

MACE is a community owned and managed incorporated association which encompasses a Learn Local Education provider; a Registered Training Organisation; a Neighbourhood House; and an Early Childhood Education and Care Centre.

Statement of Purpose

Enriching connection through community diversity, participation and learning

Values

- *We will enable frameworks that exemplify quality across all MACE business and community activities.*
- *We will ensure that MACE is accountable by being open, transparent and ethical in all our practices and behaviours.*
- *We ensure the integrity of MACE by being honest, inclusive and respectful in our interaction and communication with everyone.*

MACE Incorporated
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Incorporation No: A0048770V
ABN: 25 306 780 833
Registered Training Organisation No: 3928
Licensed Childcare Provider No: 9921

Photographic acknowledgement: MACE thanks the Mansfield Courier for permission to re-print photographs in this Annual Report



President's Report

Change in regulation and compliance in 2016 provided the Learn Local sector with significant challenges which resulted in Mansfield Adult Continuing Education (MACE) continuing to review and reassess its business, relevance and meaning to the local community.

The Board has assisted the Executive Officer by continuing to take an operational focus on the business which continues to include regular meetings with Staff and key Stakeholders, to bring the organization into line with our Charter and to meet new business and strategic directions.

Our Board recruiting in 2016, was successful in gaining Board membership expertise in Local Government, Finance, Law and the Not-For-Profit sector. This has proved invaluable in how MACE is governed responsibly and intelligently.

Adjustments were needed during 2016 that included a reduction in staffing hours and a change to the way we delivered our courses. To comply with the changing face of our Industry and meet the required compliance demands, MACE held a Strategic Planning forum with Board Members and Staff that resulted in the development of a two-year plan which is being implemented by the Executive Officer and Staff.

Our Executive Officer Kevin Vivian, has worked tirelessly with his small, but dedicated, team to turn our organisation around. The new Strategic Plan has provided Kevin with a clear strategy and business plan on how to move MACE forward, we now have renewed local community consultation and involvement.

The challenges in 2016 have provided the organization with the stepping stones to grow and further develop our business. The Board and Executive Officer enjoy an open, transparent and inclusive relationship and the links between Board and Staff continue to be strengthened. The Board wishes to formally record its thanks and appreciation to the Executive Officer and MACE Staff for all their hard work in 2016 and for their dedication to making MACE's future a positive one.

I, along with all Board Members, have a strong feeling of optimism for the future and we look forward to facing the challenges that lie ahead.

Ross Martin

A handwritten signature in black ink, appearing to read 'Ross Martin', written in a cursive style.

President Board of Management



Executive Officer's Report

In the year just gone, 2016 saw MACE re-positioning its business model, fine-tuning its strategic direction and re-assessing its course offerings for 2017.

Community Colleges across the state are re-assessing and re-defining their place and function in their respective communities. With this now being a common trend in our sector, MACE sees value and strength in partnering with quality, like-minded organisations. This will enhance the quality, choice and range of provision of training and general interest courses offered through MACE.

Staff inclusion in business and strategic planning was again strengthened as a result of the exceptional efforts and dedication to MACE, demonstrated by all present staff, tutors, contractors and Board members. The Board of Management and Executive Officer extend a heartfelt thanks to each and every one of the above personnel making up the MACE team of 2016.

Our partnerships and collaboration with local council, community and hobby groups remain a major focus with MACE to maintain and build upon moving forward. Accredited training offerings were reviewed and reduced with the Diploma in Community Services being upgraded to the current qualification on our scope.

Our Childcare centre, Mansfield Community Cubby House saw a "*change of the guard*", with Cassie Daykin taking up the reins in November of 2016. Cassie hit the ground running and has developed a happy, committed and dedicated culture at Cubby, proving to be popular with Cubby staff, parents and families. The Executive at MACE recognise the efforts of Cubby staff and management, and take this opportunity to acknowledge and thank all at Cubby for an impressive team effort.

Staff and management at MACE remain dedicated and committed to providing exceptional service to our community, with programs and partnerships that enrich and empower the lives of the people we aim to serve.

Kevin Vivian

A handwritten signature in black ink, appearing to be 'K. Vivian', written in a cursive style.

Executive Officer

Accredited training

The MACE accredited course program undertook considerable downsizing in 2016 following the completion of the Uni4U program, and the new Strategic Direction committed to in 2015.

This downsizing served to ensure the future viability of MACE in the short to medium term, providing the opportunity to plan for greater community relevance and wider choice for Mansfield and surrounding district in the longer term.

Our scope of registered accredited course offerings reflected sectors such as; Hospitality, Community Services, First Aid, Traffic Management and Construction Induction (OHS), for the Construction Industry.

A total of 105 completions in accredited training were achieved through MACE in the 2016 calendar year. This is a pleasing result given the Vocational Education and Training (VET) sector is identified as a shrinking market from years gone by.

The pressure to maintain superseded qualifications remained strong with the Diploma in Community Services completely re-written, updated and added to our scope for 2017 and ongoing. Also in the process of being superseded was the Certificate II in Hospitality.

Funding remains challenging in the accredited training space with the cost and complexity of compliance an ever growing demand on resources.

I have no doubt that 2017 will prove just as challenging as recent years in the upkeep and provision of accredited training in Mansfield and surrounds. MACE remains committed to providing this service to a level of quality and integrity that will see MACE as the provider of choice in the coming years.

Learn Local programs

Otherwise known as pre-accredited programs, these programs offer a non-threatening, non-assessed learning experience in the attainment of entry-level skills. The design of these programs is to create an easy-going, inclusive learning experience, that offer direct pathways to accredited course study or employment.

It was identified in 2016 that a considerable re-vamp of choice and content was needed in order to breathe new life into these learning experiences. Examples of the innovation and development undertaken by MACE in 2016 for delivery in 2017 follow:

- Introduction to Woodwork
- Introduction to Furniture Restoration
- Introduction to Welding
- Forge Making
- Maintaining and Operating a Chainsaw
- Getting your L's and much more

In 2016, 47 enrolments were taken for pre-accredited training with MACE. The major areas being:

- Life skills for people with a disability
- Adult Literacy and Numeracy
- Introduction to Hospitality

With the above work undertaken in 2016, we are looking forward to healthy and abundant participation in subject areas of interest and relevance to our community members.

Community Services

The release of the new CHC Training Package reflects significant changes that have occurred across the community services sector since the training package was last reviewed in 2008. National reforms in aged services, health and disability, including the move to different funding models, have brought about changes in the way services are delivered. This in turn has impacted on training provision at MACE.

As mentioned in the accredited training section of this Annual Report, a major highlight in 2016 was the addition to scope of the new Community Services Diploma. Our training program has embraced some of the major changes in service demand and delivery, which means that workers are being required to:

- shift from implementing 'illness' models to 'wellness' models of health and wellbeing
- increasingly work in multidisciplinary teams
- tailor care and support approaches to individual needs using a person-centred approach and to work within individualised funding models and consumer-directed care with increasing client choice
- work within a recovery approach in mental health
- support clients with increasingly complex needs

Source: Community Services and Health Industry Skills Council CHC Implementation Guide Version 3.0 December 2015

These major changes ultimately affect the skills and knowledge required of the community services workforce, and has meant that improved compliance was critical in preparing and implementing our Training and Assessment Strategy for Diploma of Community Services qualifications.

Our trainers have been critical in the successes achieved in the Community Services area. In 2016 another 18 students graduated in the Diploma of Community Services Work, and many others completed qualifications in Aged Care, Disability and Youth Services.

Most Community Services qualifications require a work based placement component. MACE Community Services programs continue to develop and maintain close collaboration and formal agreements with many agencies in Mansfield and the broader Hume region, including generalist health services, youth services, local Shire Councils, DHHS, Hospitals and Aged Care facilities.

Consistent quality training ensures a high retention and completion rate in MACE student enrolments in Community Services. We are particularly grateful to have access to trainers with extensive sector experience, who mentored and motivated students to achieve positive results throughout the year. Through their capacity, diversity and industry currency, they have provided informed and flexible delivery to a wide range of students in our rural and regional area.

Local Government Partnership

After many years of support, MACE and the Mansfield & District Welfare Group (M&DWG) worked together to enable the M&DWG to become its own Incorporated body. MACE has enjoyed the opportunity to support such a worthy and vital group in the community and congratulate the group on becoming its own incorporated body.

In addition to supporting the Mansfield and District Welfare Group, MACE has also enjoyed the continuing relationship between Mansfield Community Cubby and Council. Through this relationship, Cubby is represented at the Better Communities for Children Leadership Network, enabling up to date information for MACE and Cubby staff on related issues in the community.

MACE Neighbourhood House

The Association of Neighbourhood Houses Victoria (ANHV) changed its name to Neighbourhood Houses Victoria (NHV) in 2016. This remains the peak body through which support, development and promotion in service provision of social, hobby, skills development and general interest programs are surveyed.

Of the 357 enrolments at MACE in 2016, 192 of these were in Neighbourhood House programs. Some examples of the MACE NHV programs delivered in 2016 are listed below:

- Tai Chi
- Yoga
- Master Class – Spanish Cookery
- Spanish Lessons
- English Tuition
- iPad and iPhone – everyday use

In addition to the many NHV programs MACE offers, supporting our local community clubs is a long-standing commitment MACE upholds. Clubs like the Orchid Interest Group, Social Badminton, Social Table Tennis, Line Dancing, Life ball and Patchwork, Quilting, Knitting and Sewing all have strong associations and relationships with MACE.

Mansfield Gadhaba Local Indigenous Network (GLIN)

LINS were established in 2008 in Victoria by the State Government as a mechanism to provide local Aboriginal communities with a voice to build capacity of local communities to identify priorities and address local issues that are important to them. The new terminology is now Local Aboriginal Networks (LAN). There are 39 established LAN's operating in Victoria.
(Source: *LAN frequently asked questions flyer*).

Mansfield Gadhaba Local Indigenous Network (GLIN) had another productive year in 2016. Monthly meetings convened at the MACE premises were well attended. The network continues to actively raise awareness in Mansfield through regular events such as National Reconciliation Week and NAIDOC week (theme in 2016 was Songlines).

The Community Plan 2013-2018 identifies four key goal areas:

- Culturally appropriate place to come together
- Acceptance / Recognition
- Family and our Youth
- Successful GLIN for our Aboriginal community

These goals are being actioned through various activities and projects. The Terms of Reference were updated in 2016, and outings included a visit to the Indigenous Garden at Benalla.

Participation in the GLIN provides opportunities for networking with member organisations. MACE is proud to be a contributing member, and along with other organisations sponsored a GLIN polo T-Shirt which includes the MACE logo. MACE as a partner were also presented with a Certificate of Appreciation, and a significant resource book to acknowledge our support, titled *Working Together: ATSI Mental Health and Wellbeing Principles and Practice*.

Further information can be obtained by visiting MACE website: www.mace.vic.edu.au

Centrelink Agency

Now in its 15th year in the provision of Centrelink Services for the Mansfield community, MACE is going strong with 200 more enquiries this past year, than in 2015.

A total of 1,384 client enquiries were processed by MACE reception staff throughout the year, including lodging, copying and verifying documents, assistance with forms completion, Centrelink internet / phone services and fax assistance, provision of forms and referrals to the call centre.

This is considered an essential service to the Mansfield community of which MACE is proud to provide.

Mansfield Community Cubby House Report

The year 2016 led a fun and interactive program for all aged children. The vegetable garden became established, with the children learning and growing vegetables and herbs to take home and cook with their families. Thanks to some families who donated trees, fruit and maples.

Cubby House found a new look with new uniforms for all educators. The uniforms make it easy for families to identify educators within the rooms and introduce a very professional and consistent look.

The educators undertook Professional Development on Epilepsy. This training was completed at Cubby House for all educators to have the skills and understanding of epilepsy.

A fundraiser Movie Night for families was held at the Mansfield Armchair Cinema. This evening was a huge success with money raised to fund new educational experiences for children.

Two Cubby staff, Maddie Cooksey and Lauren Callander embarked on Maternity Leave, our best wishes went with them both.

In 2016 we farewelled Chantell Roylance and Director of 11 years Nicole Lovett.

With Nicole pursuing another path, Cassie Daykin was successful in her application as the new Director of Cubby House. Cassie has been a part of the Cubby team for 7 years, appointed as Room leader, Educational Leader and Second in Charge.

We welcomed to the team Lisa O'Dwyer, Kylie Ramsay, Karissa Thoburne, Kirsty Williams and Belinda Banks.

Molly Walker in 2016 was appointed second in charge and Arwen Hannaford appointment Educational Leader. With a well-considered, strong team, Cubby House was ready to move forward and grow as a wonderful service and sector leader in 2017 and beyond.

Molly Walker enrolled into the Bachelor of Education to commence in 2017 – good luck and thank you Molly!



Mansfield Community Cubby House Staff 2016

Diploma Qualified or working towards

- ❖ Nicole Lovett
- ❖ Cassandra Daykin
- ❖ Molly Walker
- ❖ Arwen Hannaford
- ❖ Caitlin Armstrong
- ❖ Teagan Hopgood
- ❖ Corrin Crawford
- ❖ Nicole Lovick
- ❖ Lisa O'Dwyer
- ❖ Maddie Cooksey
- ❖ Lauren Callander



Certificate III qualified or working towards

- ❖ Kirsty Williams
- ❖ Jesseca Walsh
- ❖ Belinda Banks
- ❖ Kylie Ramsay
- ❖ Karissa Thoburne





Treasurer's Report

As newly appointed Treasurer I can report that the 2016 year was another difficult one for MACE but that the Board has continued to take steps to turn the organization around.

The accounts show a significant loss, with income some \$342,000 less than the previous year. This is largely as a result of legacy issues resulting from government funding adjustments from previous years and project funding ceasing with those projects completed.

Expenditure was up 3% on the previous year with Contract Costs comprising Compliance costs, expenditure on grant funded projects and Course materials being major contributors. Labour costs were relatively stable.

From a Balance Sheet perspective, MACE retains net assets of \$1.65 million with the Board initiating actions in late 2016 to restore its cash position, with contracts signed for the sale of two shops late in the year, and actions in train to improve operating performance.

The staff have worked very hard in cooperation with the Board to put improvements in place to ensure the ongoing viability of MACE.

The Board believes that the legacy issues relating to compliance and referred to earlier are now behind it and looks forward to a sustainable future.

David Roff

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Treasurer

Board of Management 2016

Ross Martin	President
Janene Ridley	Vice President
Richard Merton	Treasurer
Zandra Duncan	Secretary
Graham Corless	Board member
Kerstie Lee	Board member
Katie Lockey	Board member
David Roff	Board member

Staff 2016

Kevin Vivian	Executive Officer
Elin Ree	Community Programs Manager
Nicole Lovett	Children's Services Manager
Kylie Richards	Chief Finance Officer
Bernadette Caminos	Reception / Student Administration Officer
Daryl Hunt	ICT Support
Ann-Maree Playfair	Pre-Accredited & Marketing Officer
Imogen Smith	Quality & Business Improvement Officer
Jane Leonard	Receptionist
Lauren Callander	Receptionist

MACE INCORPORATED.

Financial Statements

For the period ended 1st January 2016 to 31st December 2016

MACE INCORPORATED
A.B.N. 25 306 780 833
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31ST DECEMBER 2016.

	Note	2016 \$	2015 \$
Revenues from ordinary activities	1,2	991,846	1,226,107
Depreciation expenses	3	(17,153)	(16,124)
Other expenses from ordinary activities	3	(1,582,613)	(1,425,618)
Profit from ordinary activities Before Income Tax Expense		<u>(607,920)</u>	<u>(215,635)</u>
Income Tax Expense	1	0	0
Profit from Ordinary Activities after Related Income Tax Expense		<u>(607,920)</u>	<u>(215,635)</u>
Retained Profits		2,257,431	2,473,066
TOTAL EQUITY		<u><u>1,649,511</u></u>	<u><u>2,257,431</u></u>

The accompanying notes form part of these financial statements.

MACE INCORPORATED
A.B.N. 25 306 780 833

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash & cash equivalents	4	-38,881	209,299
Debtors and Other Receivables	5	45,609	68,601
Other Financial Assets	6	10,000	10,000
TOTAL CURRENT ASSETS		<u>16,728</u>	<u>287,900</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	7	2,126,035	2,287,757
TOTAL NON CURRENT ASSETS		<u>2,126,035</u>	<u>2,287,757</u>
TOTAL ASSETS		2,142,763	2,575,657
CURRENT LIABILITIES			
Creditors & Other Payables	8	60,270	27,321
Provisions - Employee Benefits	9	73,093	61,016
TOTAL CURRENT LIABILITIES		<u>133,363</u>	<u>88,337</u>
NON CURRENT LIABLILITES			
ANZ Loan	10	359,889	229,889
TOTAL NON CURRENT LIABILITIES		<u>359,889</u>	<u>229,889</u>
TOTAL LIABILITIES		<u>493,252</u>	<u>318,226</u>
NET ASSETS		<u>1,649,511</u>	<u>2,257,431</u>
EQUITY			
Retained Profits		1,649,511	2,257,431
TOTAL EQUITY		<u>1,649,511</u>	<u>2,257,431</u>

The accompanying notes form part of these financial statements.

MACE INCORPORATED
A.B.N. 25 306 780 833

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
<i>Payments</i>			
Wages Salaries and benefits		-907,808	-947,343
Suppliers		-613,868	-522,860
Interest and Charges		-15,911	-8,074
<i>Receipts</i>			
User charges		710,627	770,863
Grants received		221,117	459,891
Investment Income		564	3,372
Other		82,532	51,473
<i>Net cash used in operating activities</i>	10	-522,747	-192,678
CASH FLOW FROM FINANCE ACTIVITIES			
Increase in Bank Loan		130,000	229,889
<i>Net cash used in finance activities</i>		130,000	229,889
CASH FLOW FROM ASSET TRANSACTIONS			
Building Sales		144,567	0
Plant Purchases		0	-24,911
Vehicle Sales		0	14,335
<i>Net cash used for asset sales</i>		144,567	-10,576
Net increase in cash held		-248,180	26,635
Balance at the start of the financial year		209,299	182,664
Cash at the end of the financial year	4	-38,881	209,299

The accompanying notes form part of these financial statements

MACE INCORPORATED.
A.B.N. 25 306 780 833

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Retained Earnings	Total
	\$	\$
Balance at 31 December 2015	2,257,431	2,257,431
Losses for the year	-607,920	-607,920
Balance at 31 December 2016	<u>1,649,511</u>	<u>1,649,511</u>

The accompanying notes form part of these financial statements.

Depreciation

The depreciation amount of property, plant and equipment is depreciated on a straight-line basis over the life of the asset.

The asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount

These gains and losses are included in the statement of income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings

Financial Instruments***Initial Recognition and Measurement***

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date, that the association commits itself to either purchase or to sell the asset.

Financial Instruments are initially measured at fair value plus transactions costs except where the Instrument is classified "at fair value" through profit or loss in which case transaction costs are expenses to profit or loss immediately

Leased Property and Equipment

A distinction is made between financial leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased non-current asset, and operating leases under which the lessor effectively retains all such risks and benefits. Assets held under a finance lease are recognised as non-current assets at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease.

A corresponding liability is established and each lease payment is allocated between principal component and the interest expense.

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 include considering 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 the asset, being the higher of the asset's fair value less costs to sell and . Value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs

Employment Benefits Provision.

Provision is made for the association's liability for employee benefits arising from services rendered by employees at the end of the reporting period.

The liability taken up is the amount calculated as payable on the balance date.

Creditors and Other Payables.

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

Cash and Cash Equivalents

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

Revenue Recognition

Revenue is recognised in accordance with AASB118. Income is recognised as revenue to the extent is earned.

Interest revenue is recognised when received.

Debtors and other receivables

Trade debtors are carried at nominal amounts due and are normally due for settlement within 30 days from the day of recognition.

Creditors and Other Payables.

Liabilities for trade creditors and other amounts are carried at a cost which is fair value of the consideration to be paid in the future for goods and services received.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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 in the balance sheet are shown inclusive of GST.

Comparative Figures

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

MACE INCORPORATED

ABN 25 306 780 833

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. Statement of significant Accounting Policies

The financial statements cover MACE INCORPORATED as an individual entity. MACE INCORPORATED is an association incorporated in Victoria under the Associations Incorporation Reform Act 2012.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards, Australian Accounting Interpretations and the Associations Incorporation Reform Act 2012.

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

The financial statements 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.

Accounting Policies

Income Tax

MACE INCORPORATED is an exempt body for taxation purposes under the Income Tax Assessment Act. Accordingly no income tax is payable.

Rounding Off

All amounts shown in the financial statements are expressed to the nearest dollar.

Property, Plant and Equipment

Property, Plant and Equipment are measured on a cost basis less depreciation and impairment losses.

The carrying amount of Property, Plant and Equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciation amount of property, plant and equipment is depreciated on a straight-line basis over the life of the asset.

The asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount

These gains and losses are included in the statement of income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings

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Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period

Cash and Cash Equivalents

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

Revenue Recognition

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Comparative Figures

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MACE INCORPORATED**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 DECEMBER 2016****NOTE 2: REVENUE**

	2016	2015
	\$	\$
Rental Income	29,552	21,353
Fees and Charges	687,635	690,018
Grant Income	221,117	459,891
Centrelink	36,295	35,410
Interest	564	3,372
Other Income	16,683	16,063
TOTAL REVENUE	<u>991,846</u>	<u>1,226,107</u>

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

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

a) Depreciation of plant and equipment:	17,153	16,124
Leasehold Improvements write down	0	0
	<u>17,153</u>	<u>16,124</u>
b) Other Expenses		
Grants Expenditure	0	360
ACFE Expenses	87,192	25,000
Advertising and Promotion	2,327	7,596
Administrative Expenses	16,806	16,297
Audit Expenses	2,550	2,200
Bad Debts	14,390	5,728
Childcare Expenses	14,478	16,752
Bank Fees and Interest	2,933	6,447
Equipment Costs	1,181	6,817
Equipment Maintenance	23,064	0
Book Loss	505	0
Insurances	6,714	4,599
Interest	15,911	8,074
Information Technology	9,942	17,404
Motor Vehicle Operation	18,018	31,637
Occupancy	93,908	97,096
Operating Expenses	54,250	34,806
Human Resources	919,885	916,114
Staff Training and Development	59,793	92,277
Tutors and Contactors	208,355	126,460
Program Delivery	30,411	9,954
	<u>1,582,613</u>	<u>1,425,618</u>

NOTE 4: CASH AND CASH EQUIVALENTS

ANZ - Business Overdraft	-39,365	16,257
ANZ Online Saver	0	181,816
Bendigo Bank Cheque Account	0	10,747
Bendigo Bank Swinburne Account	0	0
Bendigo Bank Term Deposit	0	0
Cash on hand	484	479
	<u>-38,881</u>	<u>209,299</u>

NOTE 5: DEBTORS & OTHER RECEIVABLES

Trade Debtors	45,609	68,601
	<u>45,609</u>	<u>68,601</u>

NOTE 6: OTHER FINANCIAL ASSETS

Shares - Mansfield Community Bank	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

NOTE 7: PROPERTY ,PLANT AND EQUIPMENT

Land 145-147 High Street Valuation 12/2009	649,500	649,500
Buildings 145-147 High Street at Cost	1,367,445	1,512,012
Leasehold Improvements at Cost	136,466	136,466
Less: Accumulated Depreciation	-56,814	-49,989
Plant and Equipment at Cost	245,375	84,196
Less: Accumulated Depreciation	-215,937	-44,428
	<u>2,126,035</u>	<u>2,287,757</u>

NOTE 8: CREDITORS & OTHER PAYABLES

Australian Taxation Office	3,540	12,956
Trade Creditors	53,795	9,907
Employee Superannuation	2,935	4,458
	<u>60,270</u>	<u>27,321</u>

NOTE 9: PROVISIONS

Annual Leave	50,653	54,266
Long Service Leave	22,440	6,750
	<u>73,093</u>	<u>61,016</u>

NOTE 10: BORROWINGS

ANZ Loan	359,889	229,889
	<u>359,889</u>	<u>229,889</u>

NOTE 11: CASH FLOW INFORMATION**Reconciliation of Cash flow from Operations with Profit**

Net Loss for the year	-607,920	-215,635
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Net cash flows in profit

Depreciation	17,153	16,124
Decrease in receivables	22,992	59,492
Increase in payablers	32,949	-21,430
Increase in employee entitlements	12,077	-31,229
Cash flows from operations	<u>-522,749</u>	<u>-192,678</u>

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INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT

MACE INCORPORATED

Report on the Financial Statements

I have reviewed the accompanying financial statements of MACE INCORPORATED , which comprise the Statement of financial position as at December 31, 2016 , and the statement of comprehensive income , statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Assurance practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the Standard on Review Engagements ASRE 2400, *Review of a Financial Report Performed by an Assurance Practitioner Who is not the Auditor of the Entity*.

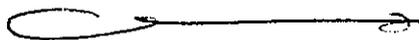
ASRE 2400 requires me to conclude whether anything has come to my attention that cause me to believe that the financial statements taken as a whole , are not prepared in all material respects in accordance with the applicable financial reporting framework . This Standard also requires me to comply with relevant ethical requirements.

A review of the financial statements in accordance with the ASRE 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily of making enquiries of management and others within the entity as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with the Australian Auditing Standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not present fairly, in all material respects, (or do not give true and fair view of), the financial position of Mace Incorporated as at 31st December 2016, and (of) its financial performance and cash flows for the year then ended, in accordance with the Australian Accounting Standards.



Alan K Darbyshire FCPA.

13TH April 2017