

family day care australia
annualreport



Family DAYCARE Australia
leading the way in childcare

President's Statement

At the September 2007 Board Meeting I was honoured to be elected to the position of President for a period of two years.

The Board of FDCA, much like many schemes across Australia, has spent time reflecting, rethinking and reviewing our practice, contemplating the future and considering how best to lead the family day care community through what are complex and sometimes onerous times.

As a result of a Governance and Management Review in late 2003, the Board employed a CEO, Linda Latham, for a three year fixed term contract in 2005. This obligation was fulfilled in May 2008. Before beginning the process of recruiting a new CEO the Board has undertaken some critical reflection, seeking advice from experts in the field of change, and engaging with the community in such a way to determine the leadership qualities required of the future CEO.

The Board is looking for a leader able to connect with our stakeholders, the wider child care community and government at all levels; an articulate and poised speaker, with proven political knowledge and analytical skills, and a transformational leadership style. A leader like this is visionary, full of enthusiasm and energy, and they seek to engage and unite in the process of achieving organisational and sector unity, growth and focus in all aspects of their tenure. We do not

imagine this task will be easy, however finding this person is key to our future so it is important work and will require some patience by stakeholders.

In February 2008, FDCA commenced a series of facilitated meetings with state carer and staff associations to discuss how we could work more effectively and collaboratively at the state and national levels. Participants showed a real commitment to partnerships with each other and with FDCA, and this commitment continued at the second meeting in June where the group agreed to support four working parties led by Policy Manager Pola Nadas. The working parties focused on the key policy areas of national regulations, the A-E quality rating system, the early years learning framework and workforce professionalisation and participation. Three more meetings are planned for September, late 2008 and early 2009. At that time the Board will review the costs of hosting these meetings and consider how we can effectively maintain such a consultative group and manage the costs involved. This discussion will form part of a bigger discussion in relation to governance reform and the recommendations of the Governance and Management Review, which in part considered the structure, composition and size of the Board. The Board investigated various governance models in late 2007; however it became very apparent that engagement of the sector in some of this thinking

was essential. It is considered imperative to the future of FDCA that an appropriately skilled and resourced Board of governance is appointed and we will work towards that aim, in consultation with the sector, over the next 12 months.

The Board of FDCA has continued to meet face to face four times annually, with high attendance by Directors, demonstrating the huge commitment Board members make to FDCA and in representing their states and territories. I would like to take this opportunity to thank my fellow Board members for this dedication and also acknowledge the families and organisations which support all Board members enabling a commitment of this magnitude to occur. Anne Hoens resigned from her position as Director in July 2008 due to ill health; the Board wishes her a speedy recovery and hope we once again have the opportunity to work with such a dedicated colleague.

The team at FDCA national office have had an especially busy year with new business development; changes to government policy; getting out of the office to work and collaborate with the family day care community; and striving to lift the profile of family day care at every opportunity. It seems opportune that this report finishes with acknowledging the enormous commitment and dedication of the entire team at national office led by Monique Webber.

Directors' Report

The Directors of Family Day Care Australia present their report on the consolidated financial statements of the company from 1 July 2007 to 30 June 2008.

The following individuals held office as Directors of FDCA Limited during the year ended 30 June 2008, and with the exception of Anne Hoens, Cindy Pierson, Janice McGowan and Amanda Salter, are Directors at the date of this report.

Jennifer Ann Mountney

Director, Tasmania

Qualifications: Certificate of Children's Services III – Family Day Care, Diploma in Community Services (Children's Services), Diploma of Business Management, Certificate IV in Workplace Assessment & Training

Special responsibilities: Director

Board Meetings: Possible: 5 Attendances: 5

Appointed: 11 September 2000

Beverly Lynette Foden

Director, New South Wales

Qualifications: Associate Diploma in Social Welfare

Special responsibilities: Director

Board Meetings: Possible: 5 Attendances: 5

Appointed: 11 September 2000

Susan Jan Perdriau

Director, New South Wales

Qualifications: Teachers College Diploma (3 years)

in Pre-School & Infant Education

Special responsibilities: Director

Board Meetings: Possible: 5 Attendances: 5

Appointed: 14 September 2002

Helen Cotton

Director, Northern Territory

Qualifications: Certificate of Children's Services III

Special responsibilities: Director

Board Meetings: Possible: 5 Attendances: 5

Appointed: 7 March 2003

Carol Ann Borham

Director, Victoria

Qualifications: N/A

Special responsibilities: Director and Treasurer

Board Meetings: Possible: 5 Attendances: 5

Appointed: 25 July 2003

Joanne Kylie Williams

Director, Australian Capital Territory

Qualifications: Diploma in Early Childhood,

Bachelor of Education in Early Childhood

Special responsibilities: Director

Board Meetings: Possible: 5 Attendances: 3

Appointed: 11 September 2004

Julianne Gorell

Director, Australian Capital Territory

Qualifications: Certificate IV in Family Day Care,

Diploma in Community Services (Children's Services)

Special responsibilities: Director

Board Meetings: Possible: 5 Attendances: 3

Appointed: Appointed 13 June 2005

Elizabeth Anne Hoens

Director, Queensland

Qualifications: Certificate IV Workplace Training

and Assessment, Registered Nurse

Special responsibilities: Director and President

Board Meetings: Possible: 5 Attendances: 3

Appointed: 10 September 2005

Resigned: 28 July 2008

Amanda Salter

Director, Northern Territory

Qualifications: Diploma in Children's Services

Special responsibilities: Director

Board Meetings: Possible: 1 Attendance: 1

Appointed: 24 July 2006

Resigned: 8 September 2007

Kym Groth

Director, Queensland

Qualifications: Certificate of Children's Services III,

Diploma in Children's Services, Certificate IV in

Training and Assessment

Special responsibilities: Director and President

Board Meetings: Possible: 5 Attendances: 5

Appointed: 17 August 2006

Margaret Nicolson

Director, Victoria

Qualifications: Registered Nurse, Certificate III in

Children's Services

Special responsibilities: Director and Secretary

Board Meetings: Possible: 5 Attendances: 4

Appointed: 9 September 2006

Merrilyn Hannaford

Director, South Australia

Qualifications: N/A

Special responsibilities: Director

Board Meetings: Possible: 5 Attendances: 5

Appointed: 9 September 2006

Sandra Taylor

Director, Western Australia

Qualifications: General and Obstetrical Nurse

Special responsibilities: Director

Board Meetings: Possible: 5 Attendances: 5

Appointed: 9 September 2006

Lynette Moran

Director, Tasmania

Qualifications: Certificate IV Business

Administration, Diploma Community Services

Management

Special responsibilities: Director

Board Meetings: Possible: 5 Attendances: 5

Appointed: 18 December 2006

Janice Neta McGowan

Director, Western Australia

Qualifications: Associate Diploma in Social Science

(Childcare), Certificate IV in Workplace Assessment

and Training

Special responsibilities: Director

Board Meetings: Possible: 2 Attendances: 1

Appointed: 4 March 2007

Resigned: 17 October 2007

Betty Alice Hartnup

Director, South Australia

Qualifications: Bachelor of Arts, Graduate Diploma

in Education, Bachelor of Social Administration

Special responsibilities: Director

Board Meetings: Possible: 5 Attendances: 5

Appointed: 4 March 2007

Cindy Laverne Pierson

Director, Northern Territory

Qualifications: Diploma Children's Services, Cert IV

in Workplace Training and Assessment

Special responsibilities: Director

Board Meetings: Possible: 2 Attendances: 2

Appointed: 8 September 2007

Resigned: 22 January 2008

Heather Havens

Director, Northern Territory

Qualifications: N/A

Special responsibilities: Director

Board Meetings: Possible: 2 Attendances: 2

Appointed: 3 March 2008

Janet Wright

Director, Western Australia

Qualifications: Diploma Small Business Management, Associate Diploma Social Science (Childcare), Certificate IV Assessment and Workplace Training

Special responsibilities: Director

Board Meetings: Possible: 1 Attendance: 1

Appointed: 18 March 2008

Principal Activities

The principal activities of the company in the course of the financial year ended 30 June 2008 continued to be the promotion of family day care as a quality child care option and a viable career choice for staff and carers.

Review of Operations and Results

The company's operating surplus for the financial year after accounting for extraordinary items amounted to \$152,728.49. There were no major changes in the operations of the company other than documented in this report.

The company operates within five functional areas that are all focused on optimising our services to members.

- Policy, research and advocacy
- Board and member events
- Business and member services
- Marketing and communications
- Finance, HR and facilities

This report covers those areas.

Policy, research and advocacy

The 2007 election of the Rudd Government has seen significant movement in policy focusing on care and education. The Board and team at national office are working with government at all levels to ensure family day care is part of the process.

FDCA has represented the family day care community at many events, forums and meetings, including attending two National Children's Services Forums, face-to-face meetings with Maxine McKew, both in Canberra and at national office, and we continue to make our presence known at DEEWR – profiling our sector and keeping family day care on the agenda of government.

We concentrated our lobbying efforts on viability issues, including Network Funding, CCB for carers' own children (or similar mechanism), RTAG, inclusion support, sustainability funding, in-venue care, start-up grants and affordability. We had good wins with many of these issues, particularly:

- the capacity for schemes to quarantine a two week period around Christmas from Network Funding calculations
- extension of sustainability funding for remote services
- start-up grants for new carers
- the retention of in-venue care in Victoria and WA as a flexible and responsive model to help meet child care needs in smaller rural communities

We also argued for a simplified and unified quality assurance system that facilitated movement of all carers across the child care sector to help retain professional expertise, and to minimise the administration burden created by duplication of state and Federal compliance regimes.

This year we partnered with Charles Sturt University and KU Children's Services in a three year research project which poses the question, 'What's life like for babies in child care?'. The project involves 18 family day care homes and four KU child care

centres in metro and regional areas, reflecting a diversity of socio-economic and cultural demographic settings. Two PhD scholarships are offered – one to focus on family day care and the other on long day care. The aim of the project is to understand how pre-linguistic children 'see' child care, and the outcomes will provide a basis for improving professional practice in infant child care.

FDCA presented a position paper to the Productivity Commission's hearing on Paid Maternity, Paternity and Parental Leave in Brisbane in May 2008. The Policy Manager, President and a Victorian carer, Donna Evans, all spoke on behalf of families, staff and carers seeking to secure CCB for carers' own children and six months maternity leave. They also gave a strong message of supporting women and children's rights to breastfeeding.

Uncertainty for schemes around the new Child Care Management System (CCMS) gave us the impetus to review many of the offerings developed by existing and new players in the child care sector. A comprehensive analysis of solutions was delivered to the family day care sector via the FDCA website and feedback suggests that this was a useful exercise.

When the government announced 630,000 productivity training places over four years, FDCA was keen to ensure that existing family day care carers and staff could benefit. There was significant interest from the sector and we were able to establish a database with over 1,500 names of people interested in Certificate III, Diploma and Advanced Diploma in Children's Services; we will continue to use that information to help secure places for existing family day care workers.

Board and member events

In calendar year 2008 Members' Forums (formerly known as State and Territory Advisory Committees – STACs) were aligned to Board meetings and held in the same week across the country. A consistent agenda and policy briefing papers upon which to consult has resulted in a more effective use of members' time, with healthy debate and recommendations emerging from these meetings.

In March 2008, we celebrated the contribution and commitment to the family day care community of Jo Comans. Jo's family, the Board, staff of FDCA and representatives from the family day care community attended an industry dinner celebrating her long and distinguished career.

In May we farewelled CEO Linda Latham after a three year tenure in which much was achieved for FDCA and the family day care sector. Linda enabled the organisation to become more dynamic and outwardly focused, facilitating a move towards a collaborative model of engagement with key players in the family day care and broader child care sectors, and with government, academics, business, unions and researchers.

The FDCA Strategic Plan 2007-10 was reviewed in June 2008 and the Board endorsed a new structure for the plan which enables clearer identification of the division between the company and sector, and the responsibilities and outcomes to be achieved. Four strategic plan goals were endorsed in late 2006; the review by the management team highlighted the significant change family day care has encountered over this short period requiring FDCA to ensure focus is given to key issues.

The strategic plan now has six major goals:

- **Responsive Leadership** – underpinned by a comprehensive understanding of our constituents and the environment; key platforms are research, consultation and analysis
- **Financial Viability** – increase and diversify income streams that enhance the organisation and the sector
- **Family Day Care Brand** – family day care will be positioned as a well known brand in the Australian child care market

- **FDCA Reputation** – to be at the forefront of the child care sector and a leader in influencing child care policy, research and media commentary; and highly regarded by our members as a credible source of products, services and information, high quality customer service and professional leadership
- **Industry Unification** – work with state associations to optimise communication, collaboration and resource sharing to enhance the efficiency and effectiveness of all parties
- **FDCA Governance Model** – work towards a restructure of our governance model to optimise the capacity of the Board to facilitate the strategic direction of the organisation

Business and member services

FDCA's member services team continues to provide high level customer service to members, and to improve or develop products and resources to help carers and scheme staff in their day to day work.

In response to member needs we extended the office hours of the member services team to enable calls to be answered between 5pm and 7pm from Monday to Thursday; and we introduced an automatic payment system giving carers the option of arranging for their insurance to automatically renew on the due date of policy without the requirement for paperwork or a phone call. To assist our members from a non-English speaking background, we translated insurance and membership information into five community languages and uploaded them to the FDCA website.

Public liability insurance, together with membership, continues to be our core resource for members, and we have worked hard to improve aspects of both. Following on from the welcome additions of Kick Start (three month insurance and membership package); and Suspend it for Six (ability to suspend public liability insurance from six weeks to six months to accommodate carer leave periods); we negotiated a nil excess on the public liability policy, included criminal defence insurance in scheme policies at no additional cost, and offered up to 10% discount for loyalty and child care qualifications. We also now offer policy extensions of up to two months for those carers who intend to leave the sector, which enables an easier transition for carers, families and schemes.

We negotiated an upgrade option for the Personal Accident for Children policy to include additional cover for defined events of up to \$10,000.

The superannuation plan was renegotiated through The County Group to offer a *Family Day Care Industry Super Fund*. An information booklet was developed to provide carers with a plain English description of the benefits of the plan so that they could take full advantage of the Government's change to the co-contribution scheme for self employed.

New Childcare Benefit Receipt books were developed and launched to assist carers to provide receipts to parents that comply with CCMS requirements.

We recruited a new junior dispatch insurance trainee as our current trainee was promoted into the position of Member Service Consultant. The introduction of a traineeship program for the junior dispatch position has been a tremendous success with the attraction of high quality candidates. This enables FDCA to put in place effective succession planning with qualified staff and maintain the high quality customer service standards delivered by the member services team.

A major achievement this year was the production of the Insurance Insights DVD. Written, produced and directed by Business Manager Gida Irving, the DVD has demystified many aspects of insurance for members and has been very well received by the sector.

Marketing and communications

2007-08 has seen unprecedented marketing activity at the national and local levels.

Following the launch of the national family day care logo in April 2006, momentum has slowly built across the family day care sector for unity in branding. The recent achievement of over three months' free national television air time has lifted the family day care brand in the minds of the general public, and even more importantly, in the minds of the sector. The national TV campaign, now followed by a national radio campaign, has contributed to a sense of affirmation, unity and pride by people working within our unique child care sector.

Over one third of schemes across Australia have adopted the national logo as their own, as have a number of staff and carer family day care associations. FDCA offered several more logo products this year, including all weather stickers, car magnets and picnic rugs, as well as adult polo shirts and bucket hats – all designed to raise the profile of family day care.

FDCA has supported the national promotion with an updated website and scheme locator, and with a national family day care Freecall hotline from which hundreds of phone calls have been taken and inquiries forwarded on to local schemes. We have worked hard to make the point that excellent customer service is the key to all marketing activity – whether it is to potential families or potential carers.

We developed a new marketing site on the FDCA website which offers information, templates and the national logo in download format for all members to use. A consultant was engaged to write a *Guide to Media Advertising* which was designed to help schemes better understand the various media and how to plan media advertising effectively.

In March 2008 we established a new Marketing and Communications Coordinator role which was successfully filled by Kerry Hatton. Kerry brings a wealth of knowledge and experience in television and media and she has already had a huge impact within the family day care community with the TV and radio campaigns, the FDCA website and marketing presentations.

One of the key platforms of engagement with families is the internet and we have strategically placed family day care information and links on over 40 websites where parents may be seeking information about children, child care options, activities for children, career options and women's interests. Traffic to and from the FDCA website has increased dramatically in the first half of 2008 thanks to improved Google search words, web links and promotional exposure in parenting magazines and newspapers. Our continued promotion of the Fisher-Price Child Care Awards also achieves good exposure for family day care.

JiGSAW magazine continues to be our major avenue of communication with members, and this quarterly publication is now complemented by an e-newsletter, *Family Day Care Matters*, which reaches more than half of our 11,000 members each week.

Posters, flyers and brochures were created or updated this year and all schemes were provided with a marketing sample kit.

Finance, HR and Facilities

Further review of internal operations led to an improved team structure with all positions now reporting to the CEO via the General Manager. This has been complemented by a refurbishment of the national office premises which facilitates improved communication and cross-functional teamwork through an open plan environment.

Our team of 17 remains stable with only three staff leaving during 2007-08. The positions of Marketing

Manager (vacated in November 2007) and Media Relations Coordinator (vacated in December 2007) were restructured into one new position of Marketing and Communications Coordinator. We are undergoing a recruitment process for a new CEO.

At every level of operations, FDCA supports family day care as an early childhood education service that blends care, development and early learning within small group settings that facilitate social competence in children. Family day care fits firmly within the Australian Government's agenda for early childhood care and education, and we will continue to pursue a platform of inclusion for family day care at every opportunity.

Significant Changes in the State of Affairs

In the opinion of the Directors, there were no other significant changes in the state of affairs of the organisation that occurred during the financial year under review, not otherwise disclosed in this report or the financial statements.

Significant Events after the Balance Date

At the date of this report, no matters or circumstances have arisen since 30 June 2008 that have significantly affected, or may significantly affect:

- the company's operation in future financial years
- the results of those operations in future financial years
- the company's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

The company will continue to promote family day care as a quality child care option and viable career choice for carers and scheme staff.

The expected results of these operations are that the company is likely to meet its financial obligations resulting from such activities.

Dividends

FDCA is a company limited by guarantee that has no shareholders. Under the company's constitution, no dividend can be paid.

Indemnification and Insurance of Officers

During the financial year, FDCA Limited paid premiums of \$5,145 in respect of a contract of insurance insuring all directors, secretaries, executive officers or employees of the company against certain liabilities. The insurance contract places certain prohibition on disclosure of the insurance liability and the premium.

The company has, to the extent permitted by law, indemnified its directors and officers against certain losses and liability incurred as an officer of the company, unless the losses or liability arise out of conduct on the part of the Directors that involves lack of good faith.

Provision of Non-Audit Services

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australian Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid to the external auditors during the year ended 30 June 2008 for:

Postal Ballot Scrutineer \$350

The lead auditor's independence declaration for the year ended 30 June 2008 has been received by the Board.

Directors' Benefits

No Director has received or become entitled to receive a benefit other than reimbursement of out-of-pocket expenses incurred as a result of carrying out company business.

Meetings of Directors

The number of meetings of the company's Directors held during the year was five. Face-to-face meetings were held on 10-11 September 2007, 17-18 November 2007, 8-9 March 2008 and 15-16 June 2008. A meeting via teleconference took place on 7 August 2007.

Resolution

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



Kym Groth
President



Carol Borham
Treasurer

Dated this 13th day of August 2008.

Declaration by Directors

The Directors of Family Day Care Australia declare that:

1. The financial statements and notes
 - a. Comply with Accounting Standards and Corporations Law; and
 - b. Give a true and fair view of the financial position of the company as at 30 June 2008 and performance of the company for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board made on the 13th day of August 2008.



Kym Groth
President



Carol Borham
Treasurer

Dated this 13th day of August 2008.



Family DAY CARE Australia
leading the way in childcare

Independent Audit Report to the Members

Family Day Care Australia ABN 93 094 436 021

Scope

We have audited the financial report, being the Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements of Family Day Care Australia Limited for the year ended 30 June 2008. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of their operations and their cash flows.

Independence

In conducting the audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In accordance with AIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration as required by Section 307(c) of the Corporations Act 2001, and provided to the company, has not changed at the date of providing this audit opinion. The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial statements of Family Day Care Australia Limited are in accordance with:

- a. The Corporations Law including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2008 and of their performance for the period ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations; and
- b. Other mandatory professional reporting requirements.

FREEMAN KENNEDY

Chartered Accountants



LINDSAY D. FREEMAN FCA
Erina Heights 25th July 2008

Statement of Financial Performance for the year ended 30 June 2008

	Note	2008 \$	2007 \$
Classification of expenses by nature			
Revenues from ordinary activities	2	2,231,348.41	2,164,887.98
Employee benefits expense		(1,152,877.40)	(1,062,034.40)
Depreciation and amortisation expenses	3	(8,662.00)	(8,660.00)
Borrowing costs expense	3	(827.71)	-
Other expenses from ordinary activities		(916,252.81)	(992,079.51)
Profit from ordinary activities before income tax expense	3	152,728.49	102,114.07
Total changes in equity other than those resulting from transactions with owners as owners		152,728.49	102,114.07

Statement of Financial Position for the year ended 30 June 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	1,231,678.44	1,123,288.62
Trade and Other Receivables	7	51,512.70	65,415.08
TOTAL CURRENT ASSETS		1,283,191.14	1,188,703.70
NON-CURRENT ASSETS			
Property, plant and equipment	8	61,247.06	39,097.93
TOTAL NON-CURRENT ASSETS		61,247.06	39,097.93
TOTAL ASSETS		1,344,438.20	1,227,801.63
CURRENT LIABILITIES			
Trade and Other Payables	9	69,966.20	83,861.92
Provisions	10	78,000.00	98,000.00
Other	11	80,387.18	82,583.38
TOTAL CURRENT LIABILITIES		228,353.38	264,445.30
NON-CURRENT LIABILITIES			
Provisions	10	99,000.00	99,000.00
TOTAL NON-CURRENT LIABILITIES		99,000.00	99,000.00
TOTAL LIABILITIES		327,353.38	363,445.30
NET ASSETS		1,017,084.82	864,356.33
EQUITY			
Contributed equity	12	-	-
Retained profits	5	1,017,084.82	864,356.33
TOTAL EQUITY		1,017,084.82	864,356.33

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2008

	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,215,741.10	2,118,869.37
Payments to suppliers & employees	(2,119,739.00)	(1,991,792.50)
Interest Received	43,198.28	43,159.22
Net cash provided by (used in) operating activities	139,200.38	170,236.09
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant & equipment	(30,811.13)	(2,902.00)
Proceeds from the sale of equipment	-	-
Net cash provided by (used in) investing activities	(30,811.13)	(2,902.00)
Net increase (decrease) in cash held	108,389.25	167,334.09
Cash at beginning of year	1,123,288.62	955,954.53
Cash at end of year	1,231,678.44	1,123,288.62

Notes to the Statement of Cash Flows

	2008 \$	2007 \$
Reconciliation of Cash		
Cash at the end of financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on Hand	298.09	303.90
Cash at Bank	599,701.58	536,418.58
Term Deposits	100,271.67	86,783.35
Cash Management Funds	531,407.10	499,782.79
	1,231,678.44	1,123,288.62
Reconciliation of Net Cash provided by Operating Activities to Benefits Accrued as a Result of Operations		
Operating profit (loss) after income tax	152,728.49	102,114.07
Non-cash flows in operating profit		
Depreciation	8,662.00	8,660.00
Doubtful Debts	1,500.00	-
Changes in assets and liabilities, net of the effects of purchase and disposals		
Increase (Decrease) in creditors	(2,339.25)	(12,782.08)
Increase (Decrease) in provisions	(20,000.00)	49,000.00
Increase (Decrease) in other creditors	(3,608.71)	19.38
Decrease (Increase) in receivables	12,402.38	(7,967.39)
Increase (Decrease) in GST Payable	(10,144.53)	31,192.11
Cash flows from operations	139,200.38	170,236.09

Notes to the Financial Statement

for the year ended 30 June 2008

These notes are to be read in conjunction with the attached audit report.

1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accrual basis and is based on historical costs. It does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Income Tax

The company is exempt from income tax under S.50-5 of the Income Tax Assessment Act 1997, as amended.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the company to have an independent valuation every three years, with annual appraisals being made by the directors.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

Plant and equipment

Plant and equipment are measured on a cost basis

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing basis over their useful lives to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation rate
Plant & Equipment	15-40%
Office Furniture	15%

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are depreciated over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduced the liability.

Employee Benefits

Provision is made for the company's liability for employee entitlements for annual leave and long service leave at balance date. Entitlements have been measured at their nominal value. Long service leave is accrued in respect of all employees with more than 4 years service at balance date.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

Cash

For purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service 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).

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the

Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Share Capital

The Company is limited by guarantee. On winding up the company, any individual member's liability is limited to such amount that shall not exceed \$2.

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 of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of the financial statements.

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

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities 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 principal intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

2 Revenue

Operating activities

Interest
Rendering of services
Other revenue

Interest from:

Other Corporations

3 Profit from Ordinary Activities

Profit from ordinary activities before income tax expense has been determined after:

Expenses:

Borrowing costs
 Other Persons/Corporations
Total borrowing costs
Depreciation of non-current assets
Depreciation
Total depreciation
Bad and doubtful debts
Doubtful Debts
Total bad and doubtful debts
Remuneration of auditor
 Audit Services
 Other Services
Rental expense on operating leases
Lease Payments - Computer
Lease Payments - Copier

4 Income Tax Expense

Income tax expense attributable to:
Profit from ordinary activities before income tax

5 Retained Profits

Retained profits (accumulated losses) at the beginning of the financial year
Net profit attributable to members of the company
Retrospective adjustment(s) upon introduction of accounting standard(s):
Retained profits(accumulated losses) at the end of the financial year

6 Cash and Cash Equivalents

Petty Cash Imprest
CBA Term Deposit
Premium Business Cheque account
Cash Management Account
Project Cash Management account
FDCA Savings
Managed Funds
CMA Legal Plan

7 Trade and Other Receivables

CURRENT

Accounts Receivable
Less: Provision for Doubtful Debts

Sundry Debtors

	2008 \$	2007 \$
Interest	41,836.09	42,677.39
Rendering of services	2,157,888.01	2,091,776.15
Other revenue	31,624.31	30,434.44
	<u>2,231,348.41</u>	<u>2,164,887.98</u>
Interest from: Other Corporations	41,836.09	42,677.39
Profit from Ordinary Activities		
Profit from ordinary activities before income tax expense has been determined after:		
Expenses:		
Borrowing costs		
Other Persons/Corporations	827.71	-
Total borrowing costs	<u>827.71</u>	<u>-</u>
Depreciation of non-current assets		
Depreciation	8,662.00	8,660.00
Total depreciation	<u>8,662.00</u>	<u>8,660.00</u>
Bad and doubtful debts		
Doubtful Debts	1,500.00	-
Total bad and doubtful debts	<u>1,500.00</u>	<u>-</u>
Remuneration of auditor		
Audit Services	5,000.00	5,500.00
Other Services	350.00	2,650.00
Rental expense on operating leases		
Lease Payments - Computer	21,940.92	13,188.90
Lease Payments - Copier	-	2,415.54
	<u>21,940.92</u>	<u>15,604.44</u>
Income Tax Expense		
Income tax expense attributable to: Profit from ordinary activities before income tax	-	-
Retained Profits		
Retained profits (accumulated losses) at the beginning of the financial year	864,356.33	762,242.26
Net profit attributable to members of the company	152,728.49	102,114.07
Retrospective adjustment(s) upon introduction of accounting standard(s):		
Retained profits(accumulated losses) at the end of the financial year	<u>1,017,084.82</u>	<u>864,356.33</u>
Cash and Cash Equivalents		
Petty Cash Imprest	298.09	303.90
CBA Term Deposit	100,271.67	86,783.35
Premium Business Cheque account	47.00	266.96
Cash Management Account	342,876.13	300,168.80
Project Cash Management account	38,953.65	37,698.78
FDCA Savings	98,439.87	83,334.31
Managed Funds	531,407.10	499,782.79
CMA Legal Plan	119,384.93	114,949.73
	<u>1,231,678.44</u>	<u>1,123,288.62</u>
Trade and Other Receivables		
CURRENT		
Accounts Receivable	29,243.83	55,472.93
Less: Provision for Doubtful Debts	1,500.00	-
	<u>27,743.83</u>	<u>55,472.93</u>
Sundry Debtors	23,768.87	9,942.15
	<u>51,512.70</u>	<u>65,415.08</u>

8 Property, Plant and Equipment

Land and Buildings

Movements in Carrying Amounts:

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

	Land \$	Freehold Buildings \$	Plant and Equipment \$	Leased Plant and Equipment \$	Total \$
Balance at beginning of year	-	-	39,098	-	39,098
Additions	-	-	30,811	-	30,811
Depreciation expense	-	-	(8,662)	-	(8,662)
Carrying amount at the end of year	-	-	61,247	-	61,247

9 Trade and Other Payables

CURRENT

Accounts Payable

Sundry Creditors

Input Tax Credits

GST Collected

2008 \$	2007 \$
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	21,026.27	23,364.52
	12,561.82	13,974.33
	(30,248.50)	(26,440.27)
	66,626.61	72,963.34
	<u>69,966.20</u>	<u>83,861.92</u>

10 Provisions

CURRENT

Provision for Annual Leave

NON-CURRENT

Provision for Long Service Leave

Aggregate employee benefit liability

Number of employees at year end

	78,000.00	98,000.00
	<u>99,000.00</u>	<u>99,000.00</u>
	<u>177,000.00</u>	<u>197,000.00</u>

11 Other Liabilities

CURRENT

Income In Advance

	80,387.18	82,583.38
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12 Remuneration and Retirement Benefits

Directors' Remuneration:

Income paid or payable to all directors of the company by the company and any related parties

Number of directors whose income from the company or any related parties

was within the following bands:

0 - \$9999

	16,668.12	13,257.49
No.	18	No.
		20

Retirement and Superannuation Payments:

Amounts of a prescribed benefit given during year by the company or a related party to a director or prescribed superannuation fund in connection with the retirement from a prescribed office

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