

09

FAMILY DAY CARE AUSTRALIA ANNUAL REPORT



Family DAYCARE Australia
leading the way in childcare

President's Statement

A retrospective look at the past twelve months compels us to pause for a moment to think about our achievements and challenges. It provokes reflection about the way we do things; how we build relationships: our successes, failures and the interactions between internal factors and the external environment in which we operate. My message this year will also focus on the future as we navigate through the multidimensional changes occurring within the care and education community, as well as evolving societal views of families, work life and leisure.

Over the past year Family Day Care Australia has undergone a process of transformation with new structures, people and focus. We recruited a new Chief Executive Officer, Rhonda Bignell, in December, and restructured operations within the national office to provide for a greater focus on policy and marketing/communication. We have in place an experienced and professional team which underpins a highly functional national peak body able to meet the challenges of responding to what will be a new era in the history of Australian children's services.

During 2009 the Board committed to consolidating the financial viability of the company to enable a greater, more visible and credible presence within the National Quality Reform Agenda debate. Family Day Care Australia continues to profile the values of the family day care setting within Australia's early childhood community, and has worked hard to ensure family day care has a place at the government table in developing future policy.

Members adopted a new constitution in May 2009 which provides for a new and dynamic leadership structure for the organisation. A new consultative framework is also in place – one that aims to connect the very core of the family day

care program – the grass roots, service delivery and operational components – through existing Members' Forums to a new National Members' Forum (NMF), and from there into the day-to-day operational priorities of Family Day Care Australia. This is a significant achievement; however the measure of success will come in the future and with your engagement with your NMF representatives.

When I reflect on what is Family Day Care Australia in the aftermath of these changes it is hard to see the same organisation. We have taken a proactive leadership approach in positioning family day care as a key player in the Australian early childhood field. We have engaged with early childhood peaks across Australia and worked closely with them to build relationships, support, credibility, and a profile which enhances our capacity to represent family day care at all levels of government. The organisation has presented itself as a dynamic and responsive national peak body willing to work with government and the early childhood sector. This supports the ethos that together we can build an early childhood community able to inspire children to reach their full potential.

As we approach the intersection of change, awaiting the emergence of a new world order under the National Quality Reform Agenda, we have already begun to unpack our current child care model by reflecting on the integral elements that foster high quality outcomes for staff, carers, families and children. And we are considering what role the organisation will have in supporting, reviewing, refreshing and strengthening the family day care program now and in the future.

We have all reached a significant point in time. More than 30 years have passed since we began

this journey – one that has had many peaks and troughs and the path has often been long and arduous. We must embrace the future – there is no going back. Will 2009-10 be our coming of age? Will family day care – through our actions, practices and values – step up and take a place as a leader in quality within the new framework?

During the last year many have talked about what cannot be achieved, but I would ask, if given the opportunity and with the right commitment, what can we achieve? To take the words from a beautiful John Lennon song, if 'children are our future' then we owe it to them to step up, shed the 'can't do' attitude, investigate, explore and develop a new way forward with a fresh approach to managing change as we all embrace new thinking around caring and educating our young people.

Writing this report is one of the last tasks I undertake as President of Family Day Care Australia. It is with a sense of great pride that I acknowledge the work of the current Board, and of past Directors, and of the staff past and present – all of whom have contributed to bringing the organisation to this place. Where to from here is now in the hands of you as members. I encourage you to participate, engage with your representative of the National Members' Forum, keep in contact with the national office and be proactive advocates for all the staff, carers, families and children we welcome into this wonderful space we call 'family day care'.



Kym Groth
FDCA President, August 2009

CEO's Statement

Welcome to the 2008-09 Annual Report and congratulations to all of our members on what has been an exciting and challenging year.

It has been a very busy time in family day care with the Australian government's national child care quality reform agenda; the Senate Inquiry into the Provision of Child Care; regulations reviews in a number of states and territories and the development of a Five Year Plan for family day care in the future.

At Family Day Care Australia, we have recognised the need to lift the organisation to achieve the high level expectations that the family day care community, families, the government and our network partners have of us as the national peak body representing the family day care sector throughout Australia. We have brought into the organisation strong skills in policy and marketing to assist us to lift the image and profile of family day care, and to develop strong policy leadership in child care. These roles complement the high quality and responsive services which continue to be provided through our member services team.

Our members are very important and we encourage your feedback and suggestions so that we can meet your service needs. We thank you for your support – so that we can, in turn, provide quality services to you.

The constitutional changes at the Board level, so strongly endorsed by our members at the Family Day Care Australia National Conference in Hobart in May 2009, will take us into the future. The consultation process in the lead-up to the decision by the members to approve the new constitution was as extensive as we could make it and we thank our members for their input and forward thinking approach to our governance reform agenda.

We value consultation and recognise the dedication of the members of the State Associations National Meetings (SAM), which will transition into the National Members' Forum (NMF) in November, who have given their time and enthusiasm to help bring the family day care sector together. We continue to appreciate the effort of so many members who contribute to state and territory Members' Forums which are held quarterly and will continue under the new consultative framework.

The Australian government has included Family Day Care Australia at the table of discussions, which means that we can directly represent the issues and views of our members' at the most senior government level. We look forward to developing and maintaining strong working relationships with the government, the children's services networks, and our strategic partners in the year to come.

Thank you to the members who have made me so welcome since I commenced in December 2008; I sincerely appreciate the time and enthusiasm that you have put in to introduce me to our wonderful and vibrant sector. The dedication of carers and staff in achieving best outcomes for children is outstanding – congratulations to all of our dedicated members who put children first.

Many thanks also to the dedicated staff at Family Day Care Australia for the high quality work that they do every day and their dedication to ensuring our members receive the best possible services.

Finally, thank you to the Board of Family Day Care Australia who took up the challenge of changing the organisation to launch it into a strong and successful future. In particular, I thank our President, Kym Groth, for her focused dedication and generosity of time to ensure that family day care will thrive as a professional child care and education service for many years to come.



Rhonda Bignell
FDCA Chief Executive Officer,
August 2009

Strategic Plan Report

The Family Day Care Australia strategic plan has six major goals which are reported against as follows:

Responsive leadership – *underpinned by a comprehensive understanding of our constituents and the environment; key platforms are research, consultation and analysis*

In October 2008 we developed a comprehensive national survey for schemes which aimed to provide the most complete baseline data about the sector that we have ever collected. Schemes were surveyed about carer, child and staff numbers; qualifications of carers and staff; cultural backgrounds of carers and families; ages of children; geographical location of schemes and more. The survey achieved a 100% response rate in several states and an overall response rate of 93% nationally. The information enabled us to gain a clearer understanding of the family day care sector, and was reflected back against child care census and other data to identify emerging trends. The survey is planned as an annual project.

The 2008-09 financial year was characterised by several major consultations including the COAG Quality Reform Agenda initial discussion paper in September 2008; the Productivity Commission's Review of Regulatory Burdens; and the Senate Inquiry into the Provision of Child Care in Australia. In each case, Family Day Care Australia consulted widely with the sector to ensure that voices were heard and views were taken into account before making our submissions.

Family Day Care Australia played a significant role in several major initiatives including the development of the Early Years Learning Framework and the 'What's Life Like for Babies in Child Care' research project undertaken by Charles Sturt University. We welcomed National Policy Manager Paula Myott, and plan to engage a Policy Research Analyst to further support the research and consultative work undertaken by the policy unit.

Financial viability – *increase and diversify income streams that enhance the organisation and the sector*

Lead by National Business Manager, Gida Irving, a major outcome of our work towards the financial viability goal in 2008-09 was the achievement of our Australian Financial Services License in October 2008. Family Day Care Australia now operates as a general insurance broker providing broking services to the family day care community. The license enables us to negotiate directly with Lloyd's of London brokers and underwriters which means that we no longer need to use a local broker and underwriting agency for the public liability product, leading to significant cost savings.

Following attainment of the license, Family Day Care Australia commenced the diversification of our insurance portfolio with the recent launches of Income Protection insurance, tailored commercial insurances for schemes including Directors and Officers, Property, Business Interruption, Employment Practices Liability, Workers Compensation and professional liability cover for multi-service providers. We have also commenced sourcing non family day care related insurance products to meet the needs of our members.

Work is well under way on the development of working together partnerships with state associations that will enhance the organisation

and the sector through marketing and policy collaboration and promote FDCA's position as the preferred insurance provider for the sector.

We broadened our taxation information to carers through the updated Tax Guide which for the first time includes a section specifically for in-home care services; and we launched a new Child Care Tax and Accounting service which provides online and telephone support to carers nationally.

Negotiations with CCMS software system provider HubWorks to promote their state of the art web-based service have commenced and will be finalised in the next financial year.

Family day care brand – *family day care will be positioned as a well-known brand in the Australian child care market*

Rolling out the family day care brand nationally was a key focus of the marketing team with the standout achievement being the airing of our two television commercials as community service announcements on most major channels over several months. The adverts are aimed at attracting families and attracting carers respectively and the statistics from the family day care hotline attest to the success of the television campaign.

Two radio commercials were created to complement the television commercials, and we developed a range of giveaway products such as key rings, balloons, stickers for use at events, as well as adding to our range of logo products with car sun shades, eco-bags and outdoor stickers. The new giveaway products were launched at the Family Day Care Australia National Conference 2009 in Hobart to great acclaim.

Also during this year we achieved high exposure in several national glossy women's magazines such as Cosmo Pregnancy and Show Mummy the Money, and in child care sector publications such as Every Child and Perth's The Parent's Paper. We also made online promotion a focus and provided information to parenting sites such as Parenting Australia and Living Childcare and created many links from our site to sites where parents may be searching. We partnered with the online job centre CareerOne and Playgroups Australia to create reciprocal links on each others' websites. In a related strategy we developed and hosted websites for the Family Day Care Carers' Association of NSW and for Careproviders of South Australia (COSA). We continue to work with other carer associations on their websites and events.

We welcomed Sisenanda Santos to the role of National Marketing Manager in June 2009 and look forward to the appointment of a Public Relations Coordinator with a focus on media and communications to complement the skills of Melanie Ryan who coordinates on the ground marketing strategies, the website and e-communications.

Family Day Care Australia 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*

During the first half of financial year 2008-09 the organisation progressed under the leadership of the General Manager, Monique Webber, who acted in the Chief Executive Officer role until a clear understanding of the type of leader we needed

going forward was established. In December 2008, after a rigorous recruitment process, Rhonda Bignell was appointed as CEO. Rhonda is a seasoned CEO with many years experience in local government and five years as CEO of St John; she has already made a significant impact on the reputation of Family Day Care Australia within our own sector, with government, the child care community and other key stakeholders.

Industry unification – *work with state associations to optimise communication, collaboration and resource sharing to enhance the efficiency and effectiveness of all parties*

Industry unification is a significant strategy for Family Day Care Australia and aims to bring together the state carer and staff associations with each other and with the national peak body so that we can all work together to make family day care visible, viable and valued now and in the future. This was the mission set by the State Associations National Meeting (SAM) group during 2008, and work has progressed steadily on this objective, as well as a forward looking five year strategic plan. Establishing the SAM has provided the impetus to better connect the family day care sector and to work together to bring our mutual aims and objectives to fruition. Collaboration within the sector strengthens each component and enables common messages to be developed and circulated and for family day care to be respected as a unified and established sector within the children's services environment.

Family Day Care Australia 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.*

Governance continues to be an area of strong focus for Family Day Care Australia as we transition toward a new Board structure at the Annual General Meeting in November 2009. After significant debate, discussion and consultation by the existing Board and with members, a new constitution was put to the membership at an extraordinary general meeting in May which coincided with the national conference in Hobart. Over 400 members in person and by proxy voted overwhelmingly to adopt the new constitution which will see the existing sixteen member representative style Board dissolve and be replaced with a 9-11 person Board – six of whom will be elected from within the family day care community and 3-5 appointed externally.

The new Board will focus on the governance of Family Day Care Australia, the company, and will set and monitor the strategic direction of the organisation in relation to its work on behalf of the family day care sector.

Complementing the new Board is the National Members' Forum, which also takes effect from the AGM. The existing SAM group will transition into the National Members' Forum for the first twelve months, after which the representatives to that group will be elected by and from the membership – one carer and one coordination unit representative from each state and territory. The National Members' Forum representatives will be responsible for organising the state and territory Members' Forums and for consulting at the grass roots level to provide comprehensive advice to the CEO.

Directors' Report

The Directors of Family Day Care Australia Limited present their report on the consolidated financial statements of the company from 1 July 2008 to 30 June 2009.

The following individuals held office as Directors of Family Day Care Australia Limited during the year ended 30 June 2009 and, with the exception of Carol Borham and Anne Hoens, are Directors at the date of this report. The particulars of the qualifications, experience and special responsibilities of the Directors of the company are as follows:

Carol Borham (Resigned 13 September 2008)
Board Meetings: Possible 0 Attendance: 0

Beverley Foden, Associate Diploma in Social Welfare
Board Meetings: Possible: 6 Attendance: 6

Kym Groth, Advanced Diploma in Children's Services, Diploma in Children's Services, Certificate III in Children's Services, Certificate IV in Training and Assessment
Special responsibilities: President
Board Meetings: Possible: 6 Attendance: 6

Joanne Williams, Diploma in Early Childhood, Bachelor of Early Childhood Education
Board Meetings: Possible: 6 Attendance: 4

Elizabeth (Anne) Hoens, Certificate IV Workplace Training and Assessment, Registered Nurse (Resigned 28 July 2008)
Board Meetings: Possible: 0 Attendance: 0

Jennifer Mountney, Certificate III in Children's Services (Family Day Care); Diploma of Community Services (Children's Services), Diploma of Business Management; Certificate IV Workplace Assessment & Training
Board Meetings: Possible: 6 Attendance: 6

Julianne Gorell, Certificate IV in Family Day Care, Diploma in Community Services (Children's Services)
Board Meetings: Possible: 6 Attendance: 6

Susan Perdriau, Teachers College Diploma (3 years) in Pre-School & Infant Education
Special responsibilities: Secretary
Board Meetings: Possible: 6 Attendance: 5

Helen Cotton, Certificate III in Children's Services
Board Meetings: Possible: 6 Attendance: 6

Margaret Nicolson, Registered Nurse, Certificate III in Children's Services
Board Meetings: Possible: 6 Attendance: 5

Merrilyn Hannaford, Diploma in Children's Services
Board Meetings: Possible: 6 Attendance: 6

Sandra Taylor, General and Obstetrical Nurse
Board Meetings: Possible: 6 Attendance: 6

Lynette Moran, Certificate IV Business Administration, Diploma Community Services Management
Special responsibilities: Treasurer
Board Meetings: Possible: 6 Attendance: 6

Jennifer Broadbent, Certificate III in Children's Services, Commonwealth Appointed Civil Marriage Celebrant (Appointed 13th September, 2008)
Board Meetings: Possible: 6 Attendance: 6

Betty Hartnup, Bachelor of Arts, Graduate Diploma in Education, Bachelor of Social Administration
Board Meetings: Possible: 6 Attendance: 6

Dawn McNellie, Bachelor of Arts, Certificate III in Community Services (Disability Work), Certificate III in Community Services (Mental Health Work, Non-clinical), Certificate III in Work Place Training (Community Services), Certificate III in Assessment, Diploma in Care of Intellectually Handicapped Persons, Certificate of Competency as Child Welfare Assistant (Appointed 25 August, 2008)
Board Meetings: Possible: 6 Attendance: 5

Heather Havens, Diploma in Teaching
Board Meetings: Possible: 6 Attendance: 5

Janet Wright, Diploma Small Business Management, Associate Diploma Social Science (Childcare), Certificate IV Assessment and Workplace Training
Board Meetings: Possible: 6 Attendance: 6

Principal Activities

The principal activities of the company during the financial year continued to be the promotion of family day care as a quality child care service and a viable career choice for staff and carers.

Review of Operations and Results

The profit of the company for the financial year after providing for income tax and extraordinary items amounted to \$298,805.03.

Family Day Care Australia Ltd holds an Australian Financial Services Licence No. 329616 and since October 2008 has been acting as an insurance broker for the family day care community.

Significant Changes in the State of Affairs

In the opinion of the Directors, there were no significant change in the state of affairs of the organisation that occurred during the financial year under review that have not otherwise been 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 2009 that have significantly affected, or may significantly affect the company's operations in future financial years; the results of those operations in future financial years; or 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 service and a viable career choice for staff and carers. The expected results of these operations are that the company is likely to meet its financial obligations resulting from such activities.

Dividends

Family Day Care Australia is a company limited by guarantee. Under the Company's constitution no dividend can be paid.

Indemnification and Insurance of Officers

During the financial year, the company paid insurance premiums of \$5,836 in respect of a contract of insurance insuring all directors, secretaries, executive officers or employees of the company against certain liabilities to the extent permitted by the Corporations Act 2001. The insurance contract places certain prohibition on disclosure of the insurance liability.

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 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 Australia Professional Statement F1: Professional Independence.

The lead auditor's independence declaration for the year ended 30 June 2009 has been received and is set out on page 4.

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.


Number of Meetings

The number of meetings of the company's Directors held during the year was six. Face-to-face meetings were held on 15-16 September 2008; 15-16

November 2008; 6 & 9 March 2009; and 24-25 May 2009. Teleconferences took place on 2 February 2009 and 8 April 2009.

Resolution

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



Kym Groth
President

Susan Perdriau
Secretary

Dated this 8th day of September 2009

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
 - b. Give a true and fair view of the financial position of the company as at 30 June 2009 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 8th day of September 2009.



Kym Groth
President

Susan Perdriau
Secretary

Dated this 8th day of September 2009

Independent Audit Report to the Members

Family Day Care Australia Limited 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 Recognised Income and Expenditure, Statement of Cash Flows and Notes to the Financial Statements of Family Day Care Australia Limited for the year ending 30th June 2009.

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 ASIC 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 is 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 2009 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 report requirements.

FREEMAN KENNEDY
Chartered Accountants



LINDSAY D. FREEMAN FCA
Erina Heights, NSW, 14 August 2009

Statement of Financial Performance

for the year ended 30 June 2009

	Note	2009 \$	2008 \$
CLASSIFICATION OF EXPENSES BY NATURE			
Revenues from ordinary activities	2	2,913,875.66	2,231,348.41
Employee benefits expense		(1,179,013.14)	(1,152,877.40)
Depreciation and amortisation expenses	3	(8,324.00)	(8,662.00)
Borrowing costs expense	3	-	(827.71)
Other expenses from ordinary activities		(1,427,733.49)	(916,252.81)
Profit from ordinary activities before income tax expense	3	298,805.03	152,728.49
Total changes in equity other than those resulting from transactions with owners as owners		<u>298,805.03</u>	<u>152,728.49</u>

Statement of Financial Position

for the year ended 30 June 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	2,337,315.99	1,231,678.44
Trade and Other Receivables	7	47,660.41	51,512.70
TOTAL CURRENT ASSETS		2,384,976.40	1,283,191.14
NON-CURRENT ASSETS			
Property, plant and equipment	8	54,933.06	61,247.06
TOTAL NON-CURRENT ASSETS		54,933.06	61,247.06
TOTAL ASSETS		<u>2,439,909.46</u>	<u>1,344,438.20</u>
CURRENT LIABILITIES			
Trade and Other Payables	9	792,715.54	69,966.20
Provisions	10	102,000.00	78,000.00
Other	11	103,971.07	80,387.18
TOTAL CURRENT LIABILITIES		998,686.61	228,353.38
NON-CURRENT LIABILITIES			
Provisions	10	117,000.00	99,000.00
Other	11	8,333.00	-
TOTAL NON-CURRENT LIABILITIES		125,333.00	99,000.00
TOTAL LIABILITIES		<u>1,124,019.61</u>	<u>327,353.38</u>
NET ASSETS		<u>1,315,889.85</u>	<u>1,017,084.82</u>
EQUITY			
Contributed equity	12	-	-
Retained profits	5	1,315,889.85	1,017,084.82
TOTAL EQUITY		<u>1,315,889.85</u>	<u>1,017,084.82</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statement

for the year ended 30 June 2009

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 the 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.

The accompanying notes form part of these financial statements.

Statement of Recognised Income and Expenditure

for the year ended 30 June 2009

	Retained Earnings \$	Total \$
Balance at 1 July 2007	864,356.33	864,356.33
Profit attributable to entity	152,728.49	152,728.49
Balance at 30 June 2008	1,017,084.82	1,017,084.82
Profit attributable to entity	298,805.03	298,805.03
Balance at 30 June 2009	1,315,889.85	1,315,889.85

Statement of Cash Flows

for the year ended 30 June 2009

	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	7,185,681.29	2,215,741.10
Payments to suppliers & employees	(6,120,855.69)	(2,119,739.00)
Interest Received	42,821.95	43,198.28
Net cash provided by (used in) operating activities	1,107,647.55	139,200.38
Cash Flows from Investing Activities		
Payment for property, plant & equipment	(2,010.00)	(30,811.13)
Proceeds from the sale of equipment	-	-
Net cash provided by (used in) investing activities	(2,010.00)	(30,811.13)
Net increase (decrease) in cash held	1,105,637.55	108,389.25
Cash at beginning of year	1,231,678.44	1,123,288.62
Cash at end of year	<u>2,337,315.99</u>	<u>1,231,678.44</u>

Notes to the Statement of Cash Flows

	2009 \$	2008 \$
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	159.38	298.09
Cash at Bank	1,684,889.73	599,701.58
Term Deposits	106,146.44	100,271.67
Cash Management Funds	546,120.44	531,407.10
	<u>2,337,315.99</u>	<u>1,231,678.44</u>
Reconciliation of Net Cash provided by Operating Activities to Benefits Accrued as a Result of Operations		
Operating profit (loss) after income tax	298,805.03	152,728.49
Non-cash flows in operating profit		
Depreciation	8,324.00	8,662.00
Doubtful Debts	158.78	1,500.00
Changes in assets and liabilities, net of the effects of purchase and disposals		
Increase (Decrease) in creditors	52,642.80	(2,339.25)
Increase (Decrease) in provisions	42,000.00	(20,000.00)
Increase (Decrease) in other creditors	734,036.46	(3,608.71)
Decrease (Increase) in receivables	3,852.56	12,402.38
Increase (Decrease) in GST Payable	(32,172.08)	(10,144.53)
Cash flows from operations	<u>1,107,647.55</u>	<u>139,200.38</u>

These notes form part of the financial statements.

Notes to the Financial 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.

	2009	2008
	\$	\$
2 Revenue		
Operating activities		
Interest	42,939.36	41,836.09
Rendering of services	2,840,812.42	2,157,888.01
Other revenue	30,123.88	31,624.31
	2,913,875.66	2,231,348.41
Interest from:		
Other Corporations	42,939.36	41,836.09
3 Profit from Ordinary Activities		
Profit from ordinary activities before income tax expense has been determined after:		
	2009	2008
	\$	\$
Expenses:		
Borrowing costs		
Other Persons/Corporations	-	827.71
Total borrowing costs	-	827.71
Depreciation of non-current assets		
Depreciation	8,324.00	8,662.00
Total depreciation	8,324.00	8,662.00
Bad and doubtful debts		
Bad Debts	158.78	1,500.00
Total bad and doubtful debts	158.78	1,500.00
Remuneration of auditor		
Audit Services	7,500.00	5,000.00
Other Services	600.00	350.00
Rental expense on operating leases		
Lease Payments - Computer	21,940.92	21,940.92
	21,940.92	21,940.92
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	1,017,084.82	864,356.33
Net profit attributable to members of the company	298,805.03	152,728.49
Retrospective adjustment(s) upon introduction of accounting standard(s):		
Retained profits(accumulated losses) at the end of the financial year	1,315,889.85	1,017,084.82
6 Cash and Cash Equivalents		
Petty Cash Imprest	159.38	298.09
CBA Term Deposit	106,146.44	100,271.67
Premium Business Cheque a/c	1,311.85	47.00
Cash Management Account	562,612.08	342,876.13
Project Cash Management a/c	39,944.62	38,953.65
FDCA Savings	113,457.57	98,439.87
Cash Management Funds	546,120.44	531,407.10
FDCA Insurance Trust Account	843,737.71	-
CMA Legal Plan	123,825.90	119,384.93
	2,337,315.99	1,231,678.44
7 Trade and Other Receivables		
CURRENT		
Accounts Receivable	8,090.89	29,243.83
Less: Provision for Doubtful Debts	1,500.00	1,500.00
	6,590.89	27,743.83
Sundry Debtors	41,069.52	23,768.87
	47,660.41	51,512.70

These notes form part of these financial statements.

8 Property, Plant and Equipment

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

	Freehold Land \$	Buildings \$	Plant and Equipment \$	Leased Plant and Equipment \$	Total \$
Balance at beginning of year	-	-	61,247	-	61,247
Additions	-	-	2,010	-	2,010
Depreciation expense	-	-	(8,324)	-	(8,324)
Carrying amount at the end of year	-	-	54,933	-	54,933

9 Trade and Other Payables

CURRENT

Accounts Payable	73,828.23	21,026.27
Sundry Creditors	118,246.86	12,561.82
Premiums Held In Trust	532,823.52	-
Non-Resident Insurers Tax	63,610.90	-
Input Tax Credits	(54,129.19)	(30,248.50)
GST Collected	58,335.22	66,626.61
	<u>792,715.54</u>	<u>69,966.20</u>

10 Provisions

CURRENT

Provision for Annual Leave	<u>102,000.00</u>	<u>78,000.00</u>
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NON-CURRENT

Provision for Long Service Leave	<u>117,000.00</u>	<u>99,000.00</u>
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Aggregate employee benefit liability	<u>219,000.00</u>	<u>177,000.00</u>
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Number of employees at year end	<u>18</u>	<u>17</u>
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11 Other Liabilities

CURRENT

Income in Advance	<u>103,971.07</u>	<u>80,387.18</u>
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NON-CURRENT

Conference 2012 Provision	<u>8,333.00</u>	<u>-</u>
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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	32,598.33	16,668.12
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Number of directors whose income from the company or any related parties was within the following bands:

0 - \$9,999	No. 18	No. 18
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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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These notes form part of the financial statements.

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