



NSW Family Day Care Association

Annual Report

2019 - 2020



NSW FAMILY DAY CARE
ASSOCIATION INC.

Table of Contents

About Us	3
Our Structure	4
President's Report	7
Treasurer's Report	9
Chief Executive Officer's Report	12
NSW In-Home Childcare Services Report	15
PEAK Training Report	17
In Home Care Support Agency Report	21

Appendix

Auditor's Financial Report



About Us

NSW Family Day Care Association Inc. was established in 1976 with the aim to promote and support all aspects of Family Day Care within the community.

- We promote the well-being of children and encourage the discussion and exchange of ideas relating to children and their needs
- We inform and support those involved in Family Day Care
- We coordinate and act on problems specific to Family Day Care in NSW
- We act as a body on research, education, publicity and submissions relating to the Family Day Care sector
- We disseminate information relating to Family Day Care
- We act as an advisory body
- We liaise with Government and non-government organisations

We aim to achieve our objectives via these main areas:

1. Research
2. Information and Advice
3. Advocacy
4. Education and Training
5. Consultation



Our Structure

NSW Family Day Care Association consists of several business arms:

- NSW In-Home Childcare Services and brokerage
- PEAK Training
- In Home Care Support Agency NSW and SA

NSW In-Home Childcare Services

In Home Care is a special type of education and care for families that are excluded from centre based care or Family Day Care because of the family's specific needs. In Home Care provides an educator to care for children in the children's own home for families:

- who work non-standard hours
- who are geographically isolated from other types of childcare
- with challenging or complex needs (such as disability or serious illness of family member)



Providing early education and care for a family in their own home under the In Home Care program is a wonderfully rewarding experience. Educators receive the support of a local service provider to ensure they are aware of what is required of them under the program guidelines and to ensure they get professional development and support as needed. NSW In-Home Childcare Services matches the right educator to the right family and then support that educator during their time with the family.

NSW In-Home Childcare Services operates in the Sydney, Central Coast and Illawarra areas. NSW In-Home Childcare Services also works as a brokerage and contracts approved service providers NSW wide.

PEAK Training

PEAK Training is NSW Family Day Care Association's own Registered Training Organisation (RTO number 90869). PEAK Training



offers nationally accredited and recognized training qualifications, as well as short courses for all service types in early childhood education and care.

Courses can be completed via face to face classes, live webinars, on demand webinars or online learning and include a wide range of topics for both service staff and educators.

PEAK Training offers:

- Nationally endorsed and recognised qualifications
- Specialist Family Day Care trainers
- Current industry knowledge and practices
- Highly qualified and dedicated professional trainers
- Flexible learning approaches
- Networking opportunities
- Funding and individualised payment plans
- Quality ongoing student support
- Family Day Care specific telephone advice
- Support and resources to members and Family Day Care services nationwide

Accredited Courses

- Certificate III in Early Childhood Education and Care (CHC30113)
- Diploma of Early Childhood Education and Care (CHC50113)
- Identify and Respond to Children and Young People at Risk (CHCPRT001)
- Participate in Work Health and Safety (HLTWHS001)

Professional Development

- Child Protection (Refresher)
- Maximising QIPs and Self Assessment in 2020
- Striving for Exceeding
- Supporting Educational Leaders

- Exploring Risky Play
- FDC Business Development
- Guiding Children's Behaviour to Attain Self-regulation
- QIP: The 'Who, How & When' webinar series
- Sustainability in Early Childhood Settings
- Supporting Inclusion of Children with Additional Needs
- Work, Health and Safety (Refresher)

All courses reflect current industry practice and new courses are added to reflect this. PEAK Training's courses equip learners with the skills and knowledge required to experience the joy of working within the children's services industry.

In Home Care Support Agency

The role of the In Home Care Support Agency is to support families needing In Home Care and the services which provide it. Our In Home Care Support Agency supports families and services in NSW and South Australia.



Our role is to:

- determine which families are eligible for In Home Care
- match families to service providers that have educators available
- advocate for families
- develop Family Management Plans and review them each quarter
- work with services to ensure In Home Care is high quality and monitor it to ensure it is focused on educating and care for children
- provide professional development and support for educators
- promote the In Home Care program so that families who need it, know about it

The In Home Care Support Agency is funded by the Australian Government Department of Education and Training.

President's Report

On behalf of the Board of Management, it is my pleasure to present this report for the NSW Family Day Care Association for the year ending 30th June 2020.

I would wholeheartedly like to thank everyone who dedicates their time, energy, heart (and soul) in contributing to the success of this organisation.

2019/2020 has been another successful year for our organisation, albeit a challenging one. Our successes, in short, have been:

- The continual participation with well-respected working groups within the Australian NSW Government and local Councils.
- External positions on many well-respected committees
- Hosting a Member's conference 'Growing Together' with over 130 people attending each day.
- The implementation of our Reconciliation Action Plan (RAP)
- Launching of two Promotional videos for members to use in their own service for marketing and recruitment.
- Sector Development Programs providing resources for Educators in Quality Area 2 Children's Health and Safety, and Quality Area 3 Physical Environments (Great Spaces/Safe Spaces).
- The Norfolk Island Project, continuing the goal to educate those in the ECEC sector and to provide an increased understanding of the National Quality Framework and for the families to access the childcare subsidy scheme.
- The strong and well-respected In-Home Care Agencies in both NSW and SA.
- Continued partnerships with My Life My Super and Marsh Advantage Insurance.
- PEAK RTO successful transitioned to all online resources and training via Moodle.
- An array of professional developments webinars.

Covid-19 was the most talked about subject in the world; it didn't miss anyone. A one in 100-year pandemic was a very new experience and a challenging chapter for all and the whole Education and Care sector was turned upside-down. Free childcare for all families and the associated difficulties dealing with small business operators, staff and services within this time definitely brought some challenges.

The sector was supported with JobKeeper, Business Continuity Payments and Transitional Payments, however that was an even tougher challenge to unpack and understand what they meant for all. The Association supported their members and sector during this time, by frequent communications through, to name a few, newsletters, pro-formas, surveys, phone calls, webinars and setting up a webpage dedicated to Covid-19. It was new for everyone and the Association committed to providing as much assistance they could, to those needing it.

Every year I am astounded by how much the FDC sector experiences in any one year and how hard we continue to work to meet our goals and objectives. This year has been no exception. Who would have ever thought, we would be holding all our meetings via zoom, conducting virtual play sessions and talking about how important it is to wash your hands for at least 20 seconds!

On behalf of the Board of Management, I would like to thank all the staff in all our business arms, our Executive Team and Managers for their passion and enthusiasm in their daily roles over the past year. A special thanks to Anita, who leads this team and as a whole and is the reason we are the Association we are today.

I would also like to thank our 2019/2020 Board of Management members: Kristine Eldridge, Peter Monger, Janet Coleman and Patricia Marson. Your time, input and wisdom are very much appreciated and respected.

Kellie McNamara
President

Treasurer's Report

In February 2020 I adopted the role as Treasurer for the NSW Family Day Care Association, from outgoing board member Janîce Francis. I would like to thank Janîce for her efforts in the Treasurer role for the 2019/20 financial year.

Under the leadership of CEO Anita Jovanovski, the Association's accounts are accurately maintained and monitored by Jenny Hoang (Accountant) and Kate Tran (Accounts Assistant). Their continued diligence ensures that all of the Association's obligations are met, as are our financial reporting requirements. As Treasurer for the NSW Family Day Care Association it is my role to present the Association's audited financial report to the membership at the Annual General Meeting.

The financial statements for year ending 30 June 2020 have been audited by Vishal Modi, Director - Nexia Sydney Audit Pty Ltd. The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards Board (AASB) and the Australian Charities and Non-for-profits Commission Act 2012. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The NSWFDC Association reports a profit from ordinary activities for year ending 30 June 2020. The 2019/20 result represents a significant increase in profit from the previous financial year, which is commendable given the challenges the sector faced due to Covid-19. The Association's profit has been generated from the business arms, which benefits the entire Association including services to support the membership.

The member services component of the Association has streamlined expenditure and adopted membership fees to move towards achieving a balanced ledger. We have made positive progress towards this goal, although the successful September 2019 conference contributed to a deficit as it was not included in the 2019/20 budget preparations.

Member services continue to support their Association, which is vital to ensure the continuation of advocacy work promoted across all levels of government and the ECEC sector. Membership fees for financial year 2019/20 were charged at \$200 per service and \$3.50 per EFT. The membership fee structure for 2020/21 has been reviewed, approved by the membership and seeks to continue the journey towards being cost neutral.

The Association continues to successfully operate the In Home Care Support Agency for both New South Wales and South Australia. The surplus generated by the In Home Care Support Agency significantly contributes to the overall profit reported by the Association for the financial year.

NSW In Home Childcare Services (NSWIHCS) experienced growth despite the challenges related to Covid-19. The NSWIHCS benefited from some government funding and this, combined with service growth, resulted in a significant increase in surplus compared to the previous financial year.

PEAK Training recorded an expected deficit for the 2019/20 financial year, which was exasperated by service delivery disruptions resulting from Covid-19 restrictions. The Board of management recognise the 'big picture' benefit of having our own RTO, to provide support to the membership and when applying for tender opportunities.

The Association has financially benefited from other grants, funding and projects including the Norfolk Island project, Sector Development Program, CCCF funding, Business Cash Flow Boost, ECEC Relief Package and JobKeeper payments.

The Association has an ongoing commitment to pursue grants and funding opportunities to support the delivery of projects, programs and training specifically designed for the Early Childhood Education and Care sector. This commitment proposes to support the professional development of our membership and the boarder Family Day Care community.

The NSWFDC Association is in a healthy financial position, despite the challenges of Covid-19, and we are seeking to enhance this position in 2020/21 via the Association's proven ability to deliver funded projects that benefit the Early Childhood Education and Care sector.

Peter Monger
Treasurer



Chief Executive Officer's Report

The 2019-2020 financial year was a year that the world will never forget. We started with the bushfires, then floods and then the Covid-19 pandemic, which turned our world inside out. I am so very proud of the Family Day Care sector which kept children, families, educators, communities and each other as Covid-19 safe as possible. I am grateful to work with NSW Family Day Care Association and so proud that we stayed united and supported each other through this unpredictable time. I would like to say a big thank you to our members and acknowledge the increased workload in implementing the three various Australian Government funding models and striving to maintain sustainable and viable.

We worked tirelessly with both Australian and State Governments to assist with the rapidly changing policy decisions being made, not just daily but, at times, within hours. As well as maintaining our key advocacy role in the Family Day Care sector. I am confident that together we have moved NSW FDC Association as a state peak body and a state organisation into a strong position for future success.

The team and I at NSW Family Day Care Association are committed to support and assist our members. Ensuring better quality outcomes for children, families, educators, service providers, their staff and the communities we work in. This is done daily through our resource creation, direct service provision, advocacy, recognised vocational and professional training, research, information dissemination, consultation, mentoring and collaborative networking opportunities.

During Covid-19 this was demonstrated by supporting members with advocacy for around JobKeeper and returning to CCS. I was successful in securing funding for not for profit FDC members services who are part of a bigger organisation and therefore ineligible for JobKeeper for staff. I advocated for these services with the NSW Government and funding equal to JobKeeper was successfully obtained by me for these FDC services.

Communication with members:

- Covid-19 e-newsletters: 6 e-newsletters between 18 March and 6 April 2020
- Information webinar: 6 April
- Webpage on our website dedicated to COVID-19 for the sector, with up to date useful information all in one place, including links, fact sheets, Q&A sessions and other resources
- Q&A Information sheets: 5 info sheets, between 15 April and 1 May
- Fact and information sheets: 11, between 6 April and 31 July
- Pro-formas to assist members
- Surveys around the best way to advocate for members
- Urgent assistance phone calls to member services

In June 2020, all member services were sent two FDC promotional videos to use in their service's marketing. One video is aimed at recruiting more educators and one video is aimed at reaching more families. Both videos have the service specific contact details at the end. These videos were guided by several articles in Connections around social media marketing and are to be followed by more resources in the next financial year. I also organised for the Association to complete a three-week social media promotional campaign with these videos. The campaign was an overwhelming success. The social media advertising impressions (times shown on social media) was 141,026. Number of people reached 69,472.

I participated by invitation-only on various Australian Government, NSW Government, local councils and sector working groups to be the expert on Family Day Care and In Home Care. I continue to undertake high levels of communication with both Ministers and Departmental heads. I also participated in Australian and State Government advisory groups, representation of our sector on the Executive of Early Childhood Australia, other key committees and forums ensure that the Association has a high profile within the early childhood community. This enabled us to have access to and disseminate the most current information to support best practice within the sector.

My external positions held during 2019-2020 include:

- Member on the Australian Government Early Childhood Education and Care Reference Group
- Executive member on NSW Early Childhood Australia
- Deputy Chair on the NSW Children's Week Committee
- Member on National Children's Week Council
- Member on the NSW Early Childhood Education and Care Reference group
- Member of NSW ITAB Working Group (Industry Training Advisory Board)
- Represent NSWFDCA on the NSW Department of Education Early Childhood Education and Care Sector Development Program Panel.

It is vital that the Association continues to maintain, strengthen and grow our professional partnerships moving forward; this enables the Association to hold our high profile within the Family Day Care sector and the broader Early Childhood Education and Care sector.

I would like to acknowledge and thank the Association's Board of Management throughout 2019-2020: Kellie McNamara, Patricia Marson, Peter Monger, Janet Coleman and Kristine Eldridge. Your guidance, support and governance are truly appreciated.

Lastly, a big thanks also to all the dedicated Managers, Executive team and all staff at the Association office. Also a very deserving thanks to our members, trainers and consultants for the expert FDC support and assistance they provide to Family Day Care and the broader NSW Early Childhood Education and Care sector.

Anita Jovanovski
CEO

NSW In-Home Childcare Services Report

The 2019-2020 financial year has been an interesting one, providing our service with many unforeseen opportunities and challenges, and with the Covid-19 global pandemic in the mix!

In this current climate, more than ever, it is important that NSW In Home Childcare Services (NSWIHCS) is one of the main constants within the family and child's life, continuing to provide quality care within the home environment.

Our service has transitioned to the Harmony software system and all our educators and families are now on board with the online attendance records. This transition took place over a 3-month period involving clusters of educators and families at a time. Our team could not be happier, as the Harmony Web timesheet online attendance system is streamlined and efficient.

Most of our team members have been working from home from April to June 2020, with myself and other managers working from the central office a bit longer before also working from home. We have successfully used Microsoft Teams to keep in touch daily with all our colleagues.

Our team, especially our Family Liaison Facilitators have had to change some of our practices to adapt to the current world environment and in the interim are conducting 'virtual home visits' via zoom or facetime. It has been an opportunity for other team members, whose duties do not include home visits, to be part of meeting the families. These virtual home visits have worked well and there has been positive feedback from families and educators.

We have been fortunate to have been granted CCCF funding to attract and engage educators to the In Home Care sector. Due to Covid-19 and the availability for educators to take up the government's JobKeeper program, there was a lull in the recruitment of In Home Care educators during the free childcare period. However,

with the return of CCS in the 2020-2021 financial year (13 July 2020), educators will recommence with families and recruitment is expected to pick up again.

Our service has developed a new website which is a great marketing tool to draw more educators to our service.

In the last financial year, we have:

- focussed on recruiting educators using various platforms such as Facebook, parent groups, children's groups and information dissemination for other agencies.
- reviewed our branding to see how we can get our name out there within the community and to also stay abreast of our competitors. It has been focused on recruitment of educators for existing and new families.
- updated our new website to make it even more user friendly and attractive to stakeholders.
- started working with PEAK Training to put our training/information sessions on our website.
- updated family and educator's enrolment forms to ensure we have current information.
- continued to provide a service that will deliver high quality educational programs and services to families and children.

NSWIHCS still remains the most affordable service provider within the state for families accessing In Home Care. Our service is currently working on implementing systems and programs to assist us once life resumes as normal again. We are optimistic that 2020-2021 will be a year of opportunities, growth and success.

I would like to acknowledge and thank the NSW In Home Childcare Services team for their continued support and dedication to ensuring quality care to families and children.

Maria Fazio
Manager

PEAK Training Report

Accredited Training

CHCPRT001- Identify and respond to children and young people at risk is still a very popular unit. Both webinars and the self-paces online course have shown a significant rise of students undertaking this course. We have also received request for face to face training on CHCPRT001- Identify and respond to children and young people at risk in the first half of the financial year.

Compliance

Moderating of our Assessments in accordance with the revised National Quality Standards (effective from 1st February 2019) is completed for both the Certificate III and Diploma in Early Childhood Education and Care. We have continued to update our training support materials for Certificate III and Diploma students. These updated materials reflect the most recent resources available in the sector.

PEAK Training has reviewed our policy on Student Practicum placements to ensure students have a high-quality learning experience. Diploma students who work in FDC will be required to complete part of their practicum in a regulated environment that is outside of their own FDC. A policy will be drafted, and this has been communicated to students at the time of enrolment. Our students have still been able to complete their practicums despite Covid-19.

In December 2019, PEAK Training created a Student Study Support Plan, to assist students who are falling behind in submitting units. The plan consists of pre-organised support calls and study calendar. This new plan has already successfully assisted Certificate III students to complete their theory work by course completion date. Students continue to submit work on a more regular basis due to regular weekly support calls from student support officers. Students have communicated they are feeling more motivated and encouraged to complete their assessments and are working well with the current student support officers.

In January all training material was updated to reflect the latest version of The Guide to the National Quality Framework. A new edition was published January 2020.

PEAK Training has undergone an ASQA audit in April 2020. The PEAK Training team has submitted a first and second response, as initial response to some non-compliance issues was unsuccessful. We have worked with a consultant to re-design course material, to better address elements of compliance with ASQA. PEAK Training is currently awaiting the outcome of the ASQA audit.

Face to face training has been on hold due to Covid-19, however this has allowed time for the PEAK Training team to streamline many of their administrative processes, and we are seeing a great improvement in student contact via email and phone calls.

Professional Development

There remains a constant demand for both accredited and refresher versions of Child Protection courses either face to face, webinars or self-paced. We have seen an increase in requests for face to face training from July to December 2019, with the most popular topics being Programming and Planning, and Accredited Child Protection. Live webinars are still popular and are not affected by COVID-19 as they can all be delivered by trainers from home.

From August 2019 we are offering a new two part 'Developing a successful FDC Educator Business' series as On Demand recordings. Part 1 focuses on what constitutes a 'Quality' FDC business while part 2 concentrates on what is a 'Viable' FDC business.

PEAK Training has successfully delivered our two new live webinars based on Educational Leadership and Exceeding Rating. They both had good attendance and feedback and will be presented again in the upcoming training calendars. Our Work Health and Safety Webinar has also been updated and has been recorded for on demand. We have also updated other existing packages with new information to reflect student feedback and new industry information.

Professional Services have released their Training Calendar for the 2nd half of 2020. Included is a new session “Maximising QIP’s and Self-Assessment in 2020”. This takes participants through the new QIP template and self-assessment tool. Plans for more new topics in 2020-2021 include training around Indigenous inclusions and creating reconciliation plans and FDC home safety. We will approach Kids Safe to partner with them in training around their new ‘Family Day Care Guidelines’.

The In Home Care Support Agency has engaged PEAK Training to create three new packages aimed at In Home Care educators. The topics include ‘Guiding children’s behaviour’, ‘Programming for complex needs’, and ‘Supporting autism’. These packages of 1.5hr webinars will be available on demand.

NSW In-Home Childcare Services had also engaged PEAK Training to move part of their current Educator Induction training onto our new online training platform for 2020.

We continue to work on having our professional development NESA approved. PEAK Training has completed the application to have our Child Protection Accredited Unit NESA approved. We are waiting to hear results of application.

FDC Support

Our member conference ‘Growing Together’ took place in September 2019, after a hiatus of several years. The program of keynote speakers, workshops and panels was designed to support educators as well as service staff. Online registrations worked well on a dedicated webpage and we were able to keep the costs down for members due to sponsorships and membership funds. Delegate numbers were higher than initially expected with more than 130 people attending each day. Dr Justin Coulson and Jules Allen were our keynote speakers. Several workshops were conducted, which were categorised in three informal streams: leadership, administration and practice. ACECQA, the NSW Government Department of Education and the Australian Government Department of Education and Training

were all represented. The feedback received from the end of event surveys was overwhelmingly positive with attendees rating it as 'extremely useful'.

March 2020 saw a large influx of calls and emails for our FDC support team due to COVID-19 and its impact on the sector. The range of calls were from both member and for-profit services with the biggest increase coming from educators themselves. Over the last quarter of 2019-2020 there has been a significant increase in services and educators seeking advice due to the many changes happening in the sector.

Great Spaces / Safe Spaces FDC sector development project has been concluded. It included the development of 7 booklets, checklists, and videos along with face to face training sessions around Quality Areas 2 & 3. The last few face to face sessions could not go ahead because of Covid-19 restrictions and were replaced with a webinar focused on infection control for FDC educators, which perfectly fulfilled the needs of the time. There has been a lot of interest from the private sector with 40 - 50 educators registered in most sessions. All resources are available on the NSW FDC website: nswfdc.org.au/greatspaces

Other government funded projects have also started in 2019-2020 and will continue into the new financial year.

I would like to thank the PEAK Training team for their hard work and dedication in this unprecedented year!

Wendy Thompson
Team Leader

In Home Care Support Agency Report

This year saw the In Home Care Support Agency move from focusing on transitioning families from the old IHC program to moving forward with new families, reviews and building our relationships with families and service providers. We continued to act as the conduit between families and services, and also focused on support services that could help families meet their needs. The Support Agency has been fortunate to work closely with the Department of Education, Skills and Employment (DESE) and other IHC Support Agencies across Australia.

For this financial year 2019-2020, 615 families (1177 children) in NSW and 180 families (348 children) in SA that have come through the IHC Support Agency. As of the 30 June 2020 we have 248 active families in NSW and 49 active families in SA.

The Support Agency has taken on an advocacy role for families needing more home support and care under NDIS. Many families require more than the IHC program can offer and this year we have had to increase our role in helping families with their NDIS plans and reviews. To support the family, Family Service Facilitators speak directly to the family's NDIS provider or caseworker and provide support letters where needed.

Three new IHC Service Providers started this year: NSW - Placement Solutions and Melbourne Leading Nanny Agency, are both Melbourne based services, which are now servicing Sydney Metro and some of regional NSW. Adelaide Family In Home Care, which is servicing mainly Adelaide city but are starting to branch out to the regional areas of South Australia.

In September 2019, the Support Agency attended their first AHCCA AGM (Australian In-Home Child-Care Alliance). This offered us a wonderful opportunity to meet face to face with the Service Providers from across the states, as well as our own.

Discussing the issues, our processes, and changes to the program, enabled us to build rapport, mutual understanding, and relationships with the services.

The IHC Support Agency continues to champion the organisation's Reconciliation Action Plan which was officially endorsed as 'Reflect' Reconciliation Action Plan in September 2019. The Department approved our Rural and Remote Strategy and Indigenous Employment Strategy, required under our Indigenous Procurement Plan (IPP).

Covid-19 impacted the Support Agency in several ways. Firstly, the Child Care Relief Package caused IHC services to reduce the number of families that they could service during the period. IHC Services struggled financially as not all educators were able to access JobKeeper. The Support Agency sent out factsheets to services to help them keep up with the changes and spoke to them weekly for support. Our webpage was updated to give families and educators information about Covid-19, activities and most common questions. Secondly, the resourcing of educators with webinars and indigenous resources has been set back. We were unable to complete the webinars planned for the beginning of 2020 and unable to purchase Indigenous kits for IHC educators to use.

In the next financial year, the IHC Support Agency plans to investigate innovative ways to continue supporting families, service providers and educators. I would like to thank the IHC Support Agency team for all their hard work and dedication this year and we're ready to tackle whatever the next year may bring!

Vicki Saarinsen
Manager

Appendix

Certificate by Members of the Committee

I, Kellie McNamara of 13 Del Mar Drive Copacabana 2251 and I, Peter Monger of 2 Camellia Place Lalor Park NSW 2147 certify that:

- (a) We are members of the committee of NSW Family Day Care Association Incorporated.
- (b) We attended the annual general meeting of the association held on 6 November 2020.
- (c) We are authorised by the attached resolution of the committee to sign this certificate.
- (d) This annual statement was submitted to the members of the association at its annual general meeting.

Dated this 6th day of November 2020



Kellie McNamara
President

**Peter
Monger**

Peter Monger
Treasurer

Auditor's Independence Declaration**To the committee members of NSW Family Day Care Association Incorporated**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of NSW Family Day Care Association Incorporated for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit

Yours sincerely,

Nexia Sydney Audit Pty Ltd



Vishal Modi
Director

Dated in Sydney, this 29th day of October 2020

NSW Family Day Care Association Inc.
ABN 97 377 365 755
Notes to the Financial Statements
for the year ended 30 June 2020

The financial statements cover NSW Family Day Care Association Inc. as an individual entity. NSW Family Day Care Association Inc. is an association Incorporated in New South Wales under the *Associations Incorporation Act 2009* and is a registered charity under *Australian Charities and Not-for-profits Commission Act 2012*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

NSW Family Day Care Association Inc applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Non-for-profits Commission Act 2012. The association 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 the 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 accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div. 50 of the Income Tax Assessment Act 1997.

(b) 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.

Plant and equipment

Plant and equipment are measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

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 association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

NSW Family Day Care Association Inc.
ABN 97 377 365 755
Notes to the Financial Statements
for the year ended 30 June 2020

Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets, is depreciated over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	10%
Furniture & Fittings	10% - 33%
Computer Equipment & Software	30% - 50%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are Included in the Statement of Comprehensive Income. When revalued assets are sold, amounts Included in the revaluation relating to that asset are transferred to retained earnings.

(c) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(d) Lease

At inception of a contract, the association assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the association the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the association recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of the useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment.

NSW Family Day Care Association Inc.
ABN 97 377 365 755
Notes to the Financial Statements
for the year ended 30 June 2020

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the association's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under residual value guarantee. The exercise price of purchase options for which the association is reasonably certain to exercise and incorporate the association's expectations of lease extension.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets are recognised as incurred as an expenses in the statement of comprehensive income.

(e) Financial instruments

Financial assets and financial liabilities are recognised when NSW Family Day Care Association Inc. becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and NSW Family Day Care Association Inc.'s business model for managing them. With the exception of trade receivables that do not contain a significant financing component, NSW Family Day Care Association Inc. initially 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.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

NSW Family Day Care Association Inc.'s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that NSW Family Day Care Association Inc. commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

NSW Family Day Care Association Inc.
ABN 97 377 365 755
Notes to the Financial Statements
for the year ended 30 June 2020

Financial assets at amortised cost

NSW Family Day Care Association Inc. measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

NSW Family Day Care Association Inc.'s financial assets at amortised cost includes trade receivables.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- NSW Family Day Care Association Inc. has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a. NSW Family Day Care Association Inc. has transferred substantially all the risks and rewards of the asset, or
 - b. NSW Family Day Care Association Inc. has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When NSW Family Day Care Association Inc. has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, NSW Family Day Care Association Inc. continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there are an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, NSW Family Day Care Association Inc. applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, NSW Family Day Care Association Inc. does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. NSW Family Day Care Association Inc. has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NSW Family Day Care Association Inc.

ABN 97 377 365 755

Notes to the Financial Statements

for the year ended 30 June 2020

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, NSW Family Day Care Association Inc. recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that NSW Family Day Care Association Inc. expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

NSW Family Day Care Association Inc. considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, NSW Family Day Care Association Inc. may also consider a financial asset to be in default when internal or external information indicates that NSW Family Day Care Association Inc. is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

NSW Family Day Care Association Inc.'s financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

NSW Family Day Care Association Inc.
ABN 97 377 365 755
Notes to the Financial Statements
for the year ended 30 June 2020

(f) Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

(g) Employee Provisions

Short-term employee benefits

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the (undiscounted) value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures. Any re-measurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(i) Revenue and Other Income

The association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue

NSW Family Day Care Association Inc.

ABN 97 377 365 755

Notes to the Financial Statements

for the year ended 30 June 2020

when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue in relation to the rendering of services is recognised upon delivery of the service to customers

Grants

Grant revenue is recognised in profit or loss when the association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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

(j) 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).

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 statement of financial position.

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.

(k) Comparative Figures

Comparatives are consistent with prior years, unless stated otherwise.

NSW Family Day Care Association Inc.
ABN 97 377 365 755
Notes to the Financial Statements
for the year ended 30 June 2020

(l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Provisions

Provisions are recognised when the association 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 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

(n) Key Estimates

Impairment

The Association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

(o) Critical Accounting Estimates and Judgements

The Board of Management evaluates estimates and judgements incorporated into the financial report 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 Association.

(p) New or amended Accounting Standards and Interpretations adopted

The association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The impact of adoption of these Accounting Standards and Interpretations on the financial performance or position of the association are disclosed below.

NSW Family Day Care Association Inc.
ABN 97 377 365 755
Notes to the Financial Statements
for the year ended 30 June 2020

The following Accounting Standards and Interpretations are most relevant to the association:

AASB 15 Revenue from Contracts with Customers

The association has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The association has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137.

The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

Impact of adoption

AASB 15 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019, and the adoption of these standards did not have an impact on the association.

AASB 16 Leases

The association has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position.

Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. The operating expense is now replaced by interest expense and depreciation in profit or loss.

NSW Family Day Care Association Inc.

ABN 97 377 365 755

Notes to the Financial Statements

for the year ended 30 June 2020

For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019. On adoption of AASB16, the association recognised a right-of-use asset of \$493,493 and a corresponding lease liability for the same amount.

NSW Family Day Care Association Inc.
ABN 97 377 365 755
Statement by Management Committee
for the year ended 30 June 2020

In accordance with a resolution of the management committee of NSW Family Day Care Association Inc., the members of the management committee declare that:

1. The financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission 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 NSW Family Day Care Association Inc. as at 30 June 2020 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the NSW Family Day Care Association Inc. will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.



Kellie McNamara
President

**Peter
Monger**

Peter Monger
Treasurer

Dated this 29th day of October 2020

Independent Auditor's Report to the Members of NSW Family Day Care Association Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of NSW Family Day Care Association Incorporated (the Association), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory notes, and the statement by management committee.

In our opinion, the accompanying financial report of NSW Family Day Care Association Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act), including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance and its cash flows for the year ended; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements, Associations Incorporation Act (NSW) 2009 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Those Charged With Governance for the Financial Report

The committee members 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, the ACNC Act and the *Associations Incorporation Act (NSW) 2009*. The committees' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends 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 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.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

NEXIA SYDNEY AUDIT PTY LTD



Vishal Modi
Director

Dated in Sydney, this 29th day of October 2020

Contact

NSW Family Day Care Association Pty Ltd

Level 1, 1 Sloane Street, Summer Hill NSW 2130

02 9779 9999

info@nswfdc.org.au

manager@inhomechildcare.com.au

info@peaktraining.net.au

info@ihcsupportagency.org.au

www.nswfdc.org.au

www.ihcsupportagency.org.au

ABN: 97 377 365 755