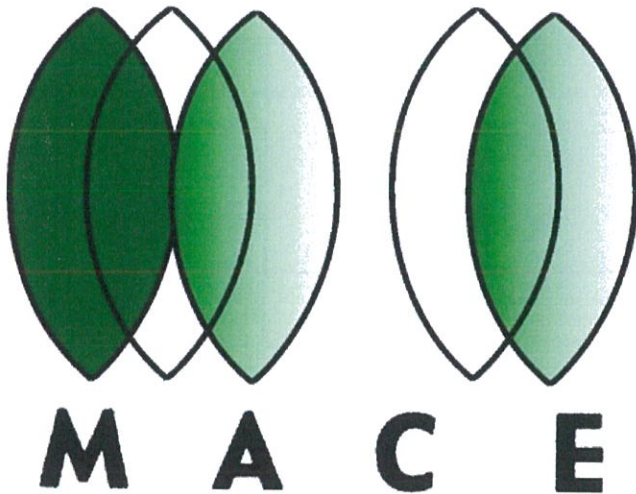


2015

Linking the Community through Learning



Connecting the community by providing learning and development opportunities within a supportive, accessible and sustainable environment.

ANNUAL REPORT

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
145 - 147 High Street Mansfield Vic 3722
Ph: (03) 5775 2077 Fax: (03) 5775 2836
Email: contact@mace.vic.edu.au Web Page: www.mace.vic.edu.au
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

Constant change in regulation and compliance in 2015 provided the Learn Local sector with significant challenges which resulted in Mansfield Adult Continuing Education (MACE) being subject to a series of internal and external audits during the year.

As a result, the organisation was required to rationalize and review its operations to ensure its ongoing viability. The Board assisted the Chief Executive Officer by taking a more operational focus on the business which included conducting regular meetings with Staff and key Stakeholders to bring the organization into line with our Charter and to meet the statutory requirements.

Consequently, a number of changes occurred during the year 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 changes, MACE held a Strategic Planning forum with Board Members and Staff that resulted in the development of a two year plan which has subsequently been implemented by the Executive Officer and Staff.

During the latter part of 2015 we saw the departure of our long serving CEO, Paul Sladdin. Paul had been with MACE for 15 years and the Board would like to express its gratitude to Paul for a job well done over many years. In September of 2015 our new Executive Officer, Kevin Vivian, was appointed; Kevin 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 and we now have the confidence of the government agencies we deal with along with renewed local community consultation and involvement.

Our Childcare business (Cubby) is well established in its new home at the Mansfield Family and Children's Centre and enjoys excellent patronage from the local community. The Mansfield Men's Shed, while auspiced by MACE, is now a fully successful autonomous organisation.

The changes in 2015 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 have been strengthened. The Board wishes to formally record its thanks and appreciation to the Executive Officer and MACE Staff for all their hard work in 2015 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'. The signature is written in a cursive style with some loops and flourishes.

President Board of Management



Executive Officer's Report

As the incoming Executive Officer of MACE in late 2015, I am excited by the contribution I can make to the Mansfield Community through your Learn Local and Neighbourhood House.

The Learn Local and Vocational Education and Training sectors present many challenges and 2015 was no exception. With the ceasing of some funded programs and heightened operational and governance requirements, our focus returned to positioning MACE as a sustainable, viable and strong presence within the Mansfield community.

Exploring shared services with other like organisations, in developing a strong, ongoing business model was also a key activity in 2015 and ongoing into 2016. This will enable stronger links and access to resources, knowledge and expertise that previously presented some challenges to smaller not-for-profit organisations such as MACE.

With this in mind, 2015 has given MACE the opportunity to reflect and regroup, to enable some innovative and engaging programs to be developed as future offerings in 2016. This would include "work ready" programs in non-accredited training alongside Children's Services qualifications being added to our suite of accredited offerings.

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 increased efforts in internal processes, procedures and future planning taking centre stage in 2015.

Staff inclusion in business and strategic planning was strengthened as a result of the exceptional efforts and dedication to MACE, demonstrated by all former and present staff members. The Board of Management and Executive Officer extend a heartfelt thank you to each and every one of these past and present members of the MACE team of 2015.

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 'Kevin Vivian', written in a cursive style.

Executive Officer

2015 Programs

Accredited training

With the conclusion of the Uni4U program in December 2014, a contraction in delivery and assessment of accredited courses followed in 2015. MACE continued to deliver and assess a total of 14 Uni4U students in 2015 in the wind-down of this program.

Our accredited course offerings at MACE were reduced as a consequence of the reduced demand and accessibility to the Uni4U program. A total of 572 students undertook accredited training with MACE in 2015. The majority of these students, 550, successfully completed compliance training in a range of areas including First Aid, Responsible Service of Alcohol, Food Safety, Work Safety and Coffee/Barista.

The 22 remaining students successfully completed training in Certificate II level courses through to Diploma level with the most popular being in the areas of Community Services work and Training and Assessment.

One factor which impacted on processes and continuous improvement in the accredited training program in 2014 was the Victorian Registration and Qualifications Authority (VRQA) re-registration audit, which required significant resource development in the latter half of 2014. MACE achieved its re-registration with the VRQA and is registered until 2019.

One major impact on MACE thinking was the planning of course offerings moving MACE forward. This process commenced in mid-2015 and continued to attract our focus through to years end.

The development of skills directly related to the workplace is important however learning is also about broadening experience and thinking and the development of curiosity and innovation which can be overlooked in the process of accredited training.

Learn Local programs

These programs are flexible and customised to meet the needs of individuals or groups to assist in transitioning employment, help gain the confidence and skills needed to look for a job or go on to further study.

In 2015, 69 students undertook and completed pre-accredited training with MACE. The major areas being:

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

In the past year, pre-accredited programs were identified as being a major point of focus in innovation, development and investment for 2016 delivery.

Community Services

Our Community Services suite of offerings continued with strong enrolments, despite the conclusion of some funded programs.

Our team of trainer's mentored and motivated students to achieve positive results in Disability, Aged Care, and Community Services qualifications.

Through work placement requirements, our Community Services programs ensure close alliances and formal agreements with Local Shire Councils, Hospitals and Aged Care facilities

We are particularly proud of the quality and consistency achieved in our Community Services courses, which reflects the high retention and completion rate in our student enrolments.

We are grateful MACE has trainers from the Community Services sector, with the capacity and diversity to provide informed and flexible delivery to a wide range of students in rural and regional centres.

Local Government Partnership

MACE took part throughout 2015 as a strategic partner with Mansfield Shire Council in community planning and other projects throughout the year including active participation in; Youth programs, Primary Care, Better Communities for Children and Mansfield Health and Wellbeing Plan to name a few.

MACE Neighbourhood House

Community connections has been a cornerstone value for MACE Neighbourhood House since its beginnings in 1975. This value is strengthened with the networking and memberships MACE is committed to.

The Department of Health and Human Services (DHHS), provides funding to the Association of Neighbourhood Houses and Learning Centres (ANHLC), of which MACE is a long standing member.

As the peak body for the Neighbourhood House sector in Victoria, the ANHLC provides this sector with support, development and promotion in service provision of social, hobby, skills development and general interest programs.

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. There are 39 established LIN's operating in Victoria. (Source: LIN frequently asked questions flyer).

MACE contributes actively to the GLIN through our membership. Gadhaba means together, which reflects the 50/50 demographic of the group. Monthly meetings are usually convened at the MACE premises in Mansfield, with the exception of meeting which provide outings to various locations of interest in the district.

GLIN is represented by a diverse range of community members and organisations, who together action the GLIN Community Plan.

In August 2015, MACE was formally awarded a Certificate of Appreciation for supporting GLIN over many years.

Culturally significant events and projects in 2015 included a National Apology day flag raising at Council offices, National Reconciliation Week and NAIDOC week.

Centrelink Agency

It is now 14 years since MACE embraced the provision of Centrelink Services for the Mansfield community. The Centrelink Agency within MACE has enabled our Mansfield community, access to limited Centrelink services Monday to Friday for 51 weeks of the year.

The agency service MACE provides includes lodging of claims, copying and verifying documents, Centrelink MY Gov assistance and internet services, phone and fax assistance.

A total of 1,149 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.

Mansfield Community Cubby House Report

In 2015 a high emphasis was placed on our knowledge, skills, practices and programs related to the outdoors, sustainability and the environment. This involved planning and developing the children's outdoor yard. From a very blank canvas, play areas evolved encompassing a permanent boat, a gumboot fence with plants, an outdoor kitchen and a thriving vegetable patch. Many new plants and trees were given a home including a mandarin and lemon tree, and our herb garden was also established.

Thanks to our success in securing funding in the Long Day Care Professional Development Program, we were able to purchase an educational program known as 'Backyard in a Box' that assisted our Educators in implementing sustainable practices at Cubby. This program provided information, instructions and resources on seven modules. These were Recycling, Worm Farming, Composting, Guinea Pigs, Chickens, Organic Gardening and Water Recycling. It was wonderful to see the implementation come life with the 3-5 year old Adventure Island children focusing on organic gardening, the Discovery Valley Toddlers establishing a worm farm, and the Lullaby Lane Babies explored Chickens. The program continues to be a valuable resource.

Educators were able to strengthen their skills and knowledge through two Professional Development Days held throughout the year. Setting up and maximising engagement in the learning environment, with a particular focus on the outdoor environment was our first topic for Professional Development. This related to Quality Area Three 'The Physical Environment', under the National Quality Standards. It assisted in achieving the goals set out in the service's Quality Improvement Plan to ensure that Standard 3.2 was being met. Standard 3.2 asks that 'the environment is inclusive, promotes competence, independent exploration and learning through play'.

The second Professional Development day was held in October and concentrated on Quality Area Four on the national Quality Standards, 'Staffing Arrangements' with the particular focus on Standard 4.2.2 where 'Educators, coordinators and staff members work collaboratively and affirm, challenge, support and learn from each other to further develop their skills, to improve practice and relationships. The title of the day was 'Team Relationships and Communications'.

Throughout 2015 the children's program had a huge emphasis on nutrition, learning about different foods, their origins, and cultural customs that relate to different foods. Each room would cook different recipes each day for morning and afternoon tea, exploring their senses through different tastes and textures.

In 2015 we farewelled Renee Bradshaw, Cherie Howes, Louise Munro and Jasmine Frye. Nicole Lovick and Kasey Hemenstall embarked on maternity leave with both babies arriving on the same day! We welcomed back Maddie Cooksey from Maternity leave, along with new staff Corrin Crawford, Penny Lourey and Jesseca Walsh to the team.

The year ended with confirmation of being awarded a rating of 'Exceeding the National Quality Standards' from the Department of Education and Training. Although previously rated as 'Exceeding the National Quality Standards' in 2014, with an allocated three year timeframe between the next assessment and rating visit, the service was required to undertake the process all over again due to having moved to the Mansfield Family and Children's Centre. This outcome demonstrated once again Mansfield Community Cubby House's ability to consistently deliver a high quality community based service to the families of Mansfield.



Mansfield Community Cubby House Staff 2015

Diploma Qualified or studying

Nicole Lovett

Cassandra Daykin

Arwen Hannaford

Jasmine Frye

Caitlin Armstrong

Teagan Hopgood

Nicole Lovick

Corrin Crawford

Kasey Hempenstall

Penny Lourey

Louise Munro

Certificate III qualified or Studying

Renee Bradshaw

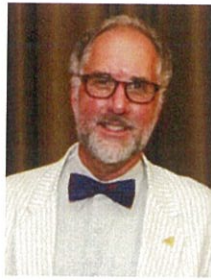
Madeline Cooksey

Cherie Howes

Jesseca Walsh

Hayley Moss





Treasurer's Report

It must be said that Financial Year 2015 must rank as one of the most difficult years for MACE.

The fallout from compliance issues from a major outsource partner in 2013, as well as other deficiencies, lead to a series of audits from our primary funding body and our licensing body. This has dramatically decreased the income we would normally expect for the year, as well as having the weight of potentially having to pay back significant amounts of money hanging over us. It also reduced the number of courses that we had available to sell. Although expenses were reduced significantly to compensate, cashflow has been negative for the whole year, and has diminished cash assets rapidly.

MACE is fortunate to have significant property assets, and was also able to negotiate a bank loan which has enabled us to end the year with positive liquidity, ensuring we were able to meet all creditors within their normal terms of trade.

One of the most significant changes for the positive was the employment of Kevin Vivian as EO in the second half of the year. I am amazed by the work performed under very difficult conditions by Kevin, as well as CFO Kylie Richards and other Staff. Kevin's ability and determination to see all the issues through, while remaining so optimistic has been one of the few positive features of the year.

See the attached summary sheet for a snapshot of the figures for 2015, or the attached financial statements for details. Some key points:

- The Financial Statements are showing a \$215,635 loss over 2015.
- The key reason for this is also shown on the first page of the financial statements: revenue for 2015 was \$1.2M compared with \$2.3 for 2014.
- Funding was \$460K compared with \$1.4M.
- Expenses were slashed to compensate; \$2.4M in 2014 to \$1.4M in 2015.
- Note that although total cash at the start of the year is close to that at the end of the year, this has been achieved through a bank loan, which is the bulk of the increase in total liabilities over the year.
- There were significant unexpected expenses for consultants to help deal with The problems. This shows up in the over-run in Admin and contract tutors expenses.
- Staff numbers were reduced, resulting in some wages payouts, which show in the over-run in Wages & Salaries.
- The big jump in cash flow in July is due to one off project funding payment.

2016 will need to be a year of regrouping and restructuring. There is good reason to believe that the worst is now behind us, although there will certainly be some more financial pain and perhaps difficult decisions to make. Cashflow will still be a major issue well into 2016 and it may well be that some assets will have to be sold to bridge the gap. However if we can continue in the positive vein of the last months of 2015 we can enable a new vision to restore MACE to being strong and viable again for the long term.

Richard Merton

A handwritten signature in blue ink, appearing to read 'Richard Merton'. The signature is stylized and cursive.

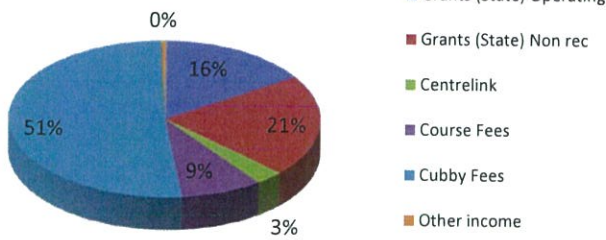
Treasurer

Financial Indicators

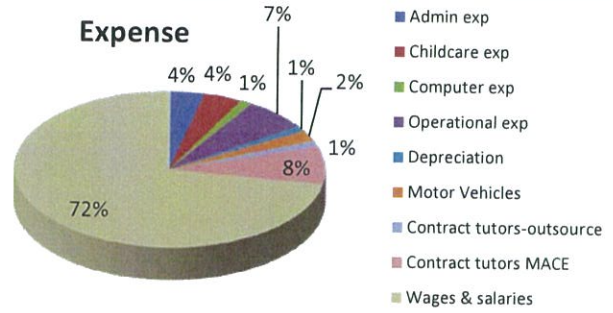
December

2015

Income



Expense



Income	Actual	Budget	Diff	Expenses	Actual	Budget	Diff
Grants - Operating	\$206,346	\$215,751	-\$9,405	Admin exp	\$51,132	\$37,606	-\$13,526
Grants Non rec	\$253,545	\$228,545	\$25,000	Childcare exp	\$56,753	\$63,419	\$6,666
Centrelink	\$35,410	\$34,972	\$438	Computer exp	\$17,403	\$11,413	-\$5,990
Course Fees	\$102,149	\$101,478	\$671	Operational exp	\$94,601	\$98,638	\$4,037
Cubby Fees	\$617,160	\$614,155	\$3,005	Depreciation	\$16,127	\$15,876	-\$251
Other income	\$7,895	\$16,217	-\$8,322	Motor Vehicles	\$31,637	\$24,384	-\$7,253
Total Income	1,222,505	1,211,118	\$11,387	Contract tutors-outsourc	\$17,350	\$13,570	-\$3,780
				Contract tutors MACE	\$112,315	\$112,482	\$167
				Wages & salaries	\$1,032,903	\$988,490	-\$44,413
				Total Expenses	1,430,221	1,365,878	-\$64,343
				Other inc/exp net	-\$8,128	-\$3,123	

Balance Sheet

	End year	Start year
Cash at Bank - at call	\$27,004	\$73,584
Cash at Bank -savings account	\$181,816	\$108,699
Accounts Rec. (incl Cubby)	\$68,602	\$139,381
Total Current Assets	\$277,901	\$322,044
Total assets	\$2,575,657	\$2,636,759
Accounts Payable	\$9,303	\$33,925
Total Current Liabilities	\$27,319	\$62,856
Total Liabilities	\$318,224	\$147,048
Equity	\$2,257,431	\$2,489,712

Indicators

YTD surplus/Deficit	-\$215,844	-\$157,883
Funding/Income	37.6%	Max 70%
Staff costs/Rec Income	85.9%	Max 75%
Curr. Assets/Curr. Liab.	1017.2%	Min 100%
Total Assets/Total Liab	809.4%	Min 100%
surplus (deficit)/income	-17.0%	min 3%

Cash flow



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash at bank	\$129,632	\$68,812	\$64,044	\$100,297	\$68,999	\$148,506	\$211,459	\$150,321	\$72,515	\$58,260	\$54,507	\$27,091
Budget	\$109,641	\$45,730	\$20,417	\$44,795	\$27,348	\$90,955	\$174,269	\$153,154	\$137,839	\$127,625	\$109,861	\$50,140

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF MACE INCORPORATED**

ABN 25 306 780 833

Report on the Financial Report

I have audited the accompanying financial report of MACE INCORPORATED. (the association) which comprises the balance sheet as at 31st Decemeber 2015, and the income statement, statement of changes in equity and cash flow statement for the period ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Reform Act 2012*. This responsibility 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, selecting and applying appropriate accounting policies: and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Accounting Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

That the financial reports are appropriate to meet the requirements of the *Associations Incorporations Reform Act 2012* and are appropriate to meet the needs of the members.

I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

My audit has been conducted in accordance with Australian Auditing Standards. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with my understanding of the company's financial position, and performance as represented by the results of its operations and cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion the financial report presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of the MACE INCORPORATED.as at 31st December 2015 and the results of its operations for the period then ended.

Complies with the Australian Accounting Standards (including Australian Accounting Interpretations) and the *Associations Incorporation Reform Act 2012*.



Alan Keith Darbyshire FCPA
Registered Company Auditor (7693)
42 McKenzie Street
ROCHESTER VIC 3561

Dated 12th April 2016

MACE INCORPORATED
A.B.N. 25 306 780 833
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31ST DECEMBER 2015.

	Note	2015 \$	2014 \$
Revenues from ordinary activities	1,2	1,226,107	2,263,422
Depreciation expenses	3	(16,124)	(18,253)
Leasehold Improvements write down	3	0	(51,866)
Other expenses from ordinary activities	3	(1,425,618)	(2,427,170)
Profit from ordinary activities Before Income Tax Expense		<u>(215,635)</u>	<u>(233,867)</u>
Income Tax Expense	1	0	0
Profit from Ordinary Activities after Related Income Tax Expense		<u>(215,635)</u>	<u>(233,867)</u>
Retained Profits		2,473,066	2,706,933
TOTAL EQUITY		<u><u>2,257,431</u></u>	<u><u>2,473,066</u></u>

The accompanying notes form part of these financial statements.

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

BALANCE SHEET
AS AT 31ST DECEMBER 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash & cash equivalents	4	209,299	182,664
Debtors and Other Receivables	5	68,601	128,093
Other Financial Assets	6	10,000	10,000
TOTAL CURRENT ASSETS		<u>287,900</u>	<u>320,757</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	7	2,287,757	2,293,305
TOTAL NON CURRENT ASSETS		<u>2,287,757</u>	<u>2,293,305</u>
TOTAL ASSETS		2,575,657	2,614,062
CURRENT LIABILITIES			
Creditors & Other Payables	8	27,321	48,751
Provisions - Employee Benefits	9	61,016	92,245
TOTAL CURRENT LIABILITIES		<u>88,337</u>	<u>140,996</u>
NON CURRENT LIABLILITES			
		0	0
ANZ Loan	10	229,889	0
TOTAL NON CURRENT LIABILITIES		<u>229,889</u>	<u>0</u>
TOTAL LIABILITIES		<u>318,226</u>	<u>140,996</u>
NET ASSETS		<u>2,257,431</u>	<u>2,473,066</u>
EQUITY			
Retained Profits		2,257,431	2,473,066
TOTAL EQUITY		<u>2,257,431</u>	<u>2,473,066</u>

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 2015

	Retained Earnings	Total
	\$	\$
Balance at 31 December 2014	2,473,066	2,473,066
Profits for the year	(215,635)	(215,635)
Balance at 31 December 2015	<u>2,257,431</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 2015

	Note	2015 \$	2014 \$
CASH FLOW FROM OPERATING ACTIVITIES			
<i>Payments</i>			
Wages Salaries and benefits		-947,343	-1,087,299
Suppliers		-522,860	-1,389,495
Interest and Charges		-8,074	0
<i>Receipts</i>			
User charges		770,863	830,217
Grants received		459,891	1,369,075
Investment Income		3,372	6,803
Other		51,473	56,865
Net cash used in operating activities	10	-192,678	-213,834
CASH FLOW FROM FINANCE ACTIVITIES			
Increase in Bank Loan		229,889	0
Net cash used in finance activities		229,889	0
CASH FLOW FROM ASSET TRANSACTIONS			
Building Improvements		0	-37,181
Plant Purchases		-24,911	0
Vehicle Sales		14,335	0
Net cash used for asset purchases		-10,576	-37,181
Net increase in cash held		26,635	-251,015
Balance at the start of the financial year		182,664	433,679
Cash at the end of the financial year	4	209,299	182,664

The accompanying notes form part of these financial statements

MACE INCORPORATED.

25 306 780 833

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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 plant and equipment is depreciated on a straight-line basis over the life of the asset. Buildings have not been depreciated but an independent valuation has been obtained which indicates that the value shown in the accounts is a fair indication of value of such buildings.

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.

Trade debtors were reviewed at balance date and an amount of \$5,728 was written off as bad debts, the Trade debtors balance as shown in the accounts is believed to be recoverable.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 DECEMBER 2015**

NOTE 2: REVENUE	2015	2014
	\$	\$
Rental Income	21,353	11,976
Fees and Charges	690,018	818,703
Grant Income	459,891	1,369,075
Centrelink	35,410	37,107
Interest	3,372	6,803
Other Income	16,063	19,758
TOTAL REVENUE	<u>1,226,107</u>	<u>2,263,422</u>

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

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

a) Depreciation of plant and equipment:		
Leasehold Improvements write down	16,124	18,253
	<u>0</u>	<u>51,866</u>
	<u>16,124</u>	<u>70,119</u>
b) Other Expenses		
Grants Expenditure	360	3,165
ACFE Expenses	25,000	20,347
Advertising and Promotion	7,596	11,978
Administrative Expenses	16,297	27,204
Audit Expenses	2,200	2,040
Bad Debts	5,728	0
Childcare Expenses	16,752	12,962
Bank Fees and Interest	6,447	2,604
Equipment Costs	6,817	8,722
Insurances	4,599	5,585
Interest	8,074	0
Information Technology	17,404	7,183
Motor Vehicle Operation	31,637	55,200
Occupancy	97,096	48,695
Operating Expenses	34,806	88,628
Human Resources	916,114	1,087,299
Staff Training and Development	92,277	14,952
Tutors and Contactors	126,460	945,206
Program Delivery	9,954	85,400
	<u>1,425,618</u>	<u>2,427,170</u>

NOTE 4: CASH AND CASH EQUIVALENTS

ANZ - Business Overdraft	16,257	0
ANZ Online Saver	181,816	0
Bendigo Bank Cheque Account	10,747	73,513
Bendigo Bank Swinburne Account	0	72
Bendigo Bank Term Deposit	0	108,699
Cash on hand	479	380
	<u>209,299</u>	<u>182,664</u>

NOTE 5: DEBTORS & OTHER RECEIVABLES

Trade Debtors	68,601	128,093
	<u>68,601</u>	<u>128,093</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	1,512,012	1,512,012
Leasehold Improvements at Cost	136,466	136,466
Less: Accumulated Depreciation	(49,989)	(43,164)
Plant and Equipment at Cost	84,196	80,133
Less: Accumulated Depreciation	(44,428)	(41,642)
	<u>2,287,757</u>	<u>2,293,305</u>

NOTE 8: CREDITORS & OTHER PAYABLES

Australian Taxation Office	12,956	19,079
Trade Creditors	9,907	21,106
Employee Superannuation	4,458	8,566
	<u>27,321</u>	<u>48,751</u>

NOTE 9: PROVISIONS

Annual Leave	54,266	67,443
Long Service Leave	6,750	24,802
	<u>61,016</u>	<u>92,245</u>

NOTE 10: BORROWINGS

ANZ Loan	229,889	0
	<u>229,889</u>	<u>0</u>

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

Net Loss for the year	(215,635)	(233,867)
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Net cash flows in profit

Depreciation	16,124	18,253
Leasehold Improvements Write Off	0	51,866
Decrease in receivables	59,492	3,886
Decrease in payables	(21,430)	(62,024)
Decrease in employee entitlements	(31,229)	8,052
Cash flows from operations	<u>-192,678</u>	<u>-213,834</u>

NOTE 12: COMMITMENTS

	2015	2014
	\$	\$
Operating Lease Commitments		
Operating leases contracted for but not capitalised in the financial statements		
Payable - not later than 1 year	4,150	19,644
- between 1 year and 3 years	33,205	4,883
	<u>37,355</u>	<u>24,527</u>
All commitments are GST inclusive where relevant		
Motor Vehicles over 36 months at fixed instalment rates.		

NOTE 13: AUDITORS REMUNERATION

Auditing the financial report	<u>2,200</u>	<u>2,040</u>
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NOTE 14: DIRECTORS REMUNERATION

No board members were paid during the reporting periods.

NOTE 15: RELATED PARTY TRANSACTIONS

No related party transactions took place during the reporting period.

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which have significantly affected, or may significantly affect the operations of the entity, the results of those operations or the state of the affairs of the enterprise in the ensuing or subsequent financial years.

NOTE 17: ENTITY DETAILS

145-147 High Street
Mansfield Vic 3722
Incorporation No. A0048770V

The principal place of business is:
Mansfield Vic 3722

Registered Training Organisation No. 3928
Licensed Childcare Provider No. 9921

MACE INCORPORATED.

A.B.N 25 306 780 833

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial statements are set out in this report.

1. Presents fairly the financial position of MACE INCORPORATED as at 31 December 2015 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that MACE INCORPORATED will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President.....

Treasurer.....

Dated at Mansfield this *26th Day of April 2016*

Board of Management 2015

Ross Martin	President
Janene Ridley	Vice President
Richard Merton	Treasurer
Zandra Duncan	Secretary
Graham Corless	Board member
Colin Duncan	Board member
Chris Redmond	Board member
Tony Williams	Board member

Staff 2015

Paul Sladdin	Chief Executive Officer
Kevin Vivian	Executive Officer
Elin Ree	Community Programs Manager
Nicole Lovett	Children's Services Manager
Julia Fitz-Gerald	Training Services Manager
Lorraine Bradshaw	Student Administration Officer
Kylie Richards	Finance Officer
Tayte Hoseason	Compliance Officer
Bernadette Caminos	Reception
Daryl Hunt	ICT Support
Michelle Harmer	Community Services Trainer
Camillia Mapley	Administration Support
Imogen Smith	RTO Development Officer



Linking the Community Through Learning

