



ACN 004 275 709

**ANNUAL REPORT**  
**2020**

# **THE ASSOCIATION OF GRADUATES IN EARLY CHILDHOOD STUDIES**

PO Box 12163 A'Beckett Street Melbourne VIC 8006

## **COUNCIL MEMBERS**

<b>President</b>	Alannah Dore
<b>Vice-President</b>	Dorothy Connop
<b>Honorary Treasurer</b>	Avril McHugh
<b>Honorary Secretary</b>	Tess Brooks
<b>General Members</b>	Sue Emmett Wendy Grenfell (Editor of AUDAX) Helen Holden Candy Koch Sandra McCarthy-Wilson Sarah O'Donnell Sophie Patitsas Nichola Marriott Gillian Shelley Maree Wiggins

<b>DIRECTORS</b>	Alannah Dore Avril McHugh Sophia Patitsas
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## **FINANCE SUB-COMMITTEE**

Ray Bullen  
Alannah Dore  
Trevor Jewell  
Avril McHugh  
Sophie Patitsas  
Maree Wiggins

<b>FINANCIAL ADVISOR</b>	Ray Bullen
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<b>AUDITORS</b>	Nexia Melbourne Audit Pty Ltd
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<b>COMPANY SECRETARY</b>	Trevor Jewell
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<b>BANK</b>	ANZ
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<b>ADMINISTRATION OFFICER</b>	Liz Potter
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**ANNUAL REPORT FROM THE PRESIDENT OF THE ASSOCIATION OF  
GRADUATES IN EARLY CHILDHOOD STUDIES (THE AGECS)  
YEAR ENDED JUNE 30 2020**

After starting the year with an informative presentation at the first council meeting from the Foundation Trustees on their role concerning The AGECS, followed by the forum, things changed dramatically in the world. Already bushfires had devastated parts of Victoria and NSW then the COVID-19 crisis dominated 2020 worldwide. The AGECS aims to support early childhood education in East Gippsland as gaps of need emerge and also respond to a year of challenges for the Early Childhood Education and Care (ECEC) sector experiencing the impacts of a new pandemic normal. ECEC services have been extra hard hit with a second lockdown, closure of centres and adapting to online learning. Meanwhile, The AGECS has had to cancel most events for this year. However, this proved to provide a golden opportunity to revamp The AGECS's infrastructure establishing processes, procedures and role descriptions with easy online access by council members. We are now in a position to effectively offer a range of online learning while experiencing efficient communication with all members and the wider ECEC community.

As previously stated, The AGECS has seized the opportunities presented by COVID-19 amidst the significant challenges to early childhood education and beyond. A significant step forward in this process was the hiring of Liz Potter as our new Administration Officer. Thanks go to Ray Bullen, Foundation Trustee member, for his help, guidance and support at this time. Before this appointment and beyond, Dorothy Connop invested significant hours with me, as we began the process of establishing from scratch the first of three stages of a new business and administrative infrastructure. The aim was to increase consistency, transparency and modern online efficiency. We began by simplifying the administrative process of membership applications with a one-step PayPal system and other website updates. I want to extend an enormous thank you to Dorothy Connop Vice President, who supported what was a full-time job as President in those early months taking half the hourly load. I would also like to thank Avril McHugh, Maree Wiggins and Tess Brooks for their significant support over the year and particularly in recent months.

Our Administration Officer has proved to be invaluable this year as the second stage of updates were established. Liz Potter was able to bring efficiency, innovation, a 'can do' attitude, passion for The AGECS vision and excellent communication skills and processes to implement ideas that could have taken years. Exponential progress has been achieved this year for The AGECS. Additionally, those benefiting from The AGECS projects, programs, and advocacy will do so long into the future, thanks to Liz's skills to transform our ideas into a workable physical format. On behalf of The AGECS members and the early childhood sector, I would like to extend our deepest gratitude to Liz.

The face to face event conducted this year was a well-received February Forum facilitated by Karen Hope with the panel consisting of Mary Holwell, Ruth Harper & Justeen Fitzgibbon. The topic was "Exploring Pedagogy, Practice & People 2020 & the next ten years in Early Childhood Education". The AGECS is also ending the year with a COVID-19 exploration of *the future for early childhood education*. Dr Red Ruby Scarlet's presentation online "Exploring the Places and Spaces of Educators in the 'New Normal'" is a thought-provoking conclusion to 2020. Also, before the eagerly awaited appointment of The AGECS new Events Coordinator

Alex Heard in September, The AGECS council responded to member and broader sector mid-year survey feedback, testing new synchronisation of online platforms Eventbrite, Mailchimp, Survey Monkey and Zoom. The goal was to deliver practical wellbeing support with Sarah O'Donnell's Emotional Freedom Technique (EFT). The enthusiastic feedback from 90 teachers and educators who attended this event was reassuring that the direction we are heading with online events is relevant to the sector.

Heartfelt thanks extended to regional and metro reps who have rallied this year with innovative ideas drawing on the voices from their region as well as members, council and the ECE community. Thanks go to Coral Campbell and council member Maree Wiggins Geelong & West Coast, Andrea Broughton Bendigo region, Bridie Raban Mildura region, Judy Dunn Mornington Peninsula and council members Sue Emmett and Sandra McCarthy-Wilson for greater Gippsland. Council member Sophie Patitsas has made contact with South Gippsland while also working on the metro forum with Tess Brooks. The AGECS will be prioritising needs for these areas with online events by extending early bird registration opportunities to EC educators and teachers and AGECS members before opening bookings to the broader ECE community. We are also looking forward to supporting the Shire of Buloke in central Victoria based on the previous successful Cultural Change project implemented in Melbourne and evaluated by Deakin University. This new phase of the project is being established by Sue Emmett, who was the mentor for the original Cultural Change project. Sue is joined by other council members Gillian Shelley, Sandra McCarthy-Wilson, Sarah O'Donnell and myself in collaboration with the region's YMCA EC coordinator Nerissa Gill.

Aboriginal and Torres Strait Islander perspectives have been in the forefront for The AGECS in 2020 with a need for the council to explore how to best work with Aboriginal projects and programs respectfully, inclusively and in consultation with Aboriginal early childhood representatives. The AGECS council members are grateful to AJ Williams-Tchen, who has graciously agreed to support The AGECS with comprehensive training and is leading the newly established The AGECS RAP committee. The RAP committee has four council members and four Aboriginal representatives including AJ, Kerri Douglas, Tristan Williams and Kay Mondon. They share, among other qualities, early childhood and mental health expertise with the RAP committee.

We look forward to concluding this RAP by June 2021, having been officially endorsed by Reconciliation Australia and then implementing the plan via a yet to be established Reconciliation Working Group over 2021 to 2023.

Throughout the turbulence of 2020 special thanks go to two council members. Wendy Grenfell, amidst her day job of supporting early childhood teachers through the stresses and strains of working in COVID Victoria this year, has continued to produce the quality AGECS journal AUDAX keeping members informed. The second person who has worked tirelessly and patiently for the greater benefit of The AGECS is the past president Maree Wiggins. Maree has been instrumental in bringing to fruition a Special Resolution to update The AGECS constitution. Her excellent communication skills and adherence to correct protocol have ensured that legally and ethically The AGECS will work under a viable and robust guide relevant to the times. I am also deeply grateful to Mercia Chapman for the donation of her time and legal expertise consulting with The AGECS council online during this process to ensure the constitution has been thoroughly prepared for submission to this AGM.

Finally, I would like to formally farewell a tireless leader and contributor to The AGECS for more than two decades before leaving in December 2019. Kay Margetts was on the council in earlier years and in more recent years held the roles of Administrator and Events Coordinator - a complex task given the scope of the increasing number of events being organised in previous years by The AGECS. On behalf of the council, I wish Kay all the very best in her future endeavours.

The AGECS is looking ahead to finalising the third stage of procedural updates with a focus on continuing the improvement of membership experiences while upgrading the online delivery of quality, freely accessible and relevant events to the early childhood sector. This includes work being undertaken by Nichola Marriott, Sarah O'Donnell and Maree Wiggins ensuring our work and efforts align with our mission statement. As a voluntary committee, we need to be realistic with our time and energy. Therefore with the comprehensive COVID-19 safety requirements to be considered for face to face events, for the time being, we look forward to continuing via online to provide, and I quote from our website...

*"..innovative and challenging learning to Early Childhood professionals to develop quality early childhood settings... enhancing learning and developmental achievements for all children with the most significant impact being on the outcome of children experiencing vulnerability."*

**Alannah Dore**  
**President**

**October 2020**

# **ANNUAL REPORT FROM THE TRUSTEES OF THE FOUNDATION OF GRADUATES IN EARLY CHILDHOOD STUDIES**

**YEAR ENDED JUNE 30 2020**

The past 12 months has been exceptionally challenging, not only for the Foundation and all the people and organisations it supports, but for the community as a whole and indeed the whole world.

We started the financial year with some sectors in drought. Over the summer of 2019 / 20 that changed with the terrible fires that swept over a significant part of Australia and impacted many in Victoria, including in the early childhood area. As trustees began to debate how to pivot our granting this year to try to help those areas impacted by the fires, and whether it was better to donate early or wait until the impact of immediate grants was seen and the other unmet needs emerged, we were overtaken in our thinking by the global Covid-19 pandemic which is still with us as this is being written.

The impact of the pandemic on economies and financial markets has been substantial, but not nearly as substantial as the human impact on families around the world. The early childhood sector has not been immune from this but, critically in our thinking, is that in such times it is the areas most in need that are most significantly impacted.

The Foundation has been impacted in two ways financially:

- The fall in share markets has led to a temporary fall in the market value of our investments. However, this is only a transitory impact as the companies we are invested in are all solid and while the price of their shares may have fallen initially, they are rebounding now and most importantly the companies are still strong, even if conditions are tougher for them at present. We have no concerns about the long-term impact on the value of the portfolio or the foundation's ability to continue to support the early childhood sector;
- The fall in interest rates, share dividends and other forms of income due to the impact of the pandemic on the economy following a long period of falling interest rates and other types of income is a bigger short-term issue, not only for the Foundation but for everyone who relies on income from investments. This low-income environment, where interest rates globally are now down to levels not seen in hundreds of years, and are the lowest ever in Australia, is expected to last for some years. The foundation is benefited in that almost all of its income comes from share dividends, rather than interest, and while they have been significantly impacted, and that impact will continue over the next year, much of the year's income had already been received before the pandemic struck. The income for the year we are now in will be the most impacted and we expect that this will improve by 2022.

Despite the lower income we have taken the decision to hold our granting levels for the 2021 financial year, that we are now in, to about the same levels as a more normal year. We believe that a foundation like ours should, if at all possible, provide as much support as possible in tough times even if it means temporarily digging into its reserves to do so.

Unfortunately, we are hearing many stories across the philanthropic sector of foundations and charitable trusts making significant cuts to their granting this year due to financial pressures – just at the time when the organisations and people they support are facing

their own financial pressures. We will not be one of those cutting granting and indeed have already made the majority of our granting decisions for this year and paid out most of the grants for the 2020/21 year already. During this troubling 2020 year our report shows we significantly increased our distributions to \$598,889 compared to the prior year of \$440,157 to help early childhood learning.

This has involved some use of the reserves that we have built up over time, and will again in the current year and maybe for a bit longer after that, although we expect to rebuild them as conditions improve. The way we have run the foundation's finances is to try to balance current needs of our beneficiaries with their future needs. Each year we try to spend the current income on current needs of beneficiaries and put aside any capital growth to provide for future beneficiaries. However, in tough times like these that enables us to dip into those reserves to maintain our level of support despite lower income. The amount of income we will receive this coming year is still uncertain but it will be less than we grant. We will report on the outcome in next year's report but are very confident that it will not have a meaningful impact on the foundation's long-term prospects.

In the 2020 year that this report is for we actually granted a significantly higher amount than we earned. As shown below we granted \$191,832 on the Forest Hill side and \$401,057 on the Warrawong side – nearly \$200,000 above what we earned. This was a deliberate decision by trustees as we had had trouble finding appropriate projects to spend on in the Warrawong side in past years and had built up a buffer that could be spent.

A significant part of that extra spend last year was made on "special" grants initiated by the trustees outside the normal process including one major one in conjunction with the Ian Potter Foundation which will be spread over three years. This is only the second time that we have partnered with another foundation to fund a significant project; the other one being where we assisted another applicant to get funds from the Alfred Felton Bequest to supplement our funding for a project many years ago to create and fund a take-home kit to teach farm safety to pre-school children, and their parents, in rural areas.

The current project, which is supplementing the funds provided by the Potter Foundation, is to help fund Australian Schools Plus fund a Fair Education Victoria Project to address high levels of absenteeism in primary schools in disadvantaged areas (and the associated long-term impact on those children's prospects). This is done by reaching back into the preschools, day-care centres and kindergartens in their catchment areas to provide professional development to educators in those feeder areas to engage with the community and parents to convince parents of the benefits of having early childhood education as well as trying to create a culture that will support parents having their children attending school every day.

Despite the impact of the pandemic on financial markets in March 2020, the share portfolio ended the year with a value of just over \$7.85M, down from last year's almost \$8.5M but still a substantial amount, especially as we had spent almost \$600,000 on grants during the year. It should not be forgotten that the capital of the Foundation is \$3.5m so we have grown substantial reserves over the years for just such troubled times when markets decline. While the published account shows a big fall in income this year, they are a bit misleading. The very high accounting income, and franking credits, shown for the 2019 year were a result of the foundation participating in so called "off market buybacks". Most of the proceeds of such transactions, which are very beneficial to the foundation, are shown in the accounts as "income" and "imputation credits" where in reality they are a

capital item for foundations and we strip them out of distributable income. The real fall in underlying income that we can distribute from the 2019 year was only about \$30,000 as most of the 2020 year's income had been received before the pandemic struck.

This current year it will be very different income wise as a number of our high dividend paying companies have skipped a dividend and most other have reduced them. However as stated above we have maintained our level of granting (although we won't be doing as much extra granting in the Warrawong half as we did last year) and will temporarily fund that out of our reserves until income levels improve. The extra flexibility that the changes to the granting clauses in our trust deed that AGECS passed at the last AGM will assist in this regard.

As at the time of writing the value of the assets in our portfolio is about \$7.7M (after we have paid many of the grants for the 2021 year, totalling about \$370,000 so far). There has also been some improvement in the prospects for income to be received this year and following years. However, at least for the current year, the income is still expected to be significantly lower than what we received last year. We would note however that the changes made to the portfolio a few years ago to substantially reduce our exposure to banks and diversify income streams into other areas has reduced the impact of the income drop.

Below is the full list of grants made for the year this report covers.

### **Forest Hill Grants 2019/20**

The following organizations were recipients of those grants totalling **\$191,832**

Bendigo Community Toy Library Inc, Berwick Toy Library Incorporated, Bethany Kindergarten Services, Biala Peninsula, Charles Sturt University , Combined Preschools of Southern Grampians Inc , CSIRO Care Clayton Inc, Eltham Toy Library Inc., Emerald Hill Toy Libraries , Goodstart Early Learning Horsham, Gunbower & District Preschool Inc , Hume City Council, Jacaranda Preschool Inc (Lalor), Kew Toy Library, Kinglake Ranges Children's Centre, Knox and District Toy Library Inc., Knox City Council, Mansfield Kindergarten Incorporated, Maroondah Toy Library Inc, Mission Australia (Cranbourne), Moorabbin Area Toy Library Inc, Mount Gambier Toy Library Inc, Nancy Vibert Childcare Centre (Shepparton), NewHope Baptist Preschool (Blackburn), Rangeview Preschool Association, Reading Out of Poverty Inc., Royal Institute of Deaf and Blind Children, Shine Bright Helm Street (Bendigo), St Andrews Sunbury Kindergarten, Stonnington Toy Library Incorporated, Thomastown West Kindergarten Inc, Try Australia Children's Services (Carrum Downs Children's Centre), TRY Australia's Children's Services (Beveridge), Uniting Tasmania and Victoria (Ivanhoe), Villa Maria Catholic Homes, Vision Australia, Wangaratta Community Toy Library Incorporated, Wyndham Little Buddies Toy Library, Yarra City Council, Young Mens' Christian Association of Ballarat (Carey Street Kindergarten Ararat).



## **Warrawong grants 2019/20**

The following organizations were recipients of those grants totalling **\$401,057**

AGECS (fellowships), Albert Park Preschool Centre Inc., Baw Baw Shire Family Day Care, Braybrook Early Learning Centre, Brotherhood of St Laurence, Child and Family Care Network Inc, City of Yarra, Community Child Care Victoria, Craig Family Centre Inc, ECA (Victoria Branch), Eureka Community Kindergarten Association Inc. (ECKA) Wallace and District Kindergarten, FKA, Goodstart Early Learning Ltd, Goulburn Region Preschool Association, Gowrie Clare Court, Kinglake Ranges Children's Centre, Mallee Family Care Incorporated, Mitchell Shire Council, Nancy Vibert Child Care Centre, North Fitzroy Child Care Co-operative, Pinarc Disability Support, Reading out of Poverty Inc., Schools Plus, Save the Children Australia, Seymour Preschool Centre, The Malpa Project, Thomastown West Kindergarten Inc., TRY Australia Children's Services, Uniting Victoria Tasmania Ltd, Victorian Preschool Field Officers Ass, Wahroonga Preschool, Wilson Street Kindergarten, Windsor Community Children's Centre, Winston Hills Preschool, Yarra Ranges Kindergartens Inc.

Finally, I cannot end this report without recognising all of the hard work that Di Burgess and Kevin Fell in particular do in the finance and secretarial roles for the Foundation, along with all of the other trustees, both present and past, as well as advisory committees who have contributed to this great result.

The two Advisory Committees did a remarkable job processing, evaluating and selecting from among the large number of worthy applications. They did this job during a shut down that required them to use innovative ways of conducting their meetings. They met their deadlines without fuss, ensuring that funds got out to the early childhood field in these very trying times.

Sadly two members of those committees have resigned after years of faithful service: Clare Green from the Forest Hill Committee and Glenys Severin from the Warrawong Committee. The Trustees thank them for long commitment and sound advice and wish them well in their future endeavours.

Glenys has already been replaced by AGECS Council. We welcome Amy Saunders to the Warrawong Committee and look forward to working with her.

2020 Members of the Warrawong Committee:

Anne Houghton, Sharryn Clark, Ron Holmes, Kay Margetts, Amy Saunders, Glenys Severin and Jen Vissher

2020 Members of the Forest Hill Committee:

Sue Cleeve, Lyne Cruz, Angela Follachio, Clare Green, Glenda Grummet and Geraldine Ryan.

**Hugh Hodges**

**Chair of the Foundation**

**On behalf of the Trustees**

**October 2020**



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

## **Financial Statements**

**For the Year Ended 30 June 2020**

# The Association of Graduates in Early Childhood Studies

ACN 004 275 709

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For the Year Ended 30 June 2020

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# The Association of Graduates in Early Childhood Studies

ACN 004 275 709

## Directors' Report

30 June 2020

The directors present their report on The Association of Graduates in Early Childhood Studies for the financial year ended 30 June 2020.

### General information

#### Directors

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

<b>Names</b>	<b>Position</b>
Ms Alannah Dore	President (from 9th November 2019)
Ms Maree Wiggins	President (to 9th November 2019)
Mrs Avril McHugh	Treasurer
Ms Sophie Patitsas	

Mrs Maree Wiggins resigned as a director on the 10th February 2020.

Ms Alannah Dore was appointed as a director on the 10th February 2020.

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.

#### Long term objectives

The Company's long term objectives are to:

- The 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
- The 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.

# **The Association of Graduates in Early Childhood Studies**

ACN 004 275 709

## **Directors' Report**

**30 June 2020**

### **General information (continued)**

#### **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 loss of the Company amounted to \$ (102,323) (2019: Profit \$ 98,334).

##### **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 until March 2020, when the impact of COVID-19 resulted in the deferment of onsite Professional Development events to the second half of the year, where The AGECS operations pivoted to providing online events.

##### **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 2020 has been received and can be found on page 6 of the financial report.



# The Association of Graduates in Early Childhood Studies

ACN 004 275 709

## Directors' Report

30 June 2020

### Other items (continued)

#### 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.

#### Information on directors

##### Ms Alanah Dore

###### Qualifications

President from 9th November 2019, Council member since 2013

Graduate Certificate in Education (Tertiary Teaching) 2019

Masters in Early Childhood 2016

Advanced Certificate in Systems Therapy 1994

Bachelor of Education 1986

Diploma of Teaching. (Golden Key International Honour Society)

###### Experience

Alannah has been the director of numerous preschools and long day care before establishing a counselling practice for two decades.

In the past ten years she has worked as a casual consultant for FKA Children's Services,

Inclusion Support Facilitator and Inclusion Professional for KU Children's services and Sessional Lecturer for Federation University.

As a recipient of the Fellowship for Leadership and Change grant Alannah created an original research and production project exploring a multi-model and multi-sensory approach to developing PD resources for Diploma & Certificate IV early childhood educators who have minimal professional development access.

Currently Alannah is studying a higher degree by Research with Federation University Australia while continuing voluntary work in early childhood education and family wellbeing

##### Ms Maree Wiggins

###### Qualifications

President to 9th November 2019, 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.

# The Association of Graduates in Early Childhood Studies

ACN 004 275 709

## Directors' Report

30 June 2020

### Information on directors (continued)

**Mrs Avril McHugh**

Qualifications

Experience

Treasurer, Council member since 2010

Diploma of Kindergarten Teaching (Melbourne)

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

Experience

Council member since 2009

Master of Education,

Graduate Diploma of Special Education,

Diploma of Teaching (Early Childhood),

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

### Meetings of directors

During the financial year, 8 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 Alannah Dore	3	3
Ms Maree Wiggins	6	6
Mrs Avril McHugh	8	7
Ms Sophie Patitsas	8	7

## The Association of Graduates in Early Childhood Studies

ACN 004 275 709

### Directors' Report

30 June 2020

#### 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 \$1,257 (2019: \$1,257).

#### Proceedings on behalf of company

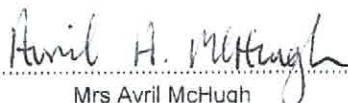
No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

#### 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 2020 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 .....<sup>3<sup>rd</sup></sup>..... day of October 2020



**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 2020 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 3rd day of October 2020**

# 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 2020

		2020	2019
	Note	\$	\$
Revenue	5	97,021	143,893
Other revenue	5	(36,015)	(12,396)
Administrative, conference and program expenses		(102,760)	(110,750)
Fair value remeasurement gains / (losses) on financial assets		(60,569)	77,587
<b>Profit / (Loss) before income tax</b>		<b>(102,323)</b>	<b>98,334</b>
Income tax expense		-	-
<b>Profit / (Loss) for the year</b>		<b>(102,323)</b>	<b>98,334</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Total comprehensive income for the year</b>		<b>(102,323)</b>	<b>98,334</b>

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 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	180,977	136,498
Trade and other receivables	7	25,667	33,780
Financial assets	8	1,300,167	1,438,856
Prepaid assets		1,538	1,538
<b>TOTAL CURRENT ASSETS</b>		<b>1,508,349</b>	<b>1,610,672</b>
<b>TOTAL ASSETS</b>		<b>1,508,349</b>	<b>1,610,672</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	6,650	6,650
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,650</b>	<b>6,650</b>
<b>TOTAL LIABILITIES</b>		<b>6,650</b>	<b>6,650</b>
<b>NET ASSETS</b>		<b>1,501,699</b>	<b>1,604,022</b>
<b>EQUITY</b>			
Retained earnings		1,501,699	1,604,022
<b>TOTAL EQUITY</b>		<b>1,501,699</b>	<b>1,604,022</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 30 June 2020

### 2020

	Retained Earnings
	\$
Balance at 1 July 2019	1,604,022
Loss for the year	(102,323)
Balance at 30 June 2020	<u>1,501,699</u>

### 2019

Balance at 1 July 2018	1,505,688
Profit for the year	98,334
Balance at 30 June 2019	<u>1,604,022</u>

# The Association of Graduates in Early Childhood Studies

ACN 004 275 709

## Statement of Cash Flows

For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from members and customers		105,136	134,968
Payments to suppliers, employees and contractors		(102,761)	(110,442)
Interest received		2,287	2,589
Net cash provided by operating activities	14	4,662	27,115
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of available-for-sale investments		82,578	77,467
Purchase of investments		(42,761)	(233,469)
Net cash provided by / (used in) investing activities		39,817	(156,002)
Net increase / (decrease) in cash and cash equivalents held		44,479	(128,887)
Cash and cash equivalents at beginning of year		136,498	265,385
Cash and cash equivalents at end of financial year	6	180,977	136,498

The accompanying notes form part of these financial statements.



# The Association of Graduates in Early Childhood Studies

ACN 004 275 709

## Notes to the Financial Statements

For the Year Ended 30 June 2020

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 Change in Accounting Policy

#### Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

### 3 Summary of Significant Accounting Policies

#### 3.1. Income Tax

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

#### 3.2. 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.

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 3 Summary of Significant Accounting Policies (continued)

#### 3.2. Revenue and other income (continued)

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).

#### 3.3. 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.

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.

#### 3.4. 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.

#### 3.5. Financial instruments

For comparative year

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.



## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 3 Summary of Significant Accounting Policies (continued)

#### 3.5. Financial Instruments (continued)

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
- 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.



## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 3 Summary of Significant Accounting Policies (continued)

#### 3.5. Financial instruments (continued)

##### *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.

##### *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.

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 3 Summary of Significant Accounting Policies (continued)

#### 3.5. Financial instruments (continued)

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.

For current year

Financial instruments are recognised initially 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**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 3 Summary of Significant Accounting Policies (continued)

#### 3.5. Financial instruments (continued)

##### Financial assets (continued)

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### *Fair value through other comprehensive income*

##### Equity instruments

The Company has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.



## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 3 Summary of Significant Accounting Policies (continued)

#### 3.5. Financial instruments (continued)

##### Financial assets (continued)

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

##### Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

#### 3.6. 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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

### **3 Summary of Significant Accounting Policies (continued)**

#### **3.7. Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

### **4 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

ACN 004 275 709

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 5 Revenue and Other Income

	2020	2019
	\$	\$
Revenue		
- Dividend and distribution income	85,759	110,465
- Memberships, programs, other revenue		
Memberships	1,773	1,727
Professional Development Sessions - Grant Income	9,489	31,701
	<u>97,021</u>	<u>143,893</u>
Other revenue		
- Gain/(Loss) on sale of investments	(38,302)	(14,985)
- Interest income	2,287	2,589
	<u>(36,015)</u>	<u>(12,396)</u>
	<u>61,006</u>	<u>131,497</u>

### 6 Cash and Cash Equivalents

Cash at bank	57,891	54,377
Cash trust accounts	123,086	82,121
	<u>180,977</u>	<u>136,498</u>

### 7 Trade and Other Receivables

CURRENT		
GST receivable	1,440	1,147
Imputation credits receivable	23,970	32,272
Interest receivable	257	361
	<u>25,667</u>	<u>33,780</u>

### 8 Financial Assets

#### Financial assets

CURRENT		
Shares in listed entities - fair value	1,300,167	1,438,856
	<u>1,300,167</u>	<u>1,438,856</u>

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### Assets available for sale

	2020 Market Value \$	2020 Cost \$	2019 Market Value \$	2019 Cost \$
ANZ Capital Notes 1	50,870	50,745	51,960	50,745
ANZ Capital Notes 1	20,348	20,450	20,784	20,450
Argo Investments	38,107	40,507	43,036	40,506
ASX Limited	121,240	49,970	116,965	49,970
Australian Foundation Investment Company	29,354	22,060	30,125	22,060
Australian Foundation Investment Company	20,706	20,944	21,250	20,944
Australian Foundation Investment Company	48,720	45,040	50,000	45,040
Australian Foundation Investment Company	71,837	60,000	73,725	60,000
Australia and New Zealand Banking Group	15,285	25,030	23,132	25,030
Coles Group	33,344	-	25,926	-
Commonwealth Bank of Australia - PERLS VII	89,380	90,000	90,675	90,000
Commonwealth Bank of Australia	48,247	25,585	57,532	25,585
IAG Finance	-	-	50,690	50,000
Macquarie Group Capital Notes 3	50,840	50,000	52,950	50,000
Macquarie Group Capital Notes 2	13,874	13,300	-	-
MFF Capital Investments Ltd	97,018	69,810	103,820	69,810
Milton Corporation	45,113	49,765	51,951	49,765
Milton Corporation	14,679	15,000	16,904	15,000
NAB Convertible Pref Shares II	50,060	50,100	51,330	50,100
NAB Convertible Pref Shares II	30,036	30,270	30,798	30,270
NAB Capital Notes 3	92,241	90,000	95,355	90,000
National Australia Bank	27,548	49,367	56,112	69,759
National Australia Bank	-	-	40,935	50,020
National Australia Bank	18,493	14,362	-	-
Telstra Corporation Ltd	31,391	34,716	38,612	34,716
Stockland	23,683	29,979	29,836	29,979
Transurban Group	37,727	29,984	39,356	29,984
Transurban Group	14,483	15,000	-	-
Woolworths Group Ltd	27,774	21,039	24,757	21,039
Wesfarmers Ltd	87,060	41,301	70,223	41,301
Westpac Banking Corporation	1,562	2,219	2,467	2,219
Westpac Banking Corporation	13,462	25,009	21,270	25,009
Westpac Banking Corporation	35,685	44,415	56,380	44,415
<b>Total</b>	<b>1,300,167</b>	<b>1,125,967</b>	<b>1,438,856</b>	<b>1,203,716</b>



# The Association of Graduates in Early Childhood Studies

ACN 004 275 709

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 9 Trade and Other Payables

	2020	2019
	\$	\$
Accrued expenses	6,650	6,650

### 10 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 2020.

#### 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



## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 10 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	
	2020	2019	2020	2019	2020	2019	2020	2019
	%	%	\$	\$	\$	\$	\$	\$
<b>Financial Assets:</b>								
Cash and cash equivalents	0.35	1.55	180,977	136,498	-	-	180,977	136,498
<b>Total Financial Assets</b>			<b>180,977</b>	<b>136,498</b>	<b>-</b>	<b>-</b>	<b>180,977</b>	<b>136,498</b>
<b>Financial Liabilities:</b>								
Accruals	-	-	-	-	6,650	6,650	6,650	6,650
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,650</b>	<b>6,650</b>	<b>6,650</b>	<b>6,650</b>

#### 10.1. 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

	2020 Carrying Amount \$	2020 Net Fair Value \$	2019 Carrying Amount \$	2019 Net Fair Value \$
<b>Financial assets</b>				
Available-for-sale financial assets	1,300,167	1,300,167	1,438,856	1,438,856
	<b>1,300,167</b>	<b>1,300,167</b>	<b>1,438,856</b>	<b>1,438,856</b>

# The Association of Graduates in Early Childhood Studies

ACN 004 275 709

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 11 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 2020 the number of members was 1,035 (2019: 652).

### 12 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor Nexia Melbourne Audit Pty Ltd, for:		
- auditing the financial report for the year	5,350	5,350
- other services - preparation of financial report	1,300	1,300
<b>Total</b>	<b>6,650</b>	<b>6,650</b>

### 13 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

### 14 Cash Flow Information

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

Reconciliation of net profit / (loss) to net cash provided by operating activities:

	2020	2019
	\$	\$
Profit / (Loss) for the year	(102,323)	98,334
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit / (loss):		
- fair value loss / (gain) on available for sale financial assets	60,569	(77,587)
- net (gain) / loss on disposal of investments	38,302	14,985
Changes in assets and liabilities:		
- (increase) / decrease in trade and other receivables	8,114	(8,925)
- (increase) / decrease in prepayments	-	(17)
- increase / (decrease) in trade and other payables	-	325
<b>Cashflows from operating activities</b>	<b>4,662</b>	<b>27,115</b>

### 15 Statutory Information

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

The Association of Graduates in Early Childhood Studies  
Level 5, 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 <sup>3<sup>rd</sup></sup> ..... day of October 2020



## **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 2020, 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 2020 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 (including Independence Standards)* (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*, has been given to the directors of the Company, 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, actions taken to eliminate threats or safeguards applied.

*Nexia*

**Nexia Melbourne Audit Pty Ltd  
Melbourne**

*A. Wehrens*

**Andrew S. Wehrens  
Director**

**Dated: this 3rd day of October 2020**



# **The Foundation of Graduates in Early Childhood Studies**

**ABN 58 833 071 672**

## **Financial Statements**

**For the Year Ended 30 June 2020**

# The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

## Contents

For the Year Ended 30 June 2020

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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-40 OF THE  
AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012  
TO THE TRUSTEES OF 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 2020, 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 8<sup>th</sup> day of October 2020**

## 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 2020

	Note	2020 \$	2019 \$
<b>Revenue</b>			
Distributions received		325,954	546,835
Imputation credits		77,617	176,615
Interest income		8,899	10,805
Movement in Fair Value of Financial Assets		(229,806)	210,968
Loss on sale of investments		(197,061)	(48,725)
		<u>(14,397)</u>	<u>896,498</u>
<b>Expenses</b>			
Audit fees	6	(6,825)	(6,500)
Bookkeeping fees		(7,000)	(5,000)
Insurance		(2,045)	(170)
Other expenses		(4,792)	(8,033)
		<u>(20,662)</u>	<u>(19,703)</u>
Distributions made during the year	9	(592,889)	(440,157)
<b>Profit / (Loss) for the year</b>		<u><u>(627,948)</u></u>	<u><u>436,638</u></u>

The accompanying notes form part of these financial statements.

# The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

## Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	3	690,350	537,866
Trade and other receivables	4	79,321	179,329
Other financial assets	5	7,089,473	7,769,659
Other assets		1,954	1,867
TOTAL CURRENT ASSETS		7,861,098	8,488,721
TOTAL ASSETS		7,861,098	8,488,721
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables		6,825	6,500
TOTAL CURRENT LIABILITIES		6,825	6,500
TOTAL LIABILITIES		6,825	6,500
NET ASSETS		7,854,273	8,482,221
<b>EQUITY</b>			
Trust capital	8	3,500,000	3,500,000
Retained earnings		4,354,273	4,982,221
TOTAL EQUITY		7,854,273	8,482,221

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained Earnings	Trust Capital	Total
	\$	\$	\$
Balance at 1 July 2019	4,982,221	3,500,000	8,482,221
Profit / (Loss) for the year	(627,948)	-	(627,948)
Balance at 30 June 2020	4,354,273	3,500,000	7,854,273

2019

	Retained Earnings	Trust Capital	Total
	\$	\$	\$
Balance at 1 July 2018	4,545,583	3,500,000	8,045,583
Profit for the year	436,638	-	436,638
Balance at 30 June 2019	4,982,221	3,500,000	8,482,221

# The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

## Statement of Cash Flows For the Year Ended 30 June 2020

	<b>Note</b>	<b>2020</b> \$	<b>2019</b> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Proceeds / (payments) for financial assets		<b>355,786</b>	(505,284)
Payments to suppliers, employees and others		<b>(20,424)</b>	(21,320)
Dividends received		<b>403,534</b>	723,450
Interest received		<b>6,477</b>	8,383
Grants paid		<b>(592,889)</b>	(440,157)
Net cash provided by / (used in) operating activities	<b>7</b>	<b>152,484</b>	<b>(234,928)</b>
Net increase / (decrease) in cash and cash equivalents held		<b>152,484</b>	(234,928)
Cash and cash equivalents at beginning of year		<b>537,866</b>	772,794
Cash and cash equivalents at end of financial year	<b>3</b>	<b>690,350</b>	<b>537,866</b>

The accompanying notes form part of these financial statements.



## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 1 Basis of Preparation

In the opinion of the Trustees 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) Adoption of new and revised accounting standards

The Trust has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Trust.

#### (b) 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.

#### (c) 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).

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 2 Summary of Significant Accounting Policies

##### (d) 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.

##### (e) 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.

##### (f) Financial instruments

For comparative year

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.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

## 2 Summary of Significant Accounting Policies

### (f) Financial instruments

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 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.

For current year

Financial instruments are recognised initially 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**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 2 Summary of Significant Accounting Policies

##### (f) Financial instruments

###### Financial assets

###### *Classification*

On initial recognition, the Trust classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

###### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Trust's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

###### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

The Trust holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

## 2 Summary of Significant Accounting Policies

### (f) Financial instruments

#### Financial assets

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Trust considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Trust's historical experience and informed credit assessment and including forward looking information.

The Trust uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Trust uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Trust in full, without recourse to the Trust to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Trust in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

#### Financial liabilities

The Trust measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Trust comprise trade payables, bank and other loans and finance lease liabilities.



## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 2 Summary of Significant Accounting Policies

##### (g) 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

	2020	2019
	\$	\$
Cash at bank and on hand	4,276	6,690
Deposits at call	686,074	531,176
	<u>690,350</u>	<u>537,866</u>

#### 4 Trade and Other Receivables

CURRENT		
GST receivable	215	292
Interest receivable	1,489	2,422
Imputation credits refundable	77,617	176,615
	<u>79,321</u>	<u>179,329</u>

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 5 Other Financial Assets

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

	2020	2019
	\$	\$
CURRENT		
Shares in listed corporations	7,059,473	7,769,659
Other financial assets	30,000	-
	<b>7,089,473</b>	<b>7,769,659</b>

	2020	2020	2019	2019
	Market Value	Cost	Market Value	Cost
	\$	\$	\$	\$
AFIC Ltd	474,466	344,909	486,931	344,909
Amcor Limited	144,800	112,602	161,900	112,602
Ampol Limited (formerly Caltex Aust. Ltd)	173,574	171,705	146,520	171,705
Argo investments Ltd	186,041	135,590	210,105	135,590
Atlas Arteria	655,003	578,872	403,799	285,794
BHP Billiton Ltd	248,913	230,137	286,021	230,137
Carsales.com Ltd	354,800	99,938	270,600	99,938
Commonwealth Bank Ltd	407,148	215,466	485,505	215,466
Commonwealth Bank (Perls VII)	79,449	80,000	80,600	80,000
Computershare Preference Shares	236,844	123,895	289,754	123,895
CSL Limited	533,820	250,140	399,900	250,140
Diversified United Inv Ltd	459,826	276,175	473,958	276,175
IAG Finance NZ Reset Securities	-	-	202,760	198,767
Janus Henderson Group PLC	-	-	182,649	250,844
Macquarie Group Limited	323,778	250,523	342,315	250,523
National Australia Bank Limited	191,966	265,101	224,875	235,101
NABHA	129,993	100,232	130,863	100,232
Oil Search Ltd	68,221	112,733	-	-
Orora Limited	175,565	250,874	279,936	250,874
Ramsay Healthcare Limited	266,413	281,497	250,673	251,537
Reliance Worldwide Corporation Ltd	160,230	254,439	191,840	254,439
Rio Tinto Ltd	142,727	130,227	151,178	130,227
Spark Infrastructure Group	324,000	263,725	218,608	139,552
Sydney Airport	-	-	285,420	151,122
Transurban Group Ltd	706,500	324,608	1,259,695	554,827
Wesfarmers Ltd - Part Protected	273,239	111,143	220,395	111,143
Woodside Petroleum Ltd	342,157	442,004	132,859	139,598
	<b>7,059,473</b>	<b>5,406,535</b>	<b>7,769,659</b>	<b>5,345,137</b>

# The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 6 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor Nexia Melbourne Audit Pty Ltd, for:		
- Audit of the financial statements	5,460	5,200
- Preparation of the financial statements	1,365	1,300
	<u>6,825</u>	<u>6,500</u>

### 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 / (Loss) for the year	(627,948)	436,638
Changes in assets and liabilities:		
- (increase) / decrease in trade and other receivables	100,008	(72,470)
- (increase) / decrease in prepayments	(87)	(1,867)
- increase / (decrease) in trade and other payables	325	250
- (increase) / decrease in financial assets	680,186	(597,479)
Cashflows (used in ) / from operating activities	<u>152,484</u>	<u>(234,928)</u>

### 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
	<u>3,500,000</u>	<u>3,500,000</u>

### 9 Grants determined and paid during the year

Grants determined and paid during the year	<u>592,889</u>	<u>440,157</u>
--------------------------------------------	----------------	----------------

## The Foundation of Graduates in Early Childhood Studies

ABN 58 833 071 672

### Trustees' Declaration

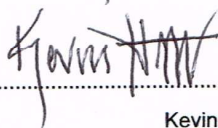
The Trustees of the trust have determined that the Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Trustees 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 Trustees pursuant to Regulation 60.15 of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person .....



Kevin Fell

Dated this first day of October 2020

## **Independent Auditor's Report To the Trustees 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 2020, 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 trustees 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 2020 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 (including Independence Standards)* (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 trustees of the Trust at the same time as 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 trustees' 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.

#### ***Trustees' responsibility for the financial report***

The trustees 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 Trustees of The Foundation of Graduates in Early Childhood Studies**

### **Report on the Audit of the Financial Report**

#### ***Trustees' responsibility for the financial report continued***

The Trustees are also responsible for such internal control as the trustees 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 trustees 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 trustees 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 trustees' 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 Trustees 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.

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, actions taken to eliminate threats or safeguards applied.



**Nexia Melbourne Audit Pty Ltd  
Melbourne**



**Andrew S. Wehrens  
Director**

Dated this 8<sup>th</sup> day of October 2020