten Inc, VICSEG New Futures, Villa Maria Catholic Homes Ltd, Vision Australia, and Wodonga Toy Library Incorporated.

WARRAWONG grants totalling \$309,753 were paid to:

AGECS (Fellowship payments), Australian Karen Organisation, Bestchance Child Family Care, Bethany Kindergarten Services, Biala Peninsula, Brotherhood of St Laurence HIPPY, Californian Gully Kindergarten, Castlemaine Childcare Co-op, Children's Protection Society Child and Family Centre, City of Whittlesea-Family Day Care, Clare Court Children's Services Inc, Clarendon Children's Centre, Dawson St. Childcare Co-op, De Garis Pre School Centre Inc, EEEEC, Eureka Community Kinder Assoc, Glen Eira Kindergarten Association (GEKA), John St Early Childhood Cooperative, Keon Park

Kindergraten, Kinglake Ranges Children's Centre, Korin Korin Child and Family Centre, Lady Gowrie Child Centre, Mallee Family Care Inc, Mitchell Shire Council, Monash (Caulfield) Child Care Association Inc, Moreland Early Years Management, North East Regional Preschool Association, Ouyen Preschool, Queensberry Children's Centre, Reading Out Of Poverty Inc, Sale Combined Kindergartens Inc, Seymour Preschool Centre, Shine Bright Early Years Manager, South Kingsville Community Centre Inc, Taralye Oral Language Centre for Deaf Children, Thomastown Child Care Centre, Uniting Wimmera, Viewbank Preschool, Wairoonga Preschool, Wallan Kindergarten, Watsonia Preschool, Wimmera Uniting Care, Winston Hill Preschool, Yarraville Community Centre.

This year saw some significant change to the grants process.

The Forest Hill fund moved to an on-line application process and to a direct credit of funds into applicants' bank accounts. The process went surprisingly well thanks to the patience and adaptability of the members of the Forest Hill Advisory Subcommittee. The Trustees congratulate those members for the way they adapted to the changes and thank them for the useful feedback they provided to iron out glitches in the processes. The members of the Forest Hill Advisory Committee are: Sue Cleeve (Chair), Merlyne Ramirez-Cruz, Angela Follachio, Clare Green and Glenda Grummet and until recently Joy Humphries. Trustees were very sad to receive Joy Humphrey's resignation from the committee after years of dedicated service commencing in 2005. Thank you Joy for your commitment to the field of early childhood education.

The Warrawong fund has been an on-line process for a number of years now and it has become a very smooth operation under the guidance of the dedicated people on the Warrawong Advisory Committee, who are: Anne Houghton (Chair), Sharryn Clarke, Ron Holmes, Kay Margetts, Glenys Severin and Jen Visscher. The Trustees thank them for their thoughtful contribution to making professional development opportunities available to people working in the early childhood field. I must acknowledge the work of Ron Holmes in overseeing the smooth functioning of the on-line software.

We need to take special note of the work of Kay Margetts in liaising between AGECS and the Foundation. Many people do not realise that the Foundation is a separate entity from the Association of Graduates in Early Childhood Studies. Consequently when they have queries or concerns with the grants process they use the AGECS website to get a response to their problem; instead of the dedicated help line that is part of the Foundation's separate website. Kay patiently forwards those issues to us for resolution. Thank you Kay.

I express my particular gratitude to Dianne Burgess for her meticulous management of all the book keeping related to our investments and the distribution of grant monies and to Julie Mahady who assists us with the administration of the grants process.

The Trustees of the Foundation are: Hugh Hodges (Chair), Ray Bullen, Kevin Fell, Toni Lawson, Glenys Severin, David Thwaites and Karen Weston. The Trustees look forward to another productive year in 2019 and send our best wishes to members of the Association of Graduates in Early Childhood Studies.

Hugh Hodges

Chair of Trustees of the Foundation of Graduates in Early Childhood Studies.

October 2018



The Association of Graduates in Early Childhood Studies
ACN 004 275 709

Financial Statements

For the Year Ended 30 June 2018

The Association of Graduates in Early Childhood Studies

ACN 004 275 709

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For the Year Ended 30 June 2018

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The Association of Graduates in Early Childhood Studies

ACN 004 275 709

Directors' Report

30 June 2018

The directors present their report on The Association of Graduates in Early Childhood Studies for the financial year ended 30 June 2018.

General information

Directors

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

Names	Position
Ms Maree Wiggins	President
Mrs Avril McHugh	Treasurer
Ms Sophie Patitsas	

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

Company secretary

Trevor Jewell has been the company secretary since 2012.

Principal activities

The principal activity of The Association of Graduates in Early Childhood Studies during the financial year was to act as an advocate for the profession of early childhood education. The company derived significant revenue from its investment activities which enabled the funding of a number of programs in pursuit of this principal activity.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- Ensure financial sustainability so that long term objectives can be met.

The Association of Graduates in Early Childhood Studies

ACN 004 275 709

Directors' Report

30 June 2018

General information (continued)

Long term objectives

The Company's long term objectives are to:

- AGECS supports the Early Childhood profession through a number of professional learning opportunities to further understanding and knowledge of child development and learning so that all children have access to high standards of care and education in Early Childhood settings
- AGECS leads the provision of innovative and challenging learning to Early Childhood professionals to develop quality early childhood settings. These settings enhance learning and developmental achievements for all children with the most significant impact being on the outcomes of children experiencing vulnerability.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Regular council meetings where quarterly financial reports are presented showing month to date, year to date and budgeted information. The reports also show the current values of cash on hand, term deposits, hybrid/fixed interest securities and shares. A report of transaction activity is also presented.
- The company has a finance sub-committee that reviews the investment strategy to determine the degree of diversification, risk and likely returns from investments, liquidity of assets and the ability to pay costs as they occur.

Performance measures

The Company measures its own performance through the use of quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long term objectives are being achieved.

The Company has set in place an annual review of the Mission Statement and the short and long term objectives set for the year. The aim of the review is to ascertain if the objectives support the Mission Statement.

Operating results and review of operations for the year

Operating results

The profit of the Company amounted to \$ 42,430 (2017: \$ 75,003).

The Association of Graduates in Early Childhood Studies

ACN 004 275 709

Directors' Report

30 June 2018

Other items

Significant changes in state of affairs

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

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Auditors independence declaration

The lead auditors independence declaration for the year ended 30 June 2018 has been received and can be found on page 6 of the financial report.

Future developments

The Company expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

Options

No options over issued shares or interests in the entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

The Association of Graduates in Early Childhood Studies

ACN 004 275 709

Directors' Report

30 June 2018

Information on directors

Ms Maree Wiggins

Qualifications

President, Council member since 2012

Master of Education (LaTrobe University), Bachelor of Education (LaTrobe University), Graduate Diploma of Special Education (Melbourne State College), Diploma of Teaching (Early Childhood) Institute of Early Childhood Education, Learning Language and Loving it. Hanen Program trainer 2012, Advanced Diploma in Group Facilitation, Groupwork Institute 2011-2012

Experience

Maree taught at:

Dunkeld Preschool, 1979, St Joseph's Kindergarten, Fitzroy from 1980 – 1992

Yappera Children's Centre, Thornbury from 1993 – 1995

Participated in research projects with the Education Department and LaTrobe University.

Preschool Field Officer with Brimbank City Council.

Maree is now retired and continues her interest in Early Childhood through a range of voluntary activities.

Mrs Avril McHugh

Qualifications

Treasurer, Council member since 2010

Diploma of Kindergarten Teaching (Melbourne)

Experience

Avril has had experience in both rural and urban kindergartens in Victoria and interstate as listed below:

Dalton Preschool, Lalor 1973 -77

Maldon Preschool 1978

Moriarty Primary, Tasmania 1990

Ulverstone Primary School, Tasmania 1991

Vista Valley Preschool, Bulleen 1995-96

From 1997 to 2015 Avril worked in various roles as Co -Director and Teacher of Three and Four Year olds at Yarralea Children's Centre, a multi-purpose early childhood education and care centre.

Avril is now retired from teaching but continues her interest in the Early Childhood Education by being on the AGECS Council.

Ms Sophie Patitsas

Qualifications

Council member since 2009

Master of Education,

Graduate Diploma of Special Education,

Diploma of Teaching (Early Childhood),

Experience

Sophie taught at:

Renown Kindergarten- South Yarra 1987 (temp)

Dobson Kindergarten – Maidstone 1987-1993

Sunshine Kindergarten – Sunshine 1993.

Early Intervention Teacher at:

Uncle Bob's Child Development Centre – Royal Children's Hospital (1993-1998).

Consultant at:

Playworks Resource Unit for Children With Disabilities.

Sophie is currently working as a Preschool Field Officer – Moreland City Council 1998

The Association of Graduates in Early Childhood Studies

ACN 004 275 709

Directors' Report

30 June 2018

Meetings of directors

During the financial year, 5 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Ms Maree Wiggins	5	4
Mrs Avril McHugh	5	3
Ms Sophie Patitsas	5	5

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of The Association of Graduates in Early Childhood Studies.

During the year the entity has paid premiums to insure directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceeding arising out of their conduct while acting in the capacity of officer of the entity, other than conduct involving a wilful breach of duty in relation to the company.

The amount of the premium was \$1,258 (2017: \$1,208).

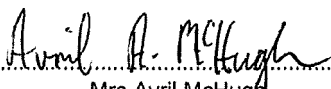
Proceedings on behalf of company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor's independence declaration

The auditor's independence declaration in accordance with Subsection 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2018 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Mrs Avril McHugh

Dated this 19th day of September 2018

The Association of Graduates in Early Childhood Studies
ACN 004 275 709

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-40 OF THE
AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO
THE DIRECTORS OF THE ASSOCIATION OF GRADUATES IN EARLY CHILDHOOD
STUDIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.



**Nexia Melbourne Audit Pty Ltd
Melbourne**



**Andrew S. Wehrens
Director**

Dated: this 20th day of September 2018

The Association of Graduates in Early Childhood Studies

ACN 004 275 709

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Revenue	4	93,242	84,853
Other revenue	4	3,760	49,110
Administrative, conference and program expenses		(80,144)	(43,950)
Income tax expense		-	-
Profit for the year		16,858	90,013
Other comprehensive income, net of income tax			
Items that will be reclassified to profit or loss when specific conditions are met			
Fair value remeasurement gains / (losses) on available for sale financial assets		25,572	(15,010)
Total comprehensive income for the year		42,430	75,003

The accompanying notes form part of these financial statements.

The Association of Graduates in Early Childhood Studies

ACN 004 275 709

Statement of Financial Position

As At 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	265,385	414,583
Trade and other receivables	6	24,855	22,020
Financial assets available for sale	7	1,220,252	1,031,211
Prepaid assets		1,521	1,459
TOTAL CURRENT ASSETS		1,512,013	1,469,273
TOTAL ASSETS		1,512,013	1,469,273
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	6,325	6,015
TOTAL CURRENT LIABILITIES		6,325	6,015
TOTAL LIABILITIES		6,325	6,015
NET ASSETS		1,505,688	1,463,258
EQUITY			
Retained earnings		1,505,688	1,463,258
TOTAL EQUITY		1,505,688	1,463,258

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Retained Earnings \$
Balance at 1 July 2017	1,463,258
Profit for the year	16,858
Total other comprehensive income for the year	25,572
Balance at 30 June 2018	<u>1,505,688</u>

2017

Balance at 1 July 2016	1,388,255
Profit for the year	90,013
Total other comprehensive income for the year	(15,010)
Balance at 30 June 2017	<u>1,463,258</u>

The Association of Graduates in Early Childhood Studies

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Statement of Cash Flows

For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and customers	90,512	80,469
Payments to suppliers, employees and contractors	(79,897)	(43,530)
Interest received	5,047	8,196
Net cash provided by operating activities	13 15,662	45,135
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of available-for-sale investments	48,000	233,834
Purchase of investments	(212,860)	(211,714)
Net cash provided by / (used in) investing activities	(164,860)	22,120
Net increase/(decrease) in cash and cash equivalents held	(149,198)	67,255
Cash and cash equivalents at beginning of year	414,583	347,328
Cash and cash equivalents at end of financial year	5 265,385	414,583

The accompanying notes form part of these financial statements.

The Association of Graduates in Early Childhood Studies

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Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial report covers The Association of Graduates in Early Childhood Studies as an individual entity. The Association of Graduates in Early Childhood Studies is a not-for-profit Company limited by guarantee, registered and domiciled in Australia.

The functional and presentation currency of The Association of Graduates in Early Childhood Studies is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the Directors opinion the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Corporations Act 2001 and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation of Standards* and AASB 1054 *Australian Additional Disclosures*.

The financial statements, except for the cash flow statement, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

2.1. Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

2.2. Revenue and other income

Income from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue and imputation credits refundable are recognised and recorded on an accruals basis. Dividend revenue is recognised when dividend is received.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

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

2.3. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

2.3. Goods and services tax (GST) (continued)

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

2.4. Fair value of assets and liabilities

The Company measures some of its assets and liabilities at fair value. Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

2.5. Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

2.5. Financial instruments (continued)

- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Company has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

2.5. Financial instruments (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Company's available-for-sale financial assets comprise listed securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

The Company's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

2.6. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.7. Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus on-costs.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

2.8. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

2.9. New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards	30 June 2019	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value. Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income.	The impact on the reported financial position and performance has not yet been determined.

The Association of Graduates in Early Childhood Studies

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Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

2.9. New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from contracts with customers	30 June 2020	<p>AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.</p> <p>Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.</p> <p>AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple element arrangements.</p>	<p>The impact on the reported financial position and performance has not yet been determined.</p>
AASB 16 Leases	30 June 2020	<p>AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet.</p> <p>The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.</p> <p>A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.</p>	<p>The impact on the reported financial position and performance has not yet been determined.</p>

The Association of Graduates in Early Childhood Studies

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Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Critical Accounting Estimates and Judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - Impairment

The directors assess impairment at each reporting date by evaluating conditions specific to the Authority that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The Association of Graduates in Early Childhood Studies

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Notes to the Financial Statements

For the Year Ended 30 June 2018

4 Revenue and Other Income

	2018	2017
	\$	\$
Revenue		
- Dividend and distribution income	72,737	75,405
- Memberships, programs, other revenue		
Memberships	2,045	773
Professional Development Sessions - Grant Income	18,460	8,675
	<u>93,242</u>	<u>84,853</u>
Other revenue		
- Gain/(Loss) on sale of investments	(1,392)	40,914
- Interest income	5,047	8,196
- Other income	105	-
	<u>3,760</u>	<u>49,110</u>
	<u>97,002</u>	<u>133,963</u>

5 Cash and Cash Equivalents

Cash at bank	59,754	7,214
Cash trust accounts	205,631	407,369
	<u>265,385</u>	<u>414,583</u>

6 Trade and Other Receivables

	2018	2017
	\$	\$
CURRENT		
GST receivable	3,067	385
Imputation credits receivable	20,735	19,454
Interest receivable	1,053	2,181
	<u>24,855</u>	<u>22,020</u>

7 Financial Assets

Available-for-sale financial assets

CURRENT		
Shares in listed entities - fair value	1,220,252	1,031,211
	<u>1,220,252</u>	<u>1,031,211</u>

The Association of Graduates in Early Childhood Studies

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Notes to the Financial Statements

For the Year Ended 30 June 2018

Assets available for sale

	2018 Market Value \$	2018 Cost \$	2017 Market Value \$	2017 Cost \$
ANZ Capital Notes 1	51,500	50,745	51,245	50,745
ANZ Capital Notes 1	20,600	20,450	-	-
APT Pipelines-APA Group	-	-	49,392	49,872
Argo Investments	42,241	40,507	40,651	40,507
ASX Limited	91,434	49,970	76,126	49,970
Australian Foundation Investment Company	29,691	22,060	28,004	22,060
Australian Foundation Investment Company	20,944	20,944	19,754	20,944
Australian Foundation Investment Company	49,280	45,040	46,480	45,040
Australian Foundation Investment Company	72,663	60,000	68,535	60,000
Australia and New Zealand Banking Group	23,157	25,030	-	-
Commonwealth Bank of Australia - PERLS VII	86,850	90,000	86,850	90,000
Commonwealth Bank of Australia	50,645	25,585	57,553	25,585
IAG Finance	51,330	50,000	51,700	50,000
Macquarie Group	50,600	50,000	51,100	50,290
Milton Corporation	50,848	49,765	49,745	49,765
Milton Corporation	16,545	15,000	16,186	15,000
National Australia Bank - Convertible Preference Shares	40,253	40,000	40,405	40,000
National Australia Bank - Convertible Preference Shares	20,126	20,202	-	-
National Australia Bank -	51,500	50,100	51,000	50,100
National Australia Bank	57,561	69,759	62,139	69,759
National Australia Bank	41,992	50,020	-	-
Telstra Corporation Ltd	26,276	34,716	43,125	34,716
Wesfarmers Ltd	95,857	41,301	77,913	41,301
Westpac Banking Corporation	58,249	44,415	60,654	44,415
Westpac Banking Corporation	2,549	2,219	2,654	2,219
Westpac Banking Corporation	21,975	25,009	-	-
MFF Capital Investments Ltd	95,586	69,810	-	-
Total	1,220,252	1,062,647	1,031,211	902,288

8 Trade and Other Payables

	2018 \$	2017 \$
Accrued expenses	6,325	6,015

The Association of Graduates in Early Childhood Studies

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Notes to the Financial Statements

For the Year Ended 30 June 2018

9 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The main purpose of non- derivative financial instruments is to raise finance for company operations.

The Company does not have any derivative instruments as at 30 June 2018.

Specific risks

- *Interest rate risk*
The company has no debt instruments in place which are subject to fluctuations in interest rates.
- *Foreign currency risk*
The company is not exposed to fluctuations in foreign currencies
- *Liquidity risk*
The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained.
- *Credit risk*
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Investments in listed shares
- Trade and other payables
- Term deposits

The Association of Graduates in Early Childhood Studies

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Notes to the Financial Statements

For the Year Ended 30 June 2018

9 Financial Risk Management (continued)

(i) - Interest rate risk

Financial instrument composition and maturity analysis

The Company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	0.37	0.54	265,385	414,583	-	-	265,385	414,583
Total Financial Assets			265,385	414,583	-	-	265,385	414,583
Financial Liabilities:								
Accruals	-	-	-	-	6,325	6,015	6,325	6,015
Total Financial Liabilities	-	-	-	-	6,325	6,015	6,325	6,015

9.1. Net fair values

For all assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements. Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date

	2018 Carrying Amount \$	2018 Net Fair Value \$	2017 Carrying Amount \$	2017 Net Fair Value \$
Financial assets				
Available-for-sale financial assets	1,220,252	1,220,252	1,031,211	1,031,211
	1,220,252	1,220,252	1,031,211	1,031,211

The Association of Graduates in Early Childhood Studies

ACN 004 275 709

Notes to the Financial Statements

For the Year Ended 30 June 2018

10 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the Company. At 30 June 2018 the number of members was 612 (2017: 563).

11 Auditors' Remuneration

	2018	2017
	\$	\$
Remuneration of the auditor Nexia Melbourne Audit Pty Ltd, for:		
- auditing the financial report for the year	5,050	4,800
- other services - preparation of financial report	1,275	1,215
Total	6,325	6,015

12 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017: None).

13 Cash Flow Information

13.1. Reconciliation of profit for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2018	2017
	\$	\$
Profit for the year	42,430	75,003
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- fair value loss/(gain) on available for sale financial assets	(25,573)	15,010
- net (gain)/loss on disposal of investments	1,392	(40,914)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(2,835)	(4,384)
- (increase)/decrease in prepayments	(62)	135
- increase/(decrease) in trade and other payables	310	285
Cashflows from operating activities	15,662	45,135

14 Statutory Information

The registered office of and principal place of business of the company is:

The Association of Graduates in Early Childhood Studies
Level 4, 100 Leicester Street
Carlton VIC 3053

The Association of Graduates in Early Childhood Studies

ACN 004 275 709

Directors' Declaration

The Directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors declare that, in their opinion:

- There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- The attached financial statements and notes thereto satisfy the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including giving a true and fair view of the financial position and performance of the registered entity in accordance with the accounting policies described in Note 1 to the financial statements.

Signed in accordance with a resolution of the Directors pursuant to Regulation 60-15 of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director

Avril A. McHugh

Mrs Avril McHugh

Dated this

19th

day of

September

2018

Independent Auditor's Report To the Members of the Association of Graduates in Early Childhood Studies

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of the Association of Graduates in Early Childhood Studies (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Association of Graduates in Early Childhood Studies, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance 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

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 the Company 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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of matter regarding basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Independent Auditor's Report

To the Members of the Association of Graduates in Early Childhood Studies

Report on the Audit of the Financial Report

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report

To the Members of the Association of Graduates in Early Childhood Studies

Report on the Audit of the Financial Report

Auditor's responsibility for the audit of the financial report continued...

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Nexia

**Nexia Melbourne Audit Pty Ltd
Melbourne**

Andrew S. Wehrens

**Andrew S. Wehrens
Director**

Dated: this 20th day of September 2018

Forest Hill Foundation Custodian Pty Ltd as Trustee for The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

Financial Statements

For the Year Ended 30 June 2018

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-40 OF THE
AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF FOREST HILL FOUNDATION CUSTODIAN PTY LTD AS TRUSTEE
FOR THE FOUNDATION OF GRADUATES IN EARLY CHILDHOOD STUDIES.**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.



**Nexia Melbourne Audit Pty Ltd
Melbourne**



**Andrew S. Wehrens
Director**

Dated: this 22nd day of October 2018

Forest Hill Foundation Custodian Pty Ltd as Trustee for The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue			
Distributions received		357,879	363,067
Imputation credits		103,425	111,626
Interest income		12,266	12,348
Movement in Fair Value of Financial Assets		557,009	394,364
Loss on sale of investments		(50,191)	(118,074)
		<u>980,388</u>	<u>763,331</u>
Expenses			
Audit fees	6	(6,250)	(5,950)
Bookkeeping fees		(5,000)	(4,750)
Insurance		(1,974)	(1,909)
Laptop purchase		-	(1,252)
Other expenses		(3,944)	(4,173)
Total Expenses		<u>(17,168)</u>	<u>(18,034)</u>
Distributions made during the year	9	(492,743)	(437,948)
Profit / (Loss) for the year		<u><u>470,477</u></u>	<u><u>307,349</u></u>

The accompanying notes form part of these financial statements.

Forest Hill Foundation Custodian Pty Ltd as Trustee for The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

Statement of Financial Position
As At 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	772,794	550,286
Trade and other receivables	4	106,859	115,352
Other financial assets	5	7,172,180	6,913,799
Other assets		-	1,619
TOTAL CURRENT ASSETS		8,051,833	7,581,056
TOTAL ASSETS		8,051,833	7,581,056
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		6,250	5,950
TOTAL CURRENT LIABILITIES		6,250	5,950
TOTAL LIABILITIES		6,250	5,950
NET ASSETS		8,045,583	7,575,106
EQUITY			
Trust capital	8	3,500,000	3,500,000
Retained earnings		4,545,583	4,075,106
TOTAL EQUITY		8,045,583	7,575,106

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Retained Earnings	Trust Capital	Total
	\$	\$	\$
Balance at 1 July 2017	4,075,106	3,500,000	7,575,106
Profit for the year	470,477	-	470,477
Balance at 30 June 2018	<u>4,545,583</u>	<u>3,500,000</u>	<u>8,045,583</u>

2017

	Retained Earnings	Trust Capital	Total
	\$	\$	\$
Balance at 1 July 2016	3,767,757	3,500,000	7,267,757
Profit for the year	307,349	-	307,349
Balance at 30 June 2017	<u>4,075,106</u>	<u>3,500,000</u>	<u>7,575,106</u>

Forest Hill Foundation Custodian Pty Ltd as Trustee for The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

Statement of Cash Flows
For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Proceeds/ payments for financial assets		256,931	(54,140)
Payments to suppliers, employees and others		(15,250)	(17,557)
Dividends received		461,304	474,693
Interest received		12,266	12,349
Grants paid		(492,743)	(437,948)
Net cash provided by/(used in) operating activities	7	<u>222,508</u>	<u>(22,603)</u>
Net increase/(decrease) in cash and cash equivalents held		222,508	(22,603)
Cash and cash equivalents at beginning of year		550,286	572,889
Cash and cash equivalents at end of financial year	3	<u><u>772,794</u></u>	<u><u>550,286</u></u>

The accompanying notes form part of these financial statements.

Forest Hill Foundation Custodian Pty Ltd as Trustee for The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Basis of Preparation

In the opinion of the Trustee the Trust is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of 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 have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

The perpetual charitable trust known as the Foundation of Graduates in Early Childhood Studies was established on 7th May 2005, and was previously known as the Forest Hill Early Childhood Foundation - incorporating Warrawong Fund which was established on 27th March 1995.

(a) Income Tax

The Trust is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

(b) Revenue and other income

Income distributions and capital distributions received from unit trusts are recognised as at the date the unit value is quoted ex-distribution. Dividends in direct equity holdings are recognised on the date payable.

Imputation credits in respect of distributions and dividends received are recognised as revenue as at the date the share is quoted ex-dividend. As the application for the refund of excess imputation credits can only be made after year end, the applicable revenue is accrued for at year end.

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

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

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

Forest Hill Foundation Custodian Pty Ltd as Trustee for The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

Notes to the Financial Statements
For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(d) Share buy-backs

The managed funds and securities that the Trust has invested in may participate in share buy-backs, where appropriate, and receive the proceeds in the form of capital and fully franked dividend component. The full proceeds received by the Trust, as part of the distribution income of the Trust, (including franking credits) are applied as income. For accounting purposes, the dividend and capital component is treated as income.

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Trust becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Trust's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Trust renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Trust does not necessarily consider the balance to be impaired, however

Forest Hill Foundation Custodian Pty Ltd as Trustee for The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

- (e) **Financial Instruments**
assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Trust has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

- (f) **Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash at bank and on hand	6,220	1,969
Deposits at call	766,574	548,317
	<u>772,794</u>	<u>550,286</u>

4 Trade and Other Receivables

CURRENT		
GST receivable	293	1,155
Interest receivable	3,141	2,571
Imputation credits refundable	103,425	111,626
	<u>106,859</u>	<u>115,352</u>

Forest Hill Foundation Custodian Pty Ltd as Trustee for The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

Notes to the Financial Statements
For the Year Ended 30 June 2018

5 Other Financial Assets

(a) Financial assets at fair value through profit or loss

	2018		2017	
	\$		\$	
CURRENT				
shares in listed corporations	7,172,180		6,913,799	
	2018	2018	2017	2017
	Market Value	Cost	Market Value	Cost
	\$	\$	\$	\$
AFIC Ltd	582,483	418,620	796,313	276,555
Amcor Limited	144,100	112,602	162,100	112,602
Argo investments Ltd	206,224	135,590	198,461	135,590
Atlas Arteria	331,177	285,794	-	-
BHP Billiton Ltd	309,090	300,242	212,197	300,242
BKI Investment Co Ltd	-	-	153,599	115,214
Carsales.com Ltd	302,400	99,939	230,400	99,939
Commonwealth Bank Ltd	427,383	215,466	485,681	215,466
Commonwealth Bank (Peris VII)	77,200	80,000	77,200	80,000
Computershare Preference Shares	329,436	123,895	252,753	123,895
CSL Limited	358,273	250,140	256,736	250,140
Diversified United Inv Ltd	548,195	339,689	497,386	339,689
IAG Finance NZ Reset Securities	205,320	198,767	206,800	198,767
Janus Henderson Group PLC	251,089	250,844	261,702	250,844
Macquarie Atlas Roads Group	-	-	251,020	251,183
Macquarie Group Limited	337,565	250,523	241,605	250,523
National Australian Bank Limited	230,683	235,101	249,029	235,101
NABHA	122,656	100,232	111,071	100,232
Orora Limited	308,448	250,874	247,104	250,874
Ramsay Healthcare Limited	187,311	251,537	255,392	251,537
Rio Tinto Ltd	71,174	61,777	65,105	74,524
Spark Infrastructure Group	205,113	139,552	235,700	139,552
Sydney Airport	254,180	151,122	251,694	151,122
Transurban Group Ltd	952,260	456,353	872,006	388,329
Wesfarmers Ltd - Part Protected	300,849	111,143	244,532	111,143
Westpac Ltd	-	-	-	212,645
Woodside Petroleum Ltd	129,571	139,598	98,213	129,715
	7,172,180	4,959,400	6,913,799	5,045,423

Forest Hill Foundation Custodian Pty Ltd as Trustee for The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

Notes to the Financial Statements

For the Year Ended 30 June 2018

6 Auditors' Remuneration

	2018	2017
	\$	\$
Remuneration of the auditor Nexia Melbourne Audit Pty Ltd, for:		
- Audit of the financial statements	5,000	4,750
- Preparation of the financial statements	1,250	1,200
Total	6,250	5,950

7 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

Profit for the year	470,477	307,349
Changes in assets and liabilities:		
- (increase) / decrease in trade and other receivables	8,493	(12,940)
- (increase) / decrease in prepayments	1,619	178
- increase / (decrease) in trade and other payables	300	300
- increase / (decrease) in financial assets	(258,381)	(317,490)
Cashflows from operations	222,508	(22,603)

8 Trust Capital

Initial investment to establish the Trust	1,500,000	1,500,000
Additional capital contribution from the Association of Graduates in Early Childhood Studies Ltd	2,000,000	2,000,000
	3,500,000	3,500,000

9 Grants determined and paid during the year

Grants determined and paid during the year	492,743	437,948
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Forest Hill Foundation Custodian Pty Ltd as Trustee for The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

Directors' Declaration

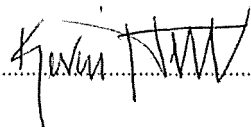
The Directors of the trustee company have determined that the Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the trust declare that, in their opinion:

- there are reasonable grounds to believe that the Trust is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including giving a true and fair view of the financial position and performance of the Trust in accordance with the accounting policies described in Note 1 to the financial statements.

Signed in accordance with a resolution of the Directors pursuant to Regulation 60.15 of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person



Dated this day of 2018

22nd

October

Independent Auditor's Report To the Directors of The Foundation of Graduates in Early Childhood Studies

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of The Foundation of Graduates in Early Childhood Studies (the Trust), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of The Foundation of Graduates in Early Childhood Studies, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Trust's financial position as at 30 June 2018 and of its financial performance 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

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 the Trust 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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Trust, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of matter regarding basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Directors' responsibility for the financial report

The directors of the Trust are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members.

Independent Auditor's Report

To the Directors of The Foundation of Graduates in Early Childhood Studies

Report on the Audit of the Financial Report

Directors' responsibility for the financial report continued

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Trust'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 the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the directors' 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 Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

To the Directors of The Foundation of Graduates in Early Childhood Studies

Report on the Audit of the Financial Report

Auditor's responsibility for the audit of the financial report continued...

We 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 we identify during our audit.



**Nexia Melbourne Audit Pty Ltd
Melbourne**



**Andrew S. Wehrens
Director**

Dated this 22nd day of October 2018

