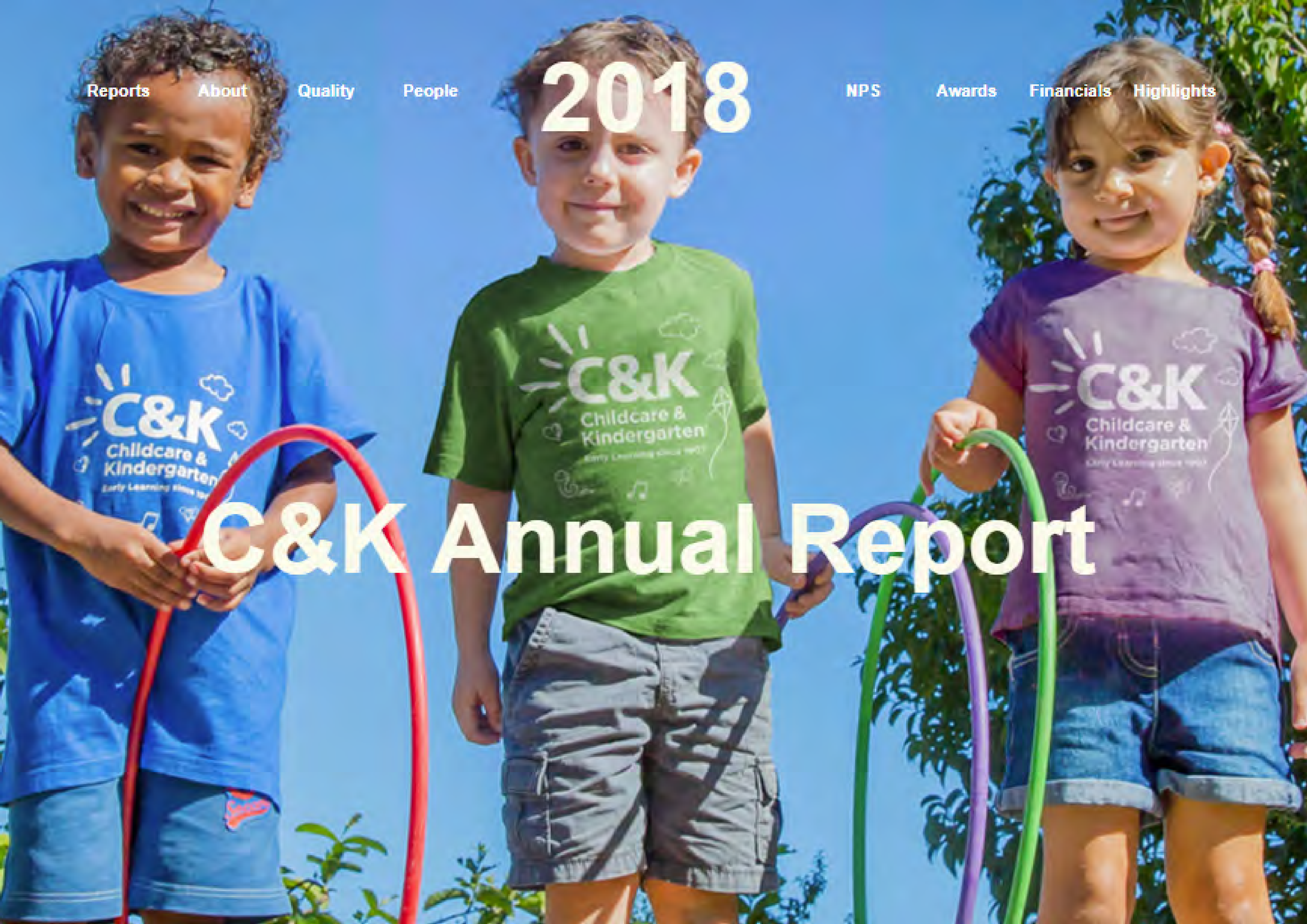
2018

C&K Annual Report



Chair Report

Cameron Henry, Board Chair

I am pleased to present to you the 2018 Annual Report for C&K (the Crèche and Kindergarten Association). This year, our 111th of operation, has been one of reflection and momentum as we continue to navigate and lead the way in providing excellence in early childhood education and care.

August saw Michael Tizard end his five-year tenure as CEO. On behalf of the Board and all at C&K, I thank Michael for his years of service and positive contributions to C&K as an organisation and to children across Queensland. We wish him all the best for his future endeavours.

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With Michael's departure, the Board was tasked with recruiting a new CEO who could continue driving C&K forward in an ever-changing early education sector. We were thrilled to welcome Jane Bourne as C&K's new CEO. Jane is an early childhood educator and advocate who brings with her over four decades of experience in both profit and not-for-profit early education and care organisations.

In only a few short months Jane has had a positive impact on C&K as she meets and greets our staff members, children and families attending our centres. We look forward to working with Jane as we strive towards sustaining and growing our role as Queensland's leader in early education and care.

It has been my honour to be Chairman of the Board during 2018. I joined C&K in 2013 and have been Chairman since 2017. Since 2013, I've watched C&K grow and develop as an organisation and feel proud and privileged to have been part of that change. I am positive and confident about C&K's future and feel that C&K is well placed, under Jane's leadership and the ongoing stewardship of the Board, to tackle any challenges that lay ahead.

I have indicated to the Board that I plan to retire from the board mid-2019. I wish to extend my appreciation and gratitude to my fellow board members for their time and contributions throughout the year. In particular, I'd like to thank my Deputy Chair, Therese Mulherin who has agreed to take on the Board Chair role, and Brit Ibanez who will assume the role of Deputy Chair. Jo Darbyshire has also announced her plan to retire from the Board. Jo has been a longstanding member of the Board who has tirelessly contributed to C&K and advocated for children - thank you Jo, your dedication and commitment to C&K is greatly appreciated. Last, but not least, I also wish to thank all the staff and families who continue to invest their time, energy and passion into C&K. Without you, C&K would not be the outstanding organisation that it is.
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CEO Report

Jane Bourne, CEO

I am proud to be the new CEO of C&K as we build upon our wonderful history and move towards an exciting future. I worked for C&K many years ago as a Director of two affiliated centres in Brisbane and then had the privilege of working in the office as an Early Childhood Consultant. And now I'm back to an organisation where I belong.

Throughout my career, I have strongly advocated for children and the importance of the role educators play in their lives. I will continue to work closely with all stakeholders to leverage their support as we provide quality education environments, where children are nurtured in mind and body as they begin their lifelong learning journey.

Over the past decade our 'Building Waterfalls' curriculum has embodied C&K's philosophies, vision and approach for early childhood education and care. To ensure our approach reflects contemporary perspectives and current research, a comprehensive curriculum review has been implemented during 2018. This has been informed by previous work including an external evaluation of C&K's curriculum together with an externally completed literature review of excellence in Early Childhood Education and Care. This important project has been led by the Education team with dedicated Curriculum Advisors Dr Lyn Zollo and Simone Sullivan.

The review has included a Community of Practice collaborative approach including educators from across the state representing diverse community contexts, together with C&K personnel and advisory group members. The revised curriculum was piloted in multiple sites in the latter half of the year with positive feedback. The new curriculum approach will be launched and implemented across C&K centres from mid-2019.

The curriculum approach is for children from birth through the early years and maintains our vision, principles and commitment to children, educators, families and communities, while aligning with the Early Years Learning Framework, Queensland Kindergarten Learning Guideline and National Quality Standards.

It was a year of growth and change for C&K in the long day care sector, with the opening of our C&K Kedron Childcare Centre in July. The Federal Government introduced the Child Care Subsidy Package (CCS), one of the largest changes to child care entitlements in recent times. C&K successfully implemented the changes with minimal impact to families, while also creating Flexible Booking Options to allow families to make the most of their subsidised hours of care and minimise their out-of-pocket expenses.

One of C&K's distinct strengths are our educators who, through their expertise, leadership and commitment, create the best possible learning outcomes for children. In 2018, this was not only recognised internally but externally, with a number of sector awards presented to C&K staff.

Moy Carra from White Rock won the Queensland College of Teacher's Best New Teacher Award, and our Education Team of Alison Evans, Robyn Mercer and Nadine McAllister together with C&K's Research Manager Pam Spall were awarded the prestigious QUT Vice Chancellor's Award for Community Partnerships. These rewards highlight the calibre of the professionals who contribute to C&K and we are incredibly proud of them.

I extend my gratitude and appreciation to the C&K Board for entrusting me with the role of CEO. It is my honour to be in this position. There are challenges ahead for the early childhood sector. However, I believe C&K is in position to continue to grow its reputation as a sector leader.

To each and every one of our staff across all 339 centres and those who support them from within central office in Brisbane together with our regional teams, thank you for all the work you do; together we are making a difference for children, families and their communities, who will benefit for years and generations to come.

I would like to thank all our affiliate community kindergartens for their ongoing support, encouragement and dedication to C&K. We grow their organisations together, you continue to take a seat around the table to enhance our vision, our purpose and our values.
Hide Text

Our Organisation

From its beginnings in 1907, C&K has played a vital role in the care and education of children. C&K is proudly not-for-profit and as the organisation continues to grow, the core focus on providing the best possible outcomes for children and their families remains strong in every way.

Valuing inclusion and celebrating cultural diversity are key factors in C&K's philosophy. Work continued this year to support and assist all children to access quality early childhood education.

The C&K Inclusion Approach is the culmination of work from a Community of Practice, collaborating with the Workplace, Health & Safety and Quality & Regulation teams. This group has revised and implemented a new policy suite which includes, the Inclusion Best Practice Guide, covering wellbeing, inclusion and child protection. C&K educators across Queensland received comprehensive training to continue to support children with complex and diverse learning and behavioural needs.

The Education Wellbeing & Inclusion team were invited to present and showcase their work on inclusion, transdisciplinary practice and the Birth to Three approach at a variety of external conferences, including the Australian Early Development Census Forum, The Cairns Early Years Conference, the Early Childhood Australia National Conference, and Autism in Education Conference.

The C&K College, a Registered Training Organisation (RTO) providing early childhood education and care accredited training, had over 200 students enrolled throughout the year. The college boasts a high completion rate of students, as it prepares them with skills and knowledge to both expand and commence their careers in early childhood education.

C&K's Reconciliation Action Plan (RAP) launched in 2016 and was a significant milestone in C&K's journey towards embedding reconciliation and showcasing C&K's overall commitment to Australia's First Peoples. The two-year plan RAP involved the whole organisation engaging in a range of activities and deliverables, dedicated to building meaningful connections and relationships to embed reconciliation in everything we do.

Moving forward, C&K remains committed to honouring Australia's First Peoples and implementing programs and practices that will build on the foundations of our RAP.

C&K's innovating thinking and practice to meet the everchanging needs of children and families across Queensland. We have a strong commitment to professional practice, research and supporting educators in striving for excellence in all that we do.
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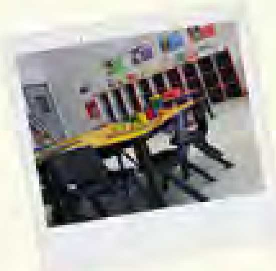
C&K's across Queensland

C&K continues to expand its footprint across Queensland. Each of our centres feature our unique philosophy of being inclusive, celebrating diversity and connecting children to nature through active play-based learning.

17,344

Children attended C&K centres

- Childcare: 3,552
- Kindergarten: 6,372
- Outside School Hours Care: 107
- Affiliate: 7,317

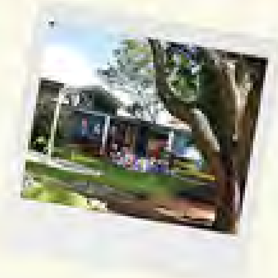


172

Branch centres

167

Affiliate centres



Exceeding quality standards

A record 51 C&K centres were assessed in 2018, the busiest year since National Quality Framework (NQF) assessment and ratings commenced in 2012. C&K continued to perform well above the national average with outstanding results achieved.

95%

of C&K centres were 'Meeting and Above'

The national average was 79%

64%

of C&K centres were 'Exceeding'

The national average was 32%

Our People

C&K are proud of our more than 2,000 passionate employees, who are dedicated to ensuring that the children in their care have the best possible start in life. Their commitment is reflected in our low turnover rates of 14 per cent, and enables C&K to provide families with consistency and care in the education of their children.

To continue building an agile and professional workforce a Code of Conduct was developed to provide an overarching

Show More

2,075

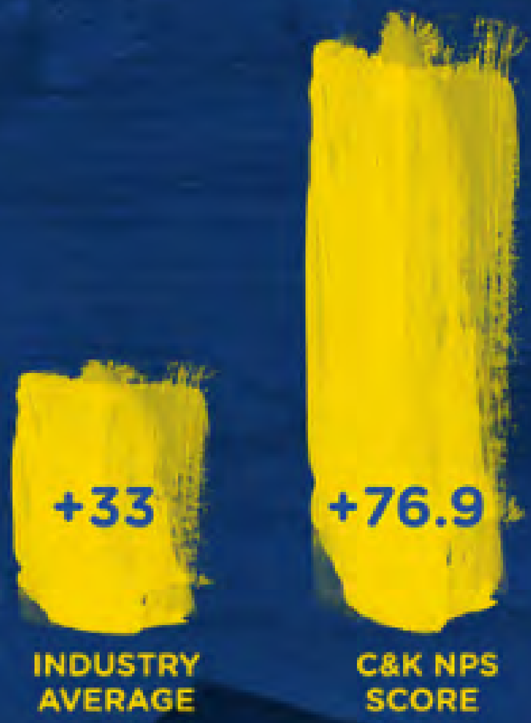
Number of employees

1,060

Full-time and permanent

1,015

Casuals



Outstanding parent satisfaction

C&K's Net Promoter Score (an index used to measure a customer's willingness to promote a company's service to others) was significantly higher than higher than the industry average of 33.

Innovation and Excellence Awards

C&K's level of practice in early childhood education and care is of a consistently high standard. However, each year standout performances from centres and individual staff members are acknowledged in the Innovation and Excellence Awards. These awards recognise the people and centres who work collaboratively and innovatively with their programs and embody the values of C&K.

Pedagogy and Practice – Bribie Island Kindergarten
This award recognises the work of an educator or group of educators providing consistently high standards.

Customer Service – Paul Butler
This award recognises efforts that go beyond normal expectations to meet customers' needs. The award acknowledges innovative solutions and consistent efforts.

Emerging Educator – Jade Vallecera, C&K Carseldine Community Childcare Centre
This award recognises a C&K educator studying or working in the early years sector for five years or less. This award celebrates our next generation of educators who demonstrate C&K values in their everyday work.

Arts - Bundaberg Collaborative Art Project Team
This award recognises the work of an educator, or group of educators, for excellence in the arts. The winner or winners have demonstrated excellence and innovation in arts-based projects, promoting creativity and self-expression.

Safety Commitment – Highfields & District Community Kindergarten
This award recognises the work of a C&K employee or service with consistently high standards of safety awareness and practice.

Inclusive Practice – C&K Bald Hills Community Kindergarten
This award recognises work that supports a child, group of children or family, ensuring inclusive practices which encompass dignity, equity and respect.

Service Leadership – Kasey West, C&K Wilston Community Childcare Centre
This award recognises exemplary leadership by an Educator, Director or Management Committee. It showcases efforts that go beyond the expectations of daily service operation. The award acknowledges innovative solutions and exemplary efforts.

Emeritus Professor Mary Mahoney AO Award for Excellence in Early Childhood Education and Care – C&K Bald Hills Community Kindergarten
This award is presented to a very high achieving individual or service who encompasses C&K values and works diligently to achieve key strategic priorities set by C&K. The winner of this award has gained great respect in the community, continues to be innovative in practice and is a role model for all.

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2018
C&K EXCELLENCE
& INNOVATION AWARDS


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C&K EXCELLENCE
& INNOVATION AWARDS

FINANCIALS

C&K achieved a net surplus of $3.2m in 2019. C&K reinvests all of its profits/surpluses back into the business to continue towards our vision of being Queensland's pre-eminent provider of education and care.

The ongoing professional development of C&K staff is a high priority for C&K, with over $1.2m invested in this area in 2018 to maintain C&K's position as a leading provider in the early childhood sector.

C&K invested over $2.9m in supporting our most vulnerable children.

C&K continues to invest in its properties, with over $1.2m spent on upgrading and improving our facilities to ensure our children, families and staff have access to safe, fit-for-purpose spaces which nurture and inspire our children to succeed in an ever-changing world.

Download full Financial Report

Connected and Engaged

Participating in the broader early education sector and wider communities is an essential element for C&K to maintain and leverage its reputation as leaders and innovators in the early education field.

The 2018 Early Education and Care Conference saw 780 delegates, 19 exhibitors, over 20 guest speakers and 19 exhibitors come together at the Brisbane Convention Centre.

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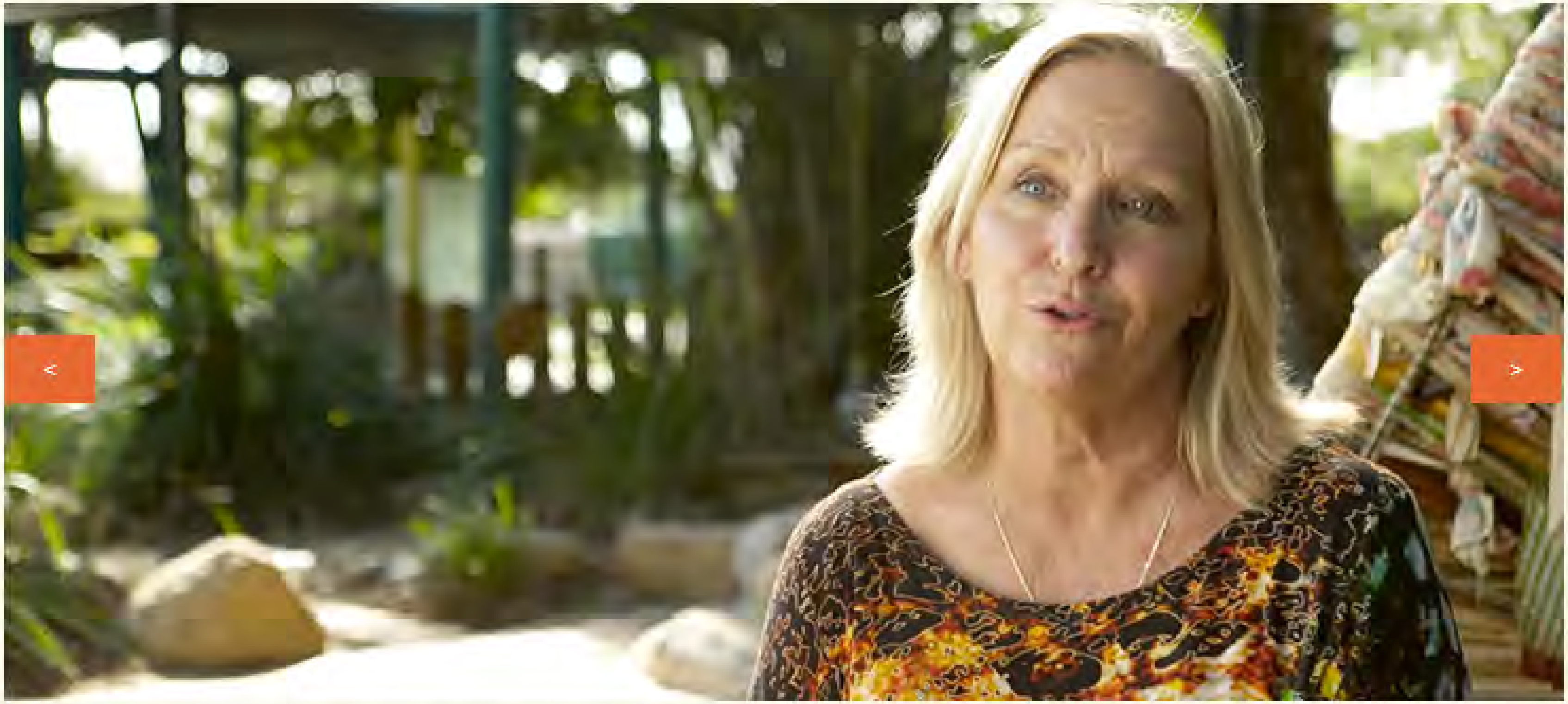

Narelle Dawson from C&K Bribie Island was announced as a finalist in Outstanding Contribution to School Community Award in the Queensland College of Teachers (QTC) 2018 Excellence in Teaching Awards.

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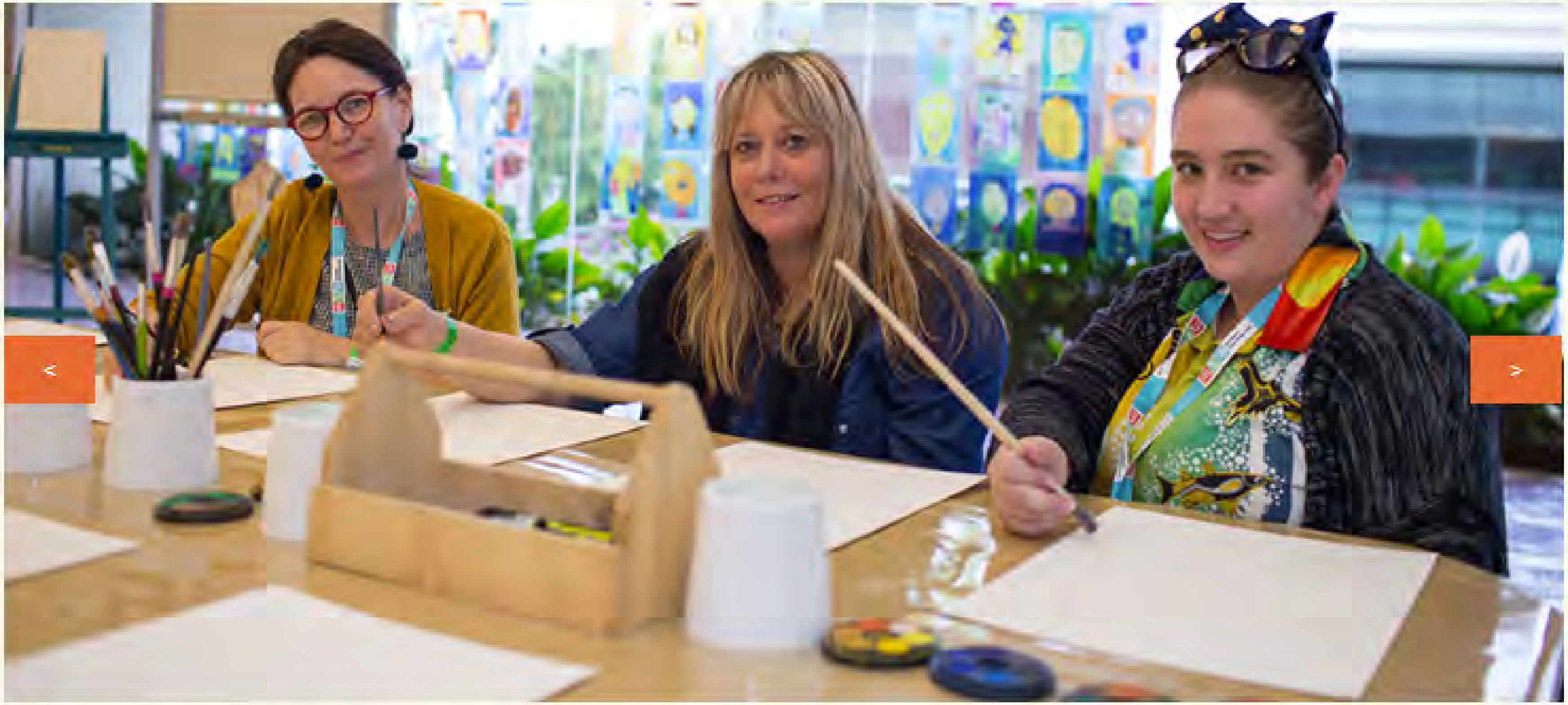

Partnered with QPAC for the Out of the Box festival;

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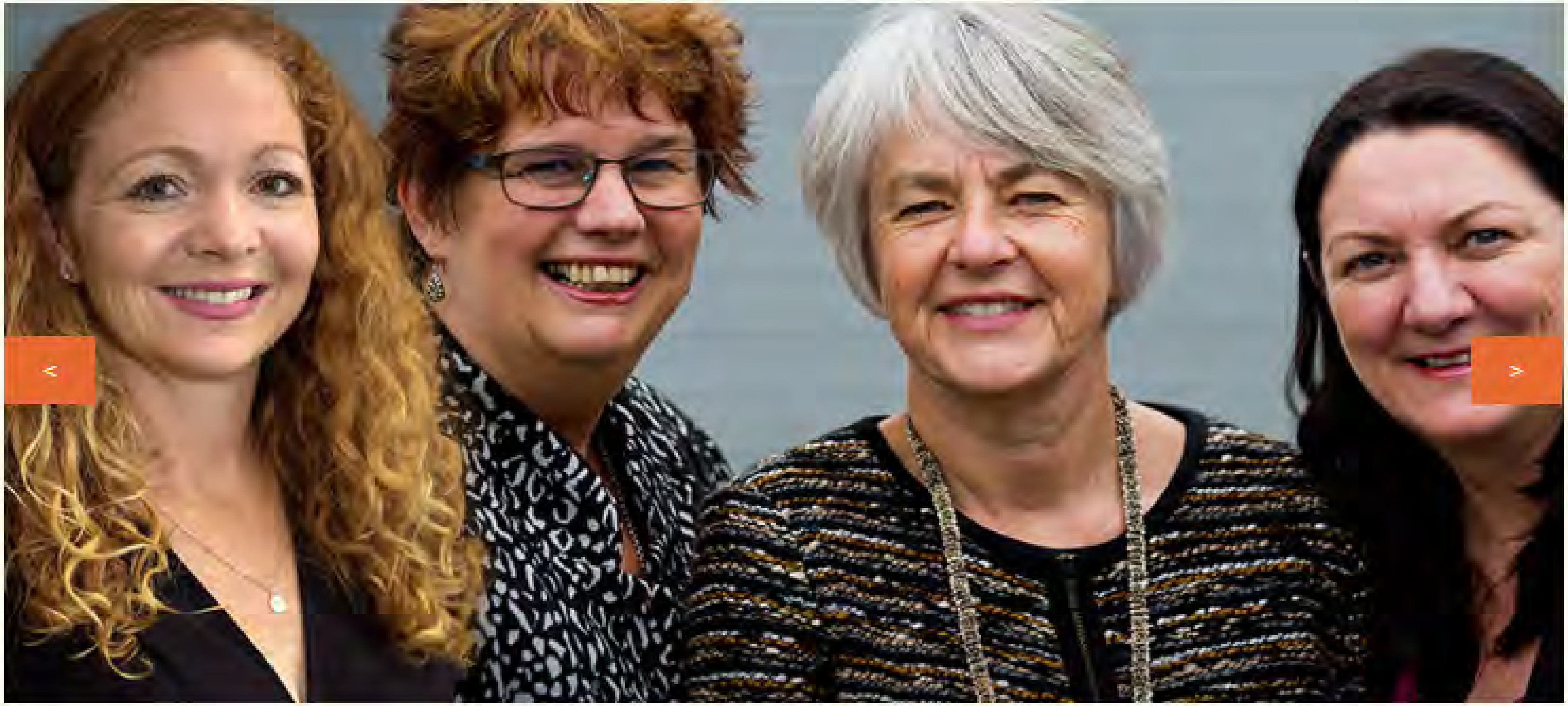

C&K's Education Team of Alison Evans, Robyn Mercer and Nadine McAllister and C&K's Research Manager Pam Spall, were awarded the prestigious QUT Vice Chancellor's Award for community partnerships

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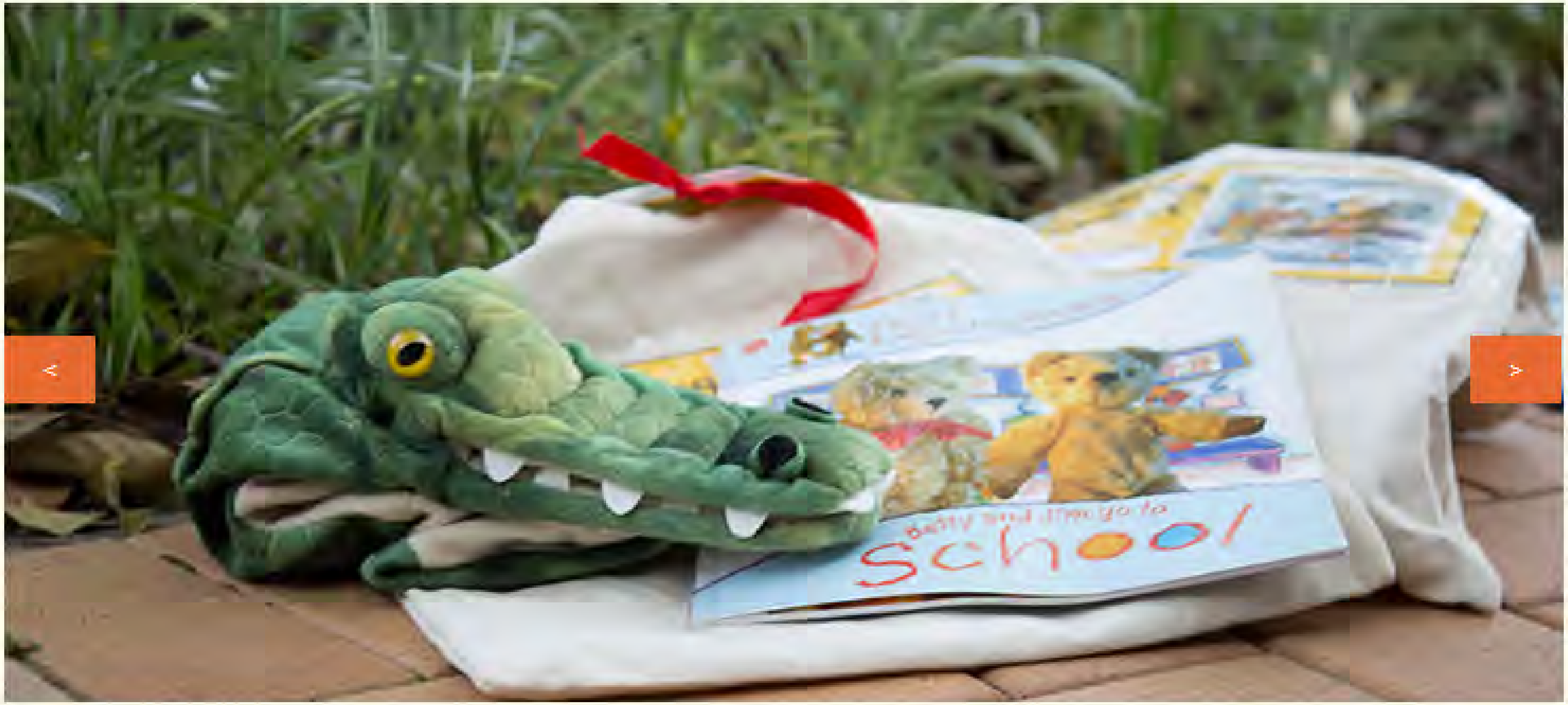

Sue Taylor from C&K Flagstone, identified a need within her community for children to be better prepared to transition to school and created the 'Transitions Library'. This innovative program allows children from surrounding kindergartens to have access to a range of books, which are paired with a puppet and a conversation starter which cover topics such as bullying, friendship, starting school and worrying.

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In July, C&K Kedron Child Care was opened. The brand new, state-of-the-art childcare facility became a reality after the renovation and architectural re-design of two Queenslander-style homes. It now caters for 100 children aged from six weeks to five years and boasts large indoor spaces, which flow into thoughtfully-designed outdoor natural play spaces and a commercial grade kitchen to cook healthy and nutritious meals.

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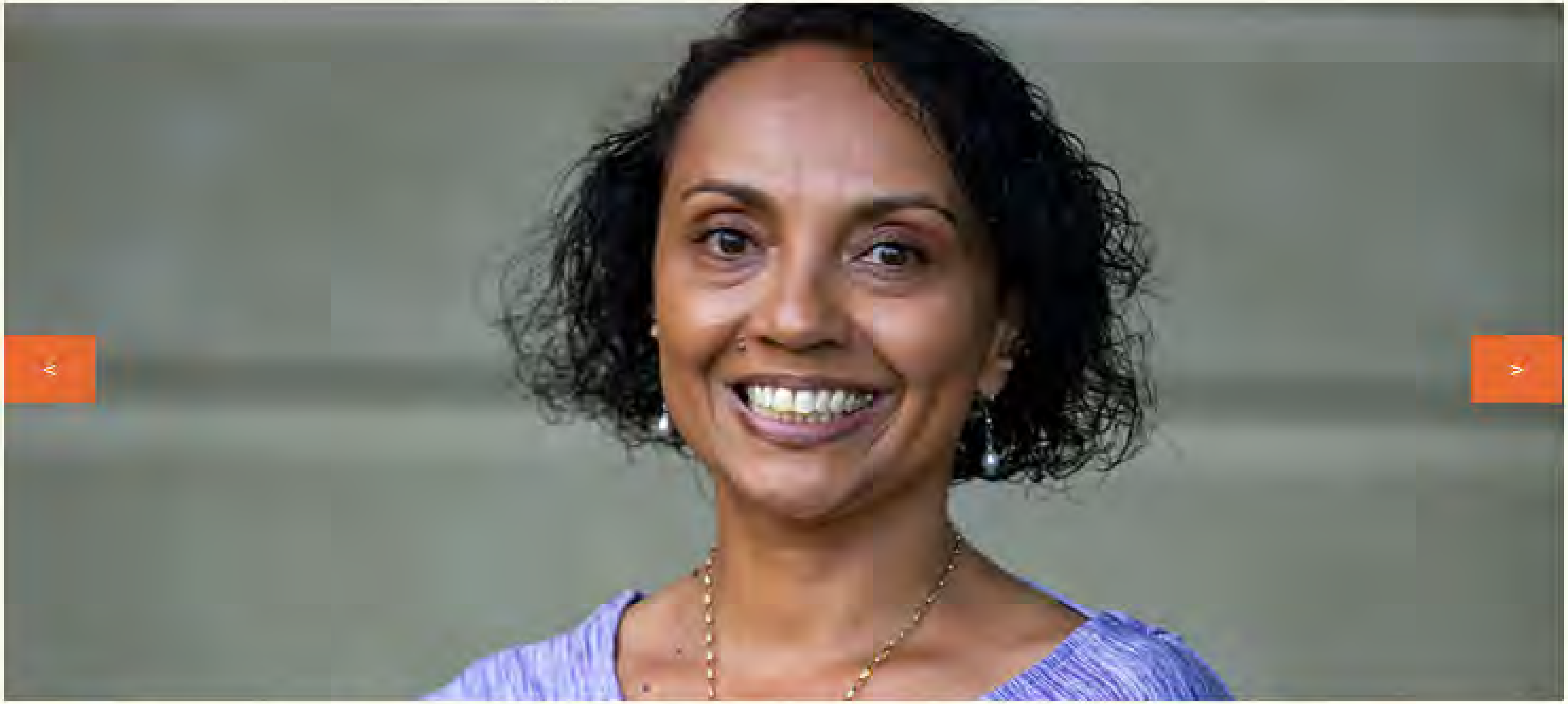

Moy Carra from C&K White Rock, was awarded the Beginning to Teach Award for outstanding professional excellence in the Queensland College of Teachers (QTC) 2018 Excellence in Teaching Awards.

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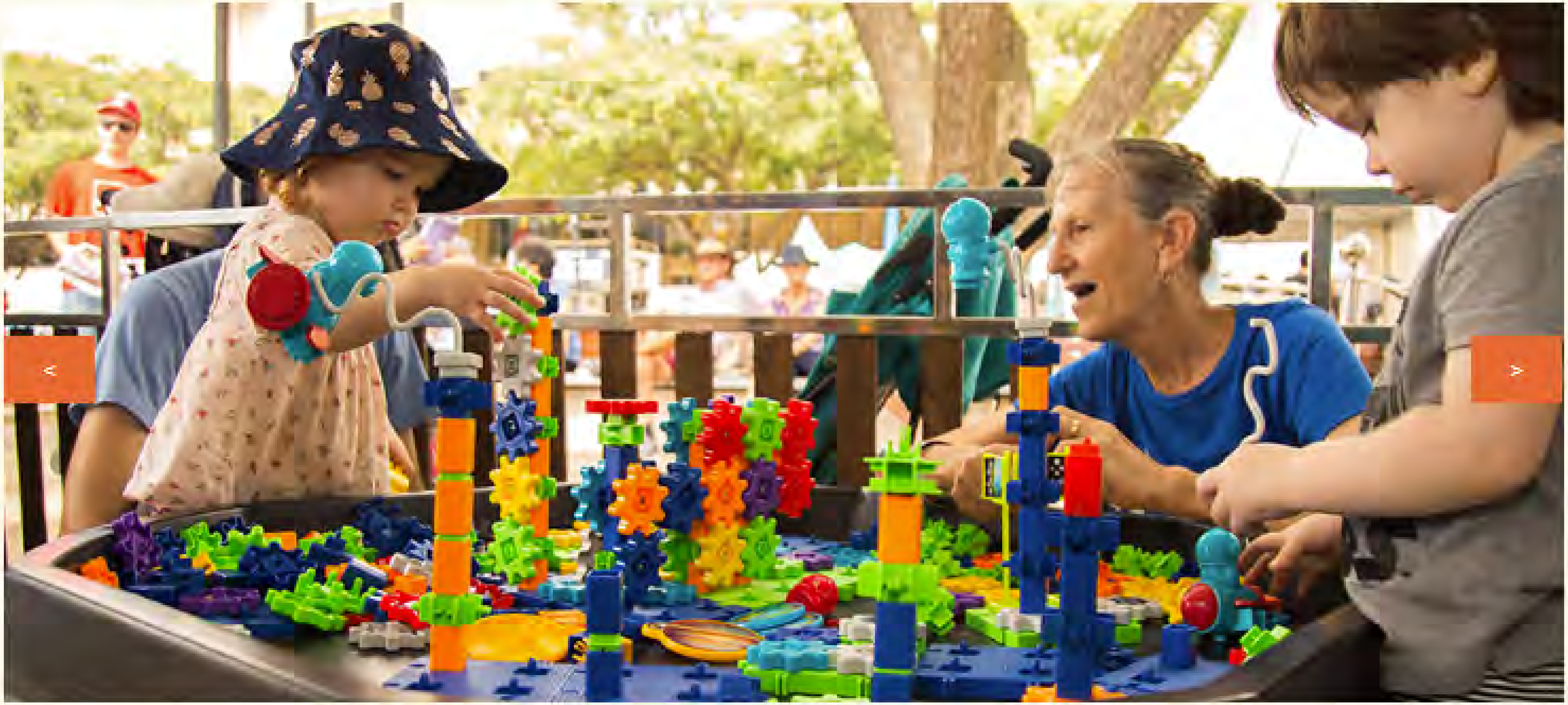

Showcased the importance of STEM for children under five at the World Science Festival.

Connected and Engaged

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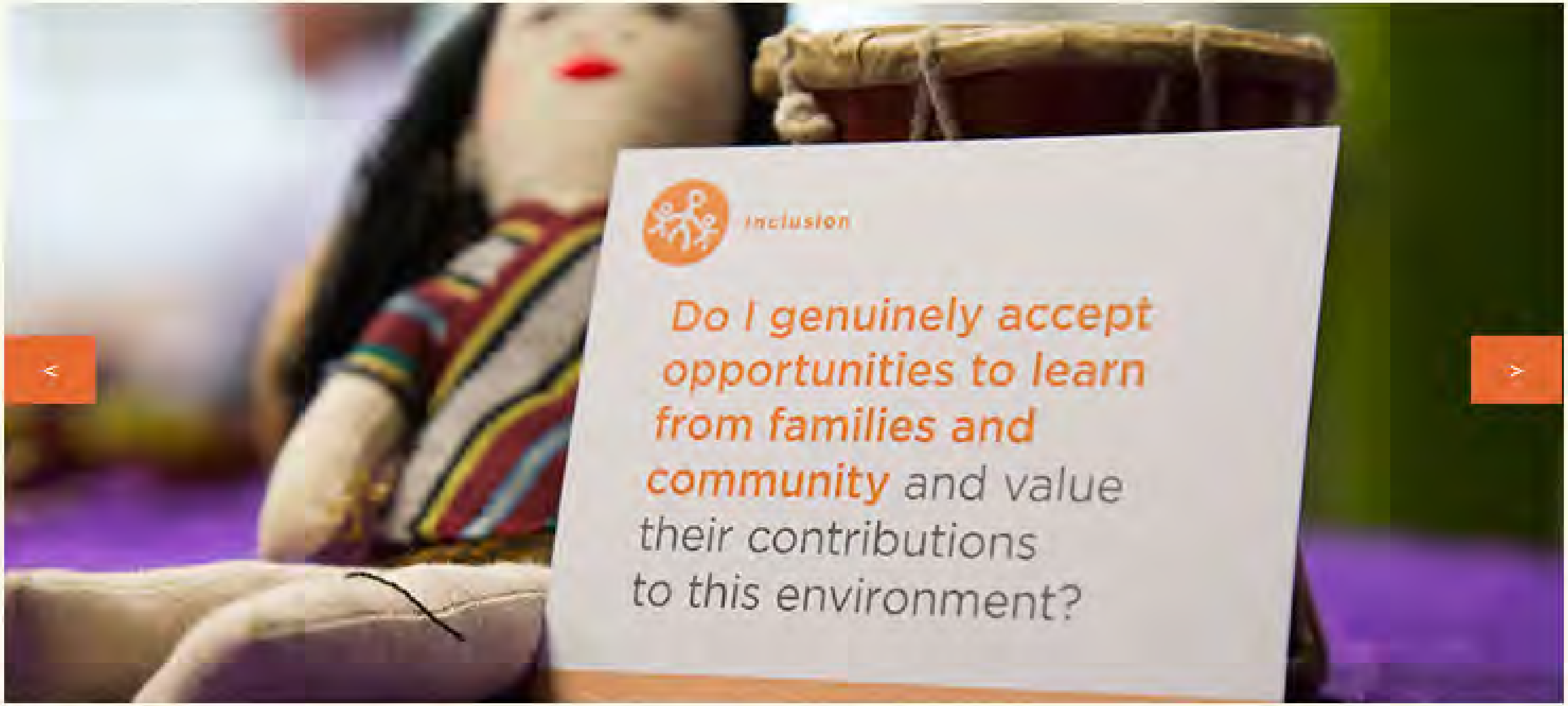
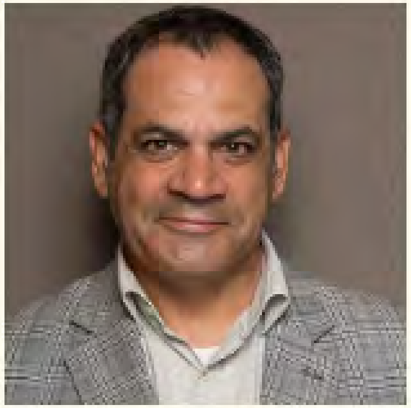


C&K continued the Refugee and Asylum Seeker Early Childhood Pilot alongside background in centres in Brisbane and Toowoomba. This year, 89 children enrolled in kindergarten and 330 children attended hub playgroups as part of their readiness to transition to kindergarten.

Our Board








Cameron Henry

Chair (non-executive)

Qualifications	• BBus (Acc), ACA, MAICD
Experience	• Appointed Chair on 9 August 2017 • Deputy Chair from 26 May 2017 to 8 August 2017 • Board member since 28 August 2013

Cameron Henry is a Chartered Accountant, registered company auditor, consultant and currently an audit partner with BDO Australia. He was previously a partner with Crowe Horwath and prior to that, PricewaterhouseCoopers (PwC) where he worked for 21 years in the firm's Brisbane, London and Hong Kong offices. An experienced Board member, Mr Henry's expertise covers external and internal audit, accounting advice, financial reporting, corporate governance, risk management and due diligence. He has advised in the fields of education, health, manufacturing, mining and retail in both the private and not-for-profit sectors, including schools and child care services.

Committee responsibilities	• Audit, Risk and Finance

Therese Mulherin

Deputy Chair (non-executive)

Qualifications	• BOccThy, GAICD
Experience	• Appointed Deputy Chair on 6 September 2017 • Board member since 30 May 2013

A former Occupational Therapist, Therese Mulherin has carved a career as a leader, manager and Board director with over 20 years' experience in the employment services and workplace rehabilitation industries. During her 15 years at Ingeus, Ms Mulherin was instrumental in achieving rapid organic growth and financial success in both Australia and Europe. In more recent times she has been involved in acquisitions and their successful integration into a consolidated business. She has experience in large service organizations, working on government contracts, strategy development, stakeholder management and change management. Ms Mulherin is performance, growth and efficiency orientated.

Committee responsibilities	• Nominations (Chair)

Wesley Aird

Director

(non-executive)

Qualifications	• MAICD, Grad Duntroon, Grad Aust Army, ADip Personnel Admin
Experience	• Board member since 12 October 2015

A strong advocate for meaningful Indigenous participation in the real economy, Wesley Aird has been an adviser to the Australian Government as part of the Reference Group on Welfare Reform. He has also worked with the Australian Employment Covenant, GenerationOne and the National Indigenous Council. Apart from policy advice, Mr Aird's primary work is with resource companies as an advisor in the management of native title and cultural heritage and in developing initiatives for Indigenous employment, training and business. He has a strong commitment to his own community through both native title and cultural heritage on the Gold Coast. He has also served in the military for a decade and was the first Indigenous graduate of the Royal Military College, Duntroon.

Committee responsibilities	• Audit, Risk and Finance

Joanne Darbyshire

Director

(non-executive)

Qualifications	• DipT, IECD, BEd
Experience	• Board member since 22 August 2012

Involved in the early childhood sector for more than three decades, Joanne Darbyshire's roles have included kindergarten teacher, early intervention coordinator, parent support worker, preschool teacher, TAFE and university lecturer. She is currently an educator and educational leader at Fairholme College Kindergarten in Toowoomba. With an interest in early childhood curriculum, Mrs Darbyshire has undertaken a study tour of Reggio Emilia in Italy and has worked with the Queensland Curriculum and Assessment Authority supporting the development of online resources for early childhood educators. She is a past president of Chiselhurst, Kindergarten in Toowoomba, and is a Board Director of Early Childhood Australia.

Emma Fynes-Clinton

Director

(non-executive)

Qualifications	• MBus, BEcon Hon, GAICD, Grad Dip Applied Finance and Investment
Experience	• Board member since 7 December 2016

A highly-experienced finance and risk professional, Emma Fynes-Clinton has wide-ranging experience in business and corporate banking, capital markets, fund management, mergers and acquisitions and commercial property. After 15 years working in some of Australia's most recognised financial institutions, she established Venerdi Finance, an independent advisory firm specialising in corporate property finance. She has built a reputation for tailoring flexible finance structures for large and complex property transactions for a variety of areas, including the not-for-profit sector. Ms Fynes-Clinton has a solid knowledge and understanding of risk management, credit policy, complex financial structures, business evaluation and change management.

Committee responsibilities	• Audit, Risk and Finance (Chair) • Nominations

Megan Gibson

Director

(non-executive)

Qualifications	• PhD, MEd, BEd (EC), DipT (EC)
Experience	• Board member since 19 May 2016

A Senior Lecturer in the School of Early Childhood at Queensland University of Technology, Dr Megan Gibson is also a respected researcher in her field. Her background as an early childhood educator with experience in teaching and leadership positions, culminated in her role as Director of an industry-leading childcare centre in Brisbane. Her award-winning doctoral research examined the professional identities of early childhood educators. This work combined with her extensive professional experience have laid the foundations for her ongoing interest in the early childhood workforce, leadership, professionalism and sustainability. In her current role at QUT, Dr Gibson is responsible for teacher education units on leadership, professionalism and health and wellbeing.

Genevieve Atkinson

Director

(non-executive)

Qualifications	•	BBus, AssocDipBusMktg
Experience	•	Board member since 13 March 2018

Ms Atkinson is an experienced business strategist with a background in marketing, communications and stakeholder engagement. She currently manages the Mater Foundation's Community Relations Program. With experience in the Federal, Queensland and Victorian Governments, Brisbane Marketing, South Bank Corporation and charities, Youngcare and Edmund Rice Foundation, she has also been a consultant and held advisory board roles with the Young People in Nursing Home Alliance and Good Samaritan Foundation. Ms Atkinson, a mother of three daughters, has a strong interest in early childhood education and the role it plays in allowing women to remain in the workplace.

Brit Ibanez

Director

(non-executive)

Qualifications	•	B IntBus, LLB, LLM, GAICD
Experience	•	Board member since 13 March 2018

Ms Ibanez is a partner at McMahon Clarke where she is a senior member of the firm's Funds Management and Commercial Disputes teams. She has held various positions at C&K services including as the Coordinator of a Parental Advisory Committee at a branch service and as president of an affiliated service. A lawyer with 18 years' experience, Brit's expertise spans corporate governance, risk management and compliance, commercial disputes, and directors' duties. Brit is a mother of three young children, and has a longstanding interest in developing best practice for early childhood education and care.

Grants received

C&K would like to thank the following organisations for their funding and grants in 2018.

Scott Buchholz MP (Member for Wright)
Bert Van Mansen MP (Member for Forde)
John McVeigh MP (Member for Groom)
Ted O'Brien MP (Member for Fairfax)

The Salvation Army
Whitsundays Regional Council
Stronger Communities Grants
Shayne Neuman MP (Member for Blair)
Ross Vasta MP (Member for Bonner)

Cota Queensland
CS Energy Ltd
Department of Education and Training
Department of Infrastructure & Regional Development
Department of Justice and Attorney-General

Scott Buchholz MP (Member for Wright)
Bert Van Mansen MP (Member for Forde)
John McVeigh MP (Member for Groom)
Ted O'Brien MP (Member for Fairfax)

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Department of the Prime Minister and Cabinet
Easternwell Service
Gold Coast City Council
Great Barrier Reef Marine Park Authority
Griffith University

Allstar Locksmiths & Security
Ansvar Insurance
Barcaldine Regional Council
Becon Real Estate
Bendigo Bank
Blue Fin Fishing Club

Brisbane City Council
Cairns Regional Council
Cancer Council Queensland
Canungra & District Community Financial Group
Coolangatta Rotary

Grants received

C&K would like to thank the following organisations for their funding and grants in 2018.

Logan City Council

Mackay Regional Council

Matthews Real Estate

Mission Australia

Moreton Bay Regional Council

My Own Vet

North Burnett Regional Council

Peter Russo MP

Queensland Children Week Association

Rockhampton Council

Rosies Early Learning

Scenic Rim Regional Council

Shell Australia Pty Ltd

South Burnett Regional Council

Stockland Property Group (Good2Give)

Telstra Foundation

C&K Childcare & Kindergarten

Early Learning since 1907

The Crèche & Kindergarten Association Limited

ABN 59 150 737 849

Financial Report

For the year ended 31 December 2018

The Crèche and Kindergarten Association Limited
ABN 59 150 737 849
Financial Report
For the Year Ended 31 December 2018

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The Crèche and Kindergarten Association Limited
ABN 59 150 737 849
Directors' Report
For the Year Ended 31 December 2018

Your directors present this report on the consolidated entity ("the Group") consisting of The Crèche and Kindergarten Association Limited ("C&K" or "the Company"), and the entities it controlled in the year ended 31 December 2018.

Directors

Cameron Henry	• Chair (non-executive)
Qualifications	• BBus (Acc), ACA, MAICD
Experience	• Appointed Chair on 9 August 2017 • Deputy Chair from 26 May 2017 to 8 August 2017 • Board member since 28 August 2013 Cameron Henry is a Chartered Accountant, registered company auditor, consultant and currently an audit partner with BDO Australia. He was previously a partner with Crowe Horwath and prior to that, PricewaterhouseCoopers (PwC) where he worked for 21 years in the firm's Brisbane, London and Hong Kong offices. An experienced Board member, Mr Henry's expertise covers external and internal audit, accounting advice, financial reporting, corporate governance, risk management and due diligence. He has advised in the fields of education, health, manufacturing, mining and retail in both the private and not-for-profit sectors, including schools and child care services.
Committee responsibilities	• Audit, Risk and Finance
Therese Mulherin	• Deputy Chair (non-executive)
Qualifications	• BOccThy, GAICD
Experience	• Appointed Deputy Chair on 6 September 2017 • Board member since 30 May 2013 A former Occupational Therapist, Therese Mulherin has carved a career as a leader, manager and Board director with over 20 years' experience in the employment services and workplace rehabilitation industries. During her 15 years at Ingeus, Ms Mulherin was instrumental in achieving rapid organic growth and financial success in both Australia and Europe. In more recent times she has been involved in acquisitions and their successful integration into a consolidated business. She has experience in large service organizations, working on government contracts, strategy development, stakeholder management and change management. Ms Mulherin is performance, growth and efficiency orientated.
Committee responsibilities	• Nominations (Chair)

Wesley Aird	• Director (non-executive)
Qualifications	• MAICD, Grad Duntroon, Grad Aust Army, ADip Personnel Admin
Experience	• Board member since 12 October 2015
	A strong advocate for meaningful Indigenous participation in the real economy, Wesley Aird has been an adviser to the Australian Government as part of the Reference Group on Welfare Reform. He has also worked with the Australian Employment Covenant, GenerationOne and the National Indigenous Council. Apart from policy advice, Mr Aird's primary work is with resource companies as an advisor in the management of native title and cultural heritage and in developing initiatives for Indigenous employment, training and business. He has a strong commitment to his own community through both native title and cultural heritage on the Gold Coast. He has also served in the military for a decade and was the first Indigenous graduate of the Royal Military College, Duntroon.
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	Involved in the early childhood sector for more than three decades, Joanne Darbyshire's roles have included kindergarten teacher, early intervention coordinator, parent support worker, preschool teacher, TAFE and university lecturer. She is currently an educator and educational leader at Fairholme College Kindergarten in Toowoomba. With an interest in early childhood curriculum, Mrs Darbyshire has undertaken a study tour of Reggio Emilia in Italy and has worked with the Queensland Curriculum and Assessment Authority supporting the development of online resources for early childhood educators. She is a past president of Chiselhurst, Kindergarten in Toowoomba, and is a Board Director of Early Childhood Australia.
Committee responsibilities	N/A

Emma Fynes-Clinton	• Director (non-executive)
Qualifications	• MBus, BEcon Hon, GAICD, Grad Dip Applied Finance and Investment
Experience	• Board member since 7 December 2016
	A highly-experienced finance and risk professional, Emma Fynes-Clinton has wide-ranging experience in business and corporate banking, capital markets, funds management, mergers and acquisitions and commercial property. After 15 years working in some of Australia's most recognised financial institutions, she established Venerdi Finance, an independent advisory firm specialising in corporate property finance. She has built a reputation for tailoring flexible finance structures for large and complex property transactions for a variety of areas, including the not-for-profit sector. Ms Fynes-Clinton has a solid knowledge and understanding of risk management, credit policy, complex financial structures, business evaluation and change management.
Committee responsibilities	• Audit, Risk and Finance (Chair) • Nominations
Megan Gibson	• Director (non-executive)
Qualifications	• PhD, MEd, BEd (EC), DipT (EC)
Experience	• Board member since 19 May 2016
	A Senior Lecturer in the School of Early Childhood at Queensland University of Technology, Dr Megan Gibson is also a respected researcher in her field. Her background as an early childhood educator with experience in teaching and leadership positions, culminated in her role as Director of an industry-leading childcare centre in Brisbane. Her award-winning doctoral research examined the professional identities of early childhood educators. This work combined with her extensive professional experience have laid the foundations for her ongoing interest in the early childhood workforce, leadership, professionalism and sustainability. In her current role at QUT, Dr Gibson is responsible for teacher education units on leadership, professionalism and health and wellbeing.
Committee responsibilities	N/A

Genevieve Atkinson	• Director (non-executive)
Qualifications	• BBus, AssocDipBusMktg
Experience	• Board member since 13 March 2018
	Ms Atkinson is an experienced business strategist with a background in marketing, communications and stakeholder engagement. She currently manages the Mater Foundation's Community Relations Program. With experience in the Federal, Queensland and Victorian Governments, Brisbane Marketing, South Bank Corporation and charities, Youngcare and Edmund Rice Foundation, she has also been a consultant and held advisory board roles with the Young People in Nursing Home Alliance and Good Samaritan Foundation. Ms Atkinson, a mother of three daughters, has a strong interest in early childhood education and the role it plays in allowing women to remain in the workplace.
Committee responsibilities	N/A
Brit Ibanez	• Director (non-executive)
Qualifications	• B IntBus, LLB, LLM, GAICD
Experience	• Board member since 13 March 2018
	Ms Ibanez is a partner at McMahon Clarke where she is a senior member of the firm's Funds Management and Commercial Disputes teams. She has held various positions at C&K services including as the Coordinator of a Parental Advisory Committee at a branch service and as president of an affiliated service. A lawyer with 18 years' experience, Brit's expertise spans corporate governance, risk management and compliance, commercial disputes, and directors' duties. Brit is a mother of three young children and has a longstanding interest in developing best practice for early childhood education and care.
Committee responsibilities	N/A

John Sneddon • Director (non-executive) (Retired)

Qualifications • LLB

Experience • Board member since 5 December 2012. Retired on 7 February 2018

Currently a partner at Shand Taylor Lawyers, John Sneddon practises in the fields of commercial litigation, company law and industrial relations law. He has a connection with C&K going back more than a decade and is a past president of a C&K affiliated kindergarten in Brisbane. Mr Sneddon is a member of the Industrial Relations Society of Queensland, the Australian Lawyers Alliance and the International Commission of Jurists. He has extensive experience in the legal representation of Indigenous Australians and has represented Indigenous communities in far North Queensland and the Northern Territory. He maintains an abiding interest in the importance of quality early childhood education.

Committee Responsibilities • Audit, Risk and Finance

Meetings of Directors in 2018

Director	Board		Audit Risk and Finance Committee		Nominations Committee *	
	A	B	A	B	A	B
Cameron Henry	7	7	6	6		
Therese Mulherin	7	7			1	1
Wesley Aird	6	7	6	6		
Joanne Darbyshire	7	7				
Emma Fynes-Clinton	7	7	6	6	1	1
Megan Gibson	6	7				
Genevieve Atkinson	5	6				
Brit Ibanez	4	6				
John Sneddon	1	1				

A – Indicates the number of meetings attended during the period in which the Director was a member of the Board or Committee

B – Indicates the number of meetings held during the period in which the Director was a member of the Board or Committee

* The Nominations Committee comprises two Board Directors and two external members

Principal activities

The principal activities of C&K during the financial year included:

- providing the highest standard of early childhood education and care;
- operating its own early childhood branch services;
- administering public funds;
- providing business operations and curriculum support to affiliated community managed early childhood services; and
- advocating for and promoting the interests of children and the sector.

Purpose

C&K is a not-for-profit organisation with an unwavering commitment to children. It is focused on delivering excellent education and care for young children and driving positive social change for children and families. It achieves this through its organisational purpose:

- To nurture and inspire children to succeed in an ever-changing world.

Vision and strategy

In 2019, C&K entered the first year of its new 2019 – 2021 Strategic Plan, which underpins C&K's vision:

- To be Queensland's pre-eminent provider of early education and care.

C&K's strategy is shaped around three areas:

Areas	Goal
Our Children and Families	C&K leads early education and care with innovation, advocacy and quality for all children.
	C&K listens to children and families and meets their needs.
	C&K strengthens, grows and diversifies to respond to the needs of communities.
Our People	C&K nurtures our highly skilled and agile workforce that reflects our values.
Our Organisation	C&K is an efficient organisation that invests in children and communities.

Performance measures

C&K reviews its key performance indicators and sets targets linked to its strategic objectives on an annual basis. The Board and Executive Management Group oversee and regularly review C&K's performance and monitor its strategic success.

C&K assesses its organisational performance across five categories:

- **Educational Quality:** The ability of its qualified educators to implement programs that support children's learning, thinking and holistic development.
- **Service Quality:** The standard of its Early Education and Care Service as measured against the National Quality Framework.
- **Social Contribution:** The social value returned to children, families and communities as a not-for-profit re-investing in the Early Childhood Education and Care sector in line with C&K's strategic direction.
- **Sector Contribution:** The extent to which it advocates, contributes and influences the public policy debate on all matters affecting young children (birth to eight years) and their families.
- **Financial Sustainability:** The effectiveness and efficiency with which it manages its resources and operations.

Review of operations and results

2018 was a year of challenge and opportunity. The new Childcare Package was introduced in July which initially created some uncertainty with families around affordability. As a result, childcare enrolment numbers were below expectations in the third quarter before recovering well throughout the last quarter after introducing the ability to book shorter sessions of care. This helped enrolments in 2018 surpass 2017 figures. Investment in our growth strategy continued in 2018, with a new C&K centre at Kedron opening and enrolment numbers quickly exceeding expectations. Overall kindergarten enrolments for 2018 remained in line with the previous year.

C&K generated a net surplus of $3.2m in 2018 ($0.1m in 2017).

Total revenue increased by $4.5m (4.9%) from $92.1m in 2017 to $96.6m in 2018. Revenue growth has mainly been driven by increases to the number of centres. C&K Kedron Childcare Centre opened in July 2018 and enrolments at C&K Strathpine South Childcare Centre which opened in 2017, continued to increase throughout 2018.
Cambooya, Longreach, Indooroopilly and Ingham kindergartens transitioned from being affiliated kindergartens to branch kindergartens. On transition, these kindergartens brought/added $2.5m (at fair value) worth of assets, mainly property and cash. These assets have been recognised as a donation at the point of transition. We also recognised $1.4m of franking credits related to the 2016 acquisition of FMJ Childcare Pty Ltd ("FMJ").

Review of operations and results (continued)

Total expenses increased by $4.6m (5.0%) from $92.0m in 2017 to $96.6m in 2018. Employee costs rose $5.3m (7.5%) mainly due to continued growth in childcare services and annual wage increases.

Net assets increased by $3.2m (8.0%) to $43.4m, from $40.2m in 2017.

Cashflow from operations was $4.7m positive ($2.5m in 2017). Net cash overall decreased by $0.4m after a $3.0m cash outflow for further investment in a managed fund, and $2.1m outflow for capital purposes.

Events since the end of the financial year

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Members' guarantee

In accordance with the Company's constitution, each member is liable to contribute a maximum of $20 in the event that the Company is wound up. As at 31 December 2018 the total amount members would contribute is $800 (2017: $880).

Significant changes in the state of affairs

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

Likely developments and expected results of operations

In the foreseeable future it is expected that the Group will continue its principal activities as described above.

Environmental regulation

The Group is not affected by any significant environmental regulation in respect of its operations.

Insurance of officers

During the financial year, the Group paid a premium of $25,000 (2017: $21,000) to insure the directors, officers and employees of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the Group

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

Auditor's appointment

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

Auditor's independence

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-Profit (ACNC) Act 2012 is set out on page 11 and forms part of the Directors' Report.

Rounding off

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Financial Report and Directors' Report have been rounded off in accordance with the instrument to the nearest thousand dollars unless otherwise stated.

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

Mr Cameron Henry, Chair

Ms Emma Fynes-Clinton, Director

Dated this 27 day of March 2019

Auditor's Independence Declaration

As lead auditor for the audit of The Creche and Kindergarten Association Limited for the year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Creche and Kindergarten Association Limited and the entities it controlled during the period.

Andrew Weeden
Partner
PricewaterhouseCoopers

Brisbane
27 March 2019

The Crèche and Kindergarten Association Limited
ABN 59 150 737 849
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2018

	Note	2018	2017
Revenue from operations	1	93,746	89,030
Finance income	2(a)	969	1,083
Other income	2(b)	1,869	2,008
Total revenue		96,584	92,121
Employee costs		75,844	70,528
Depreciation and amortisation expenses	10,11	1,606	2,092
Other expenses	3	19,118	19,407
Total expenses		96,568	92,027
Income from operating activities		16	94
Changes in the fair value of financial assets		(802)	121
Loss on sale of assets	4	-	(37)
Fair value of donated assets		2,463	8
Franking credit received		1,483	33
Surplus before income tax		3,160	219
Income tax expense	5	-	(91)
Net Surplus		3,160	128
Other comprehensive income		-	-
Total comprehensive income		3,160	128

All figures in thousands of AUD.
The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

The Crèche and Kindergarten Association Limited
ABN 59 150 737 849
Consolidated Balance Sheet
As at 31 December 2018

	Note	2018	2017
Current assets			
Cash and cash equivalents	6	1,191	3,092
Trade and other receivables	7	1,837	4,405
Other financial assets	8	26,815	25,287
Other current assets	9	1,164	993
Total current assets		31,007	33,777
Non-current assets			
Property, plant and equipment	10	12,985	10,419
Intangible assets	11	10,556	10,563
Financial assets at fair value through profit or loss	12	10,471	7,683
Total non-current assets		34,012	28,665
Total assets		65,019	62,442
Current liabilities			
Trade and other payables	13	14,479	13,251
Income received in advance		897	1,007
Current tax liabilities		-	2,181
Provisions	14	2,761	2,457
Total current liabilities		18,137	18,896
Non-current liabilities			
Provisions	14	3,481	3,305
Total non-current liabilities		3,481	3,305
Total liabilities		21,618	22,201
Net assets		43,401	40,241
Funds			
Accumulated funds		43,401	40,241
Total funds		43,401	40,241

All figures in thousands of AUD.
The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The Crèche and Kindergarten Association Limited
ABN 59 150 737 849
Consolidated Statement of Changes in Funds
For the Year Ended 31 December 2018

	Accumulated Funds	Total
Balance at 31 December 2016	40,113	40,113
Net surplus	128	128
Other comprehensive income	-	-
Total comprehensive income	128	128
Balance at 31 December 2017	40,241	40,241
Net surplus	3,160	3,160
Other comprehensive income	-	-
Total comprehensive income	3,160	3,160
Balance at 31 December 2018	43,401	43,401

All figures in thousands of AUD.
The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes.

The Crèche and Kindergarten Association Limited
ABN 59 150 737 849
Consolidated Statement of Cash Flows
For the Year Ended 31 December 2018

	Note	2018	2017
Cash flows from operating activities			
Receipts from customers and grants		100,078	91,169
Finance income received		984	944
Payments to suppliers and employees		(94,163)	(89,410)
Income taxes paid		(2,181)	(229)
Net cash generated from operating activities	15b	4,718	2,474
Cash flow from investing activities			
Payments for property, plant & equipment		(2,097)	(1,512)
Proceeds from sale of fixed assets		6	61
Purchase of financial assets at fair value through profit or loss		(3,000)	(2,000)
Net cash used in investing activities		(5,091)	(3,451)
Net decrease in cash and cash equivalents		(373)	(977)
Cash and cash equivalents at beginning of year		28,379	29,356
Cash and cash equivalents at end of year	6,8,15a	28,006	28,379

All figures in thousands of AUD.
The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Revenue from operations

	2018	2017
Revenue from operating activities		
- Children's fees	58,145	53,655
- Affiliation fees	694	688
- College income	742	685
- Conference and seminars	385	390
- Other fees and levies	490	534
- Sundry income	341	893
	60,797	56,845
Government subsidies and grants		
- Department of Social Services (Commonwealth)		
• operational	3,629	4,011
- Department of Employment (Commonwealth)		
• operational	57	48
- Department of Education, Training and Employment (State)		
• operational	1,898	1,962
• UAP Queensland Kindergarten Funding Scheme	27,365	26,164
	32,949	32,185
	93,746	89,030

2. Finance income and other income

		2018	2017
(a)	**Finance income**		
	Interest from financial assets held for cash management purpose	969	1,083
(b)	**Other income**		
	Community Advisory Group funds recognised	705	936
	Grants income	577	794
	Realised gains on financial assets	587	278
		1,869	2,008

All figures in thousands of AUD.

3. Other Expenses

	2018	2017
Other expenses:		
Advertising and marketing	859	845
Audit and accounting	61	68
Bank charges	318	375
Cleaning	2,883	2,583
Conferences and seminars	474	482
Equipment	981	1,039
FDC educator expenses	9	915
Food and functions	1,293	1,173
Grants expenditure	166	144
Information technology	888	713
Motor vehicles	368	369
Occupancy	5,748	5,036
Outsourcing/consultancy	616	798
Community Advisory Group funds spent	648	750
Postage, printing, stationary and program materials	802	977
Repairs and maintenance	1,208	1,102
Telephone and internet	647	699
Travel	603	567
Other expenses	546	772
	19,118	19,407

4. Loss on sale of assets

	2018	2017
Net loss on disposal of assets	-	(37)

All figures in thousands of AUD.

5. Income tax expense

Income tax expense relates to C&K's for-profit subsidiary, FMJ, which was acquired on 30 September 2016.

	2018	2017
Current tax		
Current tax on taxable profits for the year	-	2,111
Franking credits receivable	-	(2,111)
Total current tax expense	-	-
Deferred income tax		
Decrease in deferred tax assets	-	(91)
Total deferred tax expense	-	(91)
Total income tax expense	-	(91)
Income tax expense is attributable to:		
Surplus from operations	-	(91)

6. Cash and cash equivalents

	2018	2017
Current		
Cash at bank	1,191	2,492
Short-term deposits	-	600
	1,191	3,092

All figures in thousands of AUD.

7. Trade and other receivables

	2018	2017
Current		
Trade receivables	105	181
Children's fees receivable	422	515
Franking credit receivable	-	2,191
Goods and services tax ("GST") receivable	976	1,053
Other receivables	463	609
Provision for impairment of receivables	(129)	(144)
	1,837	4,405

The franking credit receivable is in relation to income tax expense paid by FMJ. As a not-for-profit entity, C&K is entitled to claim franking credits attached to FMJ's franked dividend. As at 31 December 2018, all entitled franking credits have been received.

Provision for impairment of receivables

Movement in the provision of impairment of receivables is as follows:

	2018	2017
Balance at the beginning of the year	144	80
- Charge for the year	39	74
- Written off	(54)	(10)
Balance at the end of the year	129	144

8. Other financial assets

	2018	2017
Current		
Term deposits	26,815	25,287

The term deposits are held to maturity of terms between three and twelve months. They carry a weighted average fixed interest rate of 2.73% (2017: 2.59%). Due to their short-term nature their carrying value is assumed to approximate their fair value. The Group has $615,305 in term deposits that have been pledged as security for the Group's guarantees provided by Westpac Banking Corporation as set out in note 17.

9. Other assets

	2018	2017
Current		
Prepayments	1,013	943
Security bonds	151	50
	1,164	993

All figures in thousands of AUD.

10. Property, plant and equipment

	2018	2017
Capital works in progress	1,260	169
Freehold land - at cost	1,982	472
Buildings & leasehold improvements - at cost	17,108	15,943
Less accumulated depreciation	(8,294)	(7,095)
	8,814	8,848
Equipment, furniture & fittings - at cost	11,659	11,214
Less accumulated depreciation	(10,791)	(10,361)
	868	853
Motor vehicles - at cost	325	344
Less accumulated depreciation	(264)	(267)
	61	77
Total property, plant and equipment	12,985	10,419

All figures in thousands of AUD.

10. Property, plant and equipment (continued)

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

	Capital works in progress	Freehold land	Buildings & leasehold improvements	Equipment, furniture & fittings	Motor vehicles	Total
2018						
Cost						
Balance at the beginning of the year	169	472	15,943	11,214	344	28,142
Additions	2,097	-	-	-	-	2,097
Donated assets	447	1,510	169	57	-	2,183
Decrease in make good asset	-	-	(13)	-	-	(13)
Transfers and other movements	(1,453)	-	1,009	388	-	(56)
Disposals	-	-	-	-	(19)	(19)
Balance at the end of the year	1,260	1,982	17,108	11,659	325	32,334
Accumulated depreciation						
Balance at the beginning of the year	-	-	(7,095)	(10,361)	(267)	(17,723)
Donated assets	-	-	(52)	(44)	-	(96)
Charge for the year	-	-	(1,147)	(386)	(10)	(1,543)
Disposals	-	-	-	-	13	13
Balance at the end of the year	-	-	(8,294)	(10,791)	(264)	(19,349)
Net carrying amount						
At the beginning of the year	169	472	8,848	853	77	10,419
At the end of the year	1,260	1,982	8,814	868	61	12,985

All figures in thousands of AUD.

11. Intangible assets

	2018	2017
Study curriculum - at cost	254	254
Less: accumulated amortisation	(254)	(254)
	-	-
Software - at cost	400	344
Less: accumulated amortisation	(294)	(240)
	106	104
Goodwill - at cost	10,212	10,212
Lease premiums and other rights - at cost	269	269
Less: accumulated amortisation	(31)	(22)
	238	247
Total intangibles assets	10,556	10,563

Movement in carrying amounts

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

	Study curriculum	Software	Goodwill	Lease premiums and other rights	Total
2018					
Cost					
Balance at the beginning of the year	254	344	10,212	269	11,079
Transfers and other movements	-	56	-	-	56
Balance at the end of the year	254	400	10,212	269	11,135
Accumulated amortisation					
Balance at the beginning of the year	(254)	(240)	-	(22)	(516)
Charge for the year	-	(54)	-	(9)	(63)
Transfers and other movements	-	-	-	-	-
Balance at the end of the year	(254)	(294)	-	(31)	(579)
Net carrying amount					
At the beginning of the year	-	104	10,212	247	10,563
At the end of the year	-	106	10,212	238	10,556

All figures in thousands of AUD.

11. Intangible assets (continued)

Key assumptions used for value-in-use calculation

The Group tests whether the goodwill shown on the previous page, which is attributed to a cash generating unit (CGU) containing three childcare centres acquired as part of the 2016 FMJ acquisition, has suffered any impairment on an annual basis. For the 2018 and 2017 reporting periods, the recoverable amount of the CGU was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and forecasts approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates.

Impairment charge

After applying reasonable sensitivity analysis to the impairment model assumptions, management have determined that no impairment was required as at 2018 year-end (2017: nil).

12. Financial assets at fair value through profit or loss

	2018	2017
Non-current assets		
BT - Managed fund portfolio	10,471	7,683

13. Trade and other payables

	2018	2017
Current		
Trade payables	2,201	1,964
Employee benefits	6,464	5,502
Community Advisory Group funds	1,829	1,774
Other payables and accruals	3,985	4,011
	14,479	13,251

All figures in thousands of AUD.

14. Provisions

Provision for employee benefits

Provision for employee benefits represents amounts accrued for long service leave.

The current portion for this provision includes the total amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in note 25(o).

Make good provision

The Group is required to restore its leased premises at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements or to refurbish the areas in accordance with the lease agreement.

These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the term of the lease unless acquired as part of a business combination. If a provision is required to be recognised as part of a business combination, then it is included in goodwill on acquisition.

14. Provisions (continued)

	2018			2017		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Employee benefits	2,645	2,657	5,302	2,417	2,412	4,829
Make good costs	116	824	940	40	893	933
Total	2,761	3,481	6,242	2,457	3,305	5,762

Movements

	Employee benefits	Make good provision	Total
2018			
Carrying amount at start of year	4,829	933	5,762
Decrease in provision deducted from the cost of plant and equipment	-	(13)	(13)
Charged/(credited) to profit or loss			
- additional provision recognised	722	-	722
- decrease in provision	-	(2)	(2)
- unwinding of discount	-	22	22
Amount used/reversed	(249)	-	(249)
Balance at the end of the year	5,302	940	6,242

All figures in thousands of AUD.

15. Cash flow information

		Note	2018	2017
(a)	**Reconciliation of cash**			
	Cash on hand and at bank	6	1,191	3,092
	Cash on deposit	8	26,815	25,287
			28,006	28,379
(b)	**Reconciliation of net surplus to net cash generated from operating activities**			
	Net surplus for the year		3,160	128
	Adjustments for:			
	Depreciation & amortisation		1,606	2,092
	Donated assets		(2,087)	-
	Write off of capital works in progress		-	35
	Loss on sale of assets		-	37
	Fair value loss/(gain) on financial assets at fair value through profit or loss		212	(388)
	Change in operating assets and liabilities, net of effects from acquisition of subsidiaries			
	Decrease/(increase) in trade and other receivables		2,568	(2,449)
	Increase in other current assets		(171)	(258)
	Decrease in deferred tax assets		-	91
	Increase in trade payables and other liabilities		1,228	983
	Decrease in income received in advance		(110)	(298)
	(Decrease)/increase in current tax liabilities		(2,181)	1,882
	Increase in provisions		493	619
	Net cash generated from operating activities		4,718	2,474

All figures in thousands of AUD.

16. Leasing and Capital commitments

		2018	2017
(a)	**Operating lease commitments**		
	Payable:		
	- not later than 1 year	2,131	1,912
	- later than 1 year but not later than 5 years	8,417	5,849
	- greater than 5 years	21,600	16,232
		32,148	23,993

The Group has property leases with varying terms up to 75 years. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased in line with CPI subject to review with the landlord. Many leases have an option to renew the lease at the end of the term. Management has determined that all of the risk and rewards of ownership of these operating leases remain with the lessor and has therefore classified the leases as operating leases.

The Group leases various motor vehicles under fully maintained operating leases. All leases are for a term of 48 months from date of delivery.

		2018	2017
(b)	**Capital expenditure commitments**		
	Payable		
	- not later than 1 year	385	248

All figures in thousands of AUD.

17. Contingencies

	2018	2017
Guarantees		
Bank guarantees issued in support of rental agreements	615	601

The Group did not have any other contingent liabilities or contingent assets as at 31 December 2018 (31 December 2017: Nil).

18. Franking balance

	2018	2017
Franking credits available for subsequent reporting periods based on a tax rate of 27.5%	-	2,210

FMJ was acquired on 30 September 2016 and from this time the parent entity had access to the franking credits. The final dividends recommended on 30 June 2018 by FMJ was fully franked out of existing franking credits as at 31 December 2017.

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debts that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

(a) Franking credits that will arise from the payment of the amount of the provision for income tax, and

(b) Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.

19. Events after statement of financial position date

There are no material events after the balance sheet date.

All figures in thousands of AUD. 28

20. Key management personnel compensation

Compensation for those having authority and responsibility for planning, directing and controlling the Group's activities, directly or indirectly (other than directors), is:

	2018	2017
Key management personnel compensation	1,657	1,507

21. Auditor's remuneration

	2018	2017
Audit of financial Statements	56	54
Other assurance services	3	-
	59	54

22. Other related party transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated. Values shown below are in AUD.

	2018	2017
Legal fees paid to Shand Taylor	5,539	18,588
John Sneddon is a partner of Shand Taylor and is a Director on the Board of C&K (retired on 7 February 2018). His remuneration for his services to the Board is Nil (2017: Nil).		
Consultancy fees paid to Therese Mulherin	74,594	-
Therese Mulherin is a Director on the Board and was Acting Chief Executive Officer from 23 July 2018 to 12 October 2018. Her remuneration for her services to the Board is Nil (2017: Nil).		

All figures in thousands of AUD except for note 22.

23. Parent entity financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2018	2017
(a) Balance sheet		
Current assets	31,038	31,562
Total assets	64,774	64,186
Current liabilities	18,169	23,067
Total liabilities	21,650	26,412
Funds		
Accumulated funds	43,124	37,774
Total funds	43,124	37,774

	2018	2017
(b) Total comprehensive income/(loss)		
Surplus/(deficit) for the year	5,350	(2,077)
Total comprehensive income/(loss)	5,350	(2,077)

The parent entity made a surplus of $5.4m (2017: $2.1m deficit) for the year ended 31 December 2018. This surplus includes $3.6m franking credits received in relation to income tax payments made by FMJ for 2017 and pre-acquisition, $5.8m dividends received from FMJ for 2018, $1.6m of loan forgiveness expense, and following those transactions a $4.2m impairment charge in relation to the investment in FMJ. The 2018 FMJ dividends, $2.2m of the franking credits, the loan forgiveness and impairment charge have no effect on the consolidated statement of profit or loss and other comprehensive income or the balance sheet of the Group. It also includes $2.5m of donated assets from kindergartens that transitioned from affiliate to branch.

	2018	2017
(c) Contingent liabilities		
Bank guarantees issued in support of rental agreements	615	601
Total contingent liabilities	615	601

	2018	2017
(d) Commitments		
Operating lease commitments	32,148	23,993
Capital expenditure commitments	385	248
Total commitments	32,533	24,241

All figures in thousands of AUD. 30

24. Financial risk management

The Group financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, and leases. Managed funds are used for long term investment purposes where a greater risk tolerance is accepted. The totals for each category, are as follows:

		2018		2017	
	Notes	**Assets at FVPL**	**Assets at amortised cost**	**Assets at FVPL**	**Assets at amortised cost**
Financial assets					
Cash and cash equivalents	6	-	1,191	-	3,092
Other financial assets	8	-	26,815	-	25,287
Trade and other receivables		-	861	-	1,161
Financial assets at fair value through profit or loss	12	10,471	-	7,683	-
Total financial assets		10,471	28,867	7,683	29,540

		Liabilities at FVPL	**Liabilities at amortised cost**	**Liabilities at FVPL**	**Liabilities at amortised cost**
Financial liabilities					
Trade and other payables		-	5,156	-	5,164

All figures in thousands of AUD.

25. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of The Crèche and Kindergarten Association Ltd and its subsidiaries.

(a) Basis of Preparation

The consolidated financial statements are a Tier 2 general purpose financial report which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profit Commission (ACNC) Act 2012. The Group (excluding FMJ) is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

The financial statements were authorised for issue on 27 March 2019 by the Directors of the Group.

New standards and interpretations not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	AASB 15 Revenue from Contracts with Customers
Nature of change	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.
Impact	The Group does not expect material impacts of the new rules on the Group's financial statements.
Mandatory application date/ Date of adoption	AASB 15 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted. The Group's first-time adoption of AASB 15 will be for the year ending 31 December 2019.

25. Summary of significant accounting policies (continued)

(a) Basis of Preparation (continued)

Title of standard	AASB 16 Leases
Nature of change	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. AASB 16 requires not-for-profit (NFP) lessees to fair value their right-of-use (ROU) assets subject to 'peppercorn' leases (ie. those leases with significantly below-market terms and conditions) for annual periods beginning on or after 1 January 2019. However, at its meeting on 13 November 2018, the Australian Accounting Standards Board (AASB) announced that it is has decided to issue an Exposure Draft proposing a temporary option to defer these requirements. NFPs who elect to apply the temporary relief will measure their ROU assets at the present value of the payments required. The temporary deferral option is expected to remain in place until further guidance has been developed to assist NFP entities in fair valuing such ROU assets and the financial reporting requirements for private sector NFPs have been finalised.
Impact	The group has reviewed all of the group's leasing arrangements over the last year in light of the new lease accounting rules in AASB 16. The standard will affect primarily the accounting for the group's operating leases. As at the reporting date, the group has non-cancellable operating lease commitments of $32,148,000, see note 16. Of these commitments, approximately $110,000 relate to 'peppercorn' leases which the group has assessed would be significant at fair value and the group intends to apply the deferral option for the year ending 31 December 2019. For the remaining lease commitments, the group expects to recognise right-of-use assets of approximately $40,115,000 on 1 January 2019, lease liabilities of $39,969,000 (after adjustments for prepayments and accrued lease payments recognised as at 31 December 2018). Overall net assets will be approximately $146,000 higher, and net current assets will be $310,000 lower due to the presentation of a portion of the liability as a current liability. In evaluating this we have used an incremental borrowing rate of 4.5%, where the incremental borrowing rate increases by 1%, this would amount to a decrease of $4,642,000 in right-of-use assets and lease liabilities. The group expects that net surplus will decrease by approximately $1,174,000 for 2019 as a result of adopting the new rules because the leases are long term and in the early periods a higher proportion of the lease payment is allocated to interest expense rather than repayment of the lease liabilities. Operating cash flows will increase and financing cash flows will decrease. The group's activities as a lessor are not material and hence the group does not expect any significant impact on the financial statements.

25. Summary of significant accounting policies (continued)

(a) Basis of Preparation (continued)

Mandatory application date/ Date of adoption by group	The group will apply the standard from its mandatory adoption date of 1 January 2019. The group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). The group will apply the deferral option for 'peppercorn' leases until further guidance has been developed and financial reporting requirements have been finalised.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(b) Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 25(f)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Revenue and other income

Parent and other fees are recognised in the period in which the service was provided.

Grants and Government funding are recognised when the right to receive the funding has been established.

When funding is received and there is a contractual or constructive obligation to refund some or all funds if the Group was unable to provide the service, or did not comply with the terms of the funding agreement, then the grant is recognised as unearned income until the service has been delivered.

25. Summary of significant accounting policies (continued)

(c) Revenue and other income (continued)

Funds received which do not impose restrictions on the use of funds, including a time restriction on when the funds can be used, are recognised as revenue on receipt of the funds.

Community Advisory Group funds are recognised as income when funds are used which is considered to the point in time of which the service has been provided.

Interest revenue is recognised on an accrual basis.

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

(d) Income tax

The Group (excluding FMJ) is a charitable institution for the purposes of Australian Taxation Legislation and is therefore exempt from income tax. The Group as a charitable institution has access to charity concessions under the income tax, FBT and GST laws. A charitable institution is defined by the Australian Taxation Office.

FMJ is an Australian resident entity and is taxed as a single entity. The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. As FMJ is dormant, there are no continuing income tax obligations of the Group.

25. Summary of significant accounting policies (continued)

(e) Leases

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset. 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 recognised as expenses on a straight-line basis over the lease term.

(f) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

25. Summary of significant accounting policies (continued)

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cashflows, cash and cash equivalents include cash on hand and term deposits with financial institutions.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which requires the use of the lifetime expected loss provision for all trade receivables.

25. Summary of significant accounting policies (continued)

(j) Investments and other financial assets

Classification

The Group classifies its financial assets in the following categories:

i. Financial assets at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the assets are held within a business model with the objective of collecting the contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

ii. Financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss:

- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income.

Management determines the classification of its investments at initial recognition. See note 8, 12 for details about each type of financial assets. The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

25. Summary of significant accounting policies (continued)

(j) Investments and other financial assets (continued)

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised through profit or loss.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and fair value through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(k) Property, Plant and Equipment

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

Land and buildings

It is the policy of the Board to record the value of buildings at cost. The Board has adopted the Australian Accounting Standards in terms of depreciation of all its buildings.

Land and Buildings that have been contributed to the Group at no cost, or for a nominal cost are valued at the fair value of the asset at the date it is acquired.

Buildings on crown land

No value is recorded for land held under Deed of Grant upon Trust from the Crown, because it can only be used for the approved purpose and reverts to the Crown in the event of the Group ceasing to use it for that purpose. Accordingly, buildings on Crown Land are shown at original cost less depreciation.

25. Summary of significant accounting policies (continued)

(k) Property, Plant and Equipment (continued)

All other property, plant and equipment

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Plant and equipment that have been contributed to the Group at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

All property, plant and equipment, excluding freehold land and leasehold improvements, are depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease taking into account renewal options or the estimated useful lives of the improvements.

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

Class of fixed asset	**Useful life**
Buildings and leasehold improvements	3 - 40 years
Equipment, furniture and fittings	3 - 5 years
Motor vehicles	4 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 25(g)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to accumulated funds.

25. Summary of significant accounting policies (continued)

(l) Intangible assets

Goodwill

Goodwill is measured as described in note 25(f). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Lease premiums and other rights

Separately acquired lease premiums and other rights are shown at historical cost. Lease premiums and other rights acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation of lease premiums is calculated using a straight-line basis to allocate costs over the period of the lease term. Amortisation of trademarks is calculated using a straight-line basis to allocate costs over the period of the expected benefit which is 6 years.

(m) Trade and other payables

Trade and other payables represent the liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The carrying amount of the trade and other payables is deemed to reflect fair value.

25. Summary of significant accounting policies (continued)

(n) Provisions

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

Make good provision

Provisions for make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(o) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

25. Summary of significant accounting policies (continued)

(p) 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 Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(q) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Comparative figures have also been reclassified when necessary to give a better presentation of financial statements.

(r) Critical accounting estimates and judgements

The Board evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Critical accounting estimates and judgements regarding impairment charges and provisions for impairment of receivables are disclosed in Note 7.

(s) Parent entity financial information

The financial information for the parent entity, Crèche and Kindergarten Association Limited, disclosed in note 23 has been prepared on the same basis as the consolidated financial statements, except for investments in subsidiaries which are accounted for at cost in the financial statements of the Company.

26. Economic dependence

The operations of all our childhood services benefit from the continued support by statutory authorities of the federal, state and local governments.

27. Funding receipts and expenditure

Queensland Government Department of Education Office of Early Childhood and Care

Projects	Total	Central	Branch	Affiliate	Associate
Balance of undisbursed funds as at 1 January 2018	**147**				
Opening balance adjustment post 2017 year-end	(11)				
Adjusted opening balance of undisbursed funds	**136**				
Receipts					
State Government Grants for 2018 (including supplementation)					
QKFS Funding Semester 2 2016	-	3	-	(3)	-
QKFS Funding Semester 1 2017	-	11	(4)	(7)	-
QKFS Funding Semester 2 2017	-	(304)	196	108	-
QKFS Funding Semester 1 2018	27,489	225	12,489	14,532	243
QKFS Funding Semester 2 2018	28,784	65	13,367	15,117	235
QKFS UA in LDC	1,034	-	1,034	-	-
Disability Inclusion Support for Queensland Kindergartens	1,809	-	1,809	-	-
Mackay Children and Family Centre	1,166	-	1,166	-	-
Limited Hours Care Programs	323	-	323	-	-
Sector Support (Small Assistance Grant)	16	-	16	-	-
Administrative Support Funding	61	-	61	-	-
Volunteer Management Committee	1,838	-	-	1,816	22
Interest Income	225	-	-	221	4
Total Receipts	**62,745**	**-**	**30,457**	**31,784**	**504**
Expenditure					
QKFS Funding Semester 2 2016	3	-	-	3	-
QKFS Funding Semester 2 2017	7	-	-	7	-
QKFS Funding Semester 1 2018	27,486	-	12,863	14,379	244
QKFS Funding Semester 2 2018	28,314	-	13,338	14,723	253
QKFS UA in LDC	1,218	(5)	1,223	-	-
Disability Inclusion Support for Queensland Kindergartens	2,571	-	2,571	-	-
Sector Support (Small Assistance Grant)	16	-	16	-	-
Mackay Children and Family Centre	2,085	-	2,085	-	-
Limited Hours Care Programs	346	-	346	-	-
Administrative Expenditure	7,070	-	7,070	-	-
Volunteer Management Committee	4,183	-	-	4,083	100
Total Expenditure	**73,299**	**(5)**	**39,512**	**33,195**	**597**
Net grant expenditure for 2018	**(10,554)**	**5**	**(9,055)**	**(1,411)**	**(93)**
Balance contributed by C&K for the year ended 31 December 2018	**10,544**				
Balance of undisbursed funds as at 31 December 2018	**126**				

All figures in thousands of AUD, exclusive of GST.

28. Public company limited details

The registered office of the Crèche and Kindergarten Association Limited is:

C & K Association Limited
257 Gympie Road
Kedron
Queensland 4031

The Crèche and Kindergarten Association Limited
ABN 59 150 737 849
Directors' Declaration
For the Year Ended 31 December 2018

In accordance with a resolution of the directors of The Crèche and Kindergarten Association Limited, the directors of the Group declare that:

1. The financial statements and notes, as set out on pages 12 to 45, are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and:
   a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
   b. give a true and fair view of the financial position of the Group as at 31 December 2018 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Mr Cameron Henry, Chair

Ms Emma Fynes-Clinton, Director

Dated this 27 day of March 2019

Independent auditor's report

To the members of The Creche and Kindergarten Association Limited

Our opinion

In our opinion:

The accompanying financial report of The Creche and Kindergarten Association Limited (the Company) and its controlled entities (together the Group) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 31 December 2018
- the consolidated statement of changes in funds for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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

Independence

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and 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 ability of the Group 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Andrew Weeden
Partner

Brisbane
27 March 2019