



MACE

linking the community through learning



Annual Report

2017

MANSFIELD ADULT CONTINUING EDUCATION



MACE is a community owned and managed incorporated association which encompasses a Registered Training Organisation; a Learn Local Education provider; a Neighbourhood House; a Centrelink Agent 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



President's Report 2017

On behalf of the MACE Incorporated Board of Management, I am pleased to present the President's Report for the year ending 31 December 2017.

2017 Overview

2017 was a tough but satisfying and optimistic year for the MACE Board.

During the year, MACE undertook a full and thorough review of its business operations to ascertain how the business could be viable into the future. An external business review found that MACE could not continue to operate with its current losses and recommended that MACE change its business model to focus on growing its revenue and reducing its operational and corporate services costs.

Findings from the business review supported the Board's assessment that the Registered Training Organisation (RTO) section of the business was no longer viable due to increased compliance requirements and constant changes in funding. The review also required MACE to downsize its staffing profile which significantly reduced its operational costs in the second half of the year.

As a future business model, the review recommended that MACE focus its efforts on:

- remaining a Learn Local offering pre-accredited training;
- remaining a Neighbourhood House, supporting local community programs;
- remaining a Centrelink Agency;
- becoming a Childcare Centre of excellence, including the development Out of Hours School Care programs;
- becoming a provider/facilitator of accredited training through partnership arrangements with other RTOs; and
- becoming a profitable and sustainable organisation (either as a stand-alone entity or merged organisation).

The Board accepted the recommendations of the business review and has since developed a Corporate Plan to implement strategies designed to improve the future viability of the business.

Governance

As can be seen from the work undertaken above, the Board has worked incredibly hard during 2017. The effort required by all Board members during 2017 has been substantial and I cannot thank them enough for their commitment, dedication and support.

During the year we welcomed Imogen Smith and Murray Chenery to the Board. Imogen's expertise in the areas of adult education and family/children's services has been invaluable in assisting the Board to make decisions in relation to Learn Local programs and Out of Hours School Care programs. Murray's background in marketing (and as the former General Manager of Marketing at Target Australia) has brought a wealth of new experience to the Board. Murray will be instrumental in assisting the Board and CEO to raise the profile of MACE in the future.

I would also like to thank the other members of the Board of Management, Ross Martin (Vice-President), David Roff (Treasurer), Kerstie Lee (Secretary) and Katie Lockey (Chair of Governance) who have all shown great strength and determination in helping to turn the business around. Without the strong support from all Board Members organisational renewal and prosperity would not have been possible.

Leadership and Support

Our Executive Officer, Mr Kevin Vivian, resigned in June 2017. We thank him for his hard work during the 18-20-month period he was with the organisation. The dedication Kevin demonstrated towards his job, Staff and MACE was exemplary and he was instrumental in assisting the Board to redevelop and restructure the business model to ensure a viable future for MACE.

Following Kevin's resignation, former Chief Financial Officer, Ms Kylie Richards, was appointed as MACE's new Chief Executive Officer. Kylie has worked tirelessly and enthusiastically since her appointment to implement the new business model for MACE. The Board has every confidence that under Kylie's leadership MACE will become a financially sustainable organisation.

We also recognise the hard work, dedication and commitment of the MACE staff and we thank them for the way in which they have embraced changes to the organisational structure throughout the year.

Financial Sustainability

While our financial results for 2017 have returned an operational deficit, it is important to note that, as a result of the restructure in the middle of the year, we have finished the year \$100,000 better than budget.

We are pleased to report that we are predicting a small surplus for the upcoming 2018 year (the first in five years) and a repayment program is currently being designed to significantly reduce our borrowed debt over the next five years.

Into the Future

In last year's report, the then President, Ross Martin, concluded his report with the words "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".

I believe, as a Board, we faced those challenges head on in 2017. We are confident that we have the right strategies in place to move the business forward to ensure our organisation's ongoing viability and success.

Janene Ridley



President Board of Management



Chief Executive Officer's Report

2017 was another interesting and challenging year for MACE Inc. with the Board and Management working hard to ensure relevance and sustainability for the organisation. As a result, MACE reviewed its business model and the community organisation environment.

With many registered training organisations (RTO's) across the state struggling, MACE took a proactive approach, completed due diligence, involved external consultants and made the decision to cease operating as an RTO. This business component was not viable due to complexity, increased compliance and associated costs. MACE partnered with other RTO's to continue to deliver accredited training locally.

Options and opportunities were evaluated, with a new direction providing more choice and flexibility in training and education, enabling MACE to meet community demand. MACE remains a community owned and values driven provider, responsive to community needs and wants. We aim to enrich connections through community diversity, participation, training and education.

Our Child Care service, Mansfield Community Cubby House continued to thrive and grow, with quality programs provided. I would like to thank all our educators for their passion and commitment to ensuring quality child care is provided to the community,

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. I am confident that with the diligence of our Board, the loyalty, professionalism and commitment of all our staff, MACE will continue to grow and remain relevant.

Kylie Richards

Chief Executive Officer



Treasurer's Report

In my report of last year, I indicated that the Board had continued to take steps to improve the organization's financial position. I am pleased to report that this work continued in 2017 and we are on track to stabilise the business.

Whilst the 2017 year showed a deficit, this was a significant improvement of \$456,000 on the previous year and with measures put in place in 2017, MACE is in a position to deliver a stable cash position in 2018, with a small surplus to allow for the commencement of a debt reduction program.

Of particular note is the improved performance of our Child Care service, with increases in enrolments, resulting in business sustainability.

Salaries and wages were contained, being 3% less than the previous year, with restructuring occurring in 2017.

From a balance sheet perspective, MACE has net assets of \$1.497m and the favourable liquidity ratio at 31/12/17 was 2.54:1

David Roff

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

Treasurer Board of Management

2017 Programs and Services



Accredited Training

MACE completed its due diligence and made the decision to cease operating as a Registered Training Organisation (RTO) effective 30th June 2017. MACE established a new partnership with the Continuing Education and Arts Centre of Alexandra Inc. (CEACA) in Alexandra and continued working with the Asthma Foundation Victoria to deliver Accredited Training to the community.

MACE remains committed to the continued provision of accredited training in Mansfield and the surrounding district.

During 2017, MACE enrolled 308 students in a variety of accredited courses, including;

- Anaphylaxis Awareness, NAT10313
- Control Traffic with Stop/Slow Bat, RIIWHS205D
- Diploma of Community Services, CHC52015
- Implement Traffic Management Plan, RIIWHS205D, RIIWHS302D
- Provide First Aid in an Education & Care Setting, HLTAID004
- Provide First Aid, HLTAID003
- Provide Responsible Service of Alcohol, SITHFAB002
- Use Hygienic Practices for Food Safety, SITXFS101
- Work Safely in the Construction Industry, CPCCOHS1001A

Learn Local programs



Learn Local programs are also known as pre-accredited programs and include a wide range of education and training programs designed to meet learning needs. The wide choice and flexibility of pre-accredited programs are designed to assist learners; to return to study, improve reading, writing and maths skills, gain a qualification, get a job or simply learn something new.

MACE had 45 enrolments in the following pre-accredited programs in 2017;

- Adult Literacy and Numeracy
- Forge Making
- Intel Easy Steps
- Introduction to Furniture Restoration
- Introduction to the Equine Industry
- Introduction to Welding
- Maintaining and Operating a Chainsaw

These programs were designed to help learners gain the confidence and skills needed to look for a job or go on to further study. In future years MACE is looking forward to an increase in programs offered to learners, and to continuing to provide training and education opportunities at a local level. These will include courses in communication, job search skills, getting ready to go back to work and general literacy and numeracy.

Neighbourhood House



Neighbourhood Houses bring people together to connect, learn and contribute in their local community through social, educational, recreational and support activities.

Popular programs and activities in 2017 included;

- Forge Making
- I.T. Support
- Introduction to Beekeeping
- Introduction to Cashflow Manager
- Introduction to MYOB Payroll
- Introduction to QuickBooks
- iPad and iPhone course for everyday use
- Learn to draw in charcoal
- Licence Restoration
- Master Class - Spanish Cookery "Paella"
- Spanish Lessons
- Tai Chi - Sun Style
- Take the Pressure Down - How to survive the teenage years

MACE continued to proudly support the following local community groups:

- Line Dancing
- Mansfield Craft Group
- Mansfield Croquet Club
- Mansfield High Country Quilters
- Mansfield Lifeball
- Mansfield Orchid Interest Group
- Social Badminton
- Social Table Tennis

MACE remains committed to community development and engagement through increased communication, improved transparency and achieving positive outcomes for all participants in Neighbourhood House programs, activities and associated clubs.

Centrelink Agent



MACE continued to work with the Department of Human Services and offer Agent Services in Mansfield. Agents are organisations in the community that have been trained to help customers to access Medicare, Centrelink and Child Support services.

Agents:

- have an internet enabled computer and will help customers access digital services
- provide a Medicare phone claiming service and reply-paid envelopes to forward receipts to support claims
- have free telephone, fax and photocopy facilities
- can copy and certify identity confirmation documents so that original documents do not have to be sent in the mail to support claims
- provide face to face assistance, guidance and referrals and access to information brochures and forms.

A total of 1,212 customer enquiries were processed by MACE staff throughout 2017.

MACE considers acting as an Agent an essential service to the Mansfield community and is proud to continue to provide this service.

Mansfield Gadhaba Local Indigenous Network (GLIN)

Local Aboriginal Networks (LAN) 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 their local communities to identify priorities and address issues that are important locally.

Mansfield Gadhaba Local Indigenous Network (GLIN) has strong support from the non-Indigenous community, and although Aboriginal membership is low, attendance is always strong, and much is achieved. The word Gadhaba means together, which an apt term to describe how the group functions.

In 2017, the GLIN network continued to action their Community Plan, which includes actively raising awareness in Mansfield through regular events such as National Reconciliation Week and National Aborigines and Islanders Day Observance Committee (NAIDOC) week. The NAIDOC theme in 2017 was Our Languages Matter.

Mansfield Men's Shed



MACE continued to support the Mansfield Men's Shed and together with Mansfield Community Cubby House was excited to support the #LittleFreeLibrary Project, a great community initiative.

Photo courtesy of the Mansfield Courier

Multicultural Group

Mansfield has a growing multicultural community, and this social group is a welcome place for learning about local and other cultures. Guest speakers are invited to present on their topic of choice, and cultural festivals are acknowledged and celebrated.

Mansfield Multicultural Group gathers monthly at MACE to enjoy the nourishment of good company and food, and to share in a variety of cultural activities. Miriam Caminos and Karina Rajbhandary facilitate the group, and liaise with North East Multicultural Association (NEMA), who provide support and networking opportunities.

Skills First Reconnect Program

The Victorian Government has committed \$20 million over two years to the Skills First Reconnect Program. Through Skills First Reconnect, in July 2017, Swinburne University partnered with MACE in their outreach program, to deliver program services for disengaged, high needs learners in Mansfield Shire.

The Skills First Reconnect program gives high needs learners access to wrap around supports they need to be able to re-engage and succeed in vocational education and training, or pathway to employment.

Over two years, this Swinburne University partnership with MACE aims to provide expanded learning opportunities that will assist Mansfield learners to gain the foundational skills necessary to transition to accredited training.



Mansfield Community Cubby House Report

2017 was a rewarding and successful year for Mansfield Community Cubby House. With newly appointed Director Cassie Daykin leading the team, Cubby House's enrolments went through the roof!

Programs provided children with a variety of new and exciting experiences that were designed to promote and extend their development. Programs delivered were responsive to specific needs, interests and the developmental ranges of all children, with an emphasis on individual children's needs and interests.



With a new mix of educators in each room, 2017 started with many updates in the babies, toddlers and pre-school aged children's rooms. These changes meant a fresh approach and all rooms were renewed, inviting and educational. Our educators continued to exceed and push themselves to provide programs that catered for individual children, by observing them and learning about their interests and experiences.



Resulting from the increase in enrolments, we welcomed some new faces into the team. Santana Allen, Melissa Storer, Tara Scheffer and Libby Banks brought experience, knowledge and excitement to our amazing team. We also said goodbye to Arwen Hannaford, who left to take maternity leave, leaving open the position of Educational Leader. Teagan Hopgood has enthusiastically taken up the role of Educational Leader in Arwen's absence and brought her extended knowledge and experience to the role.

All educators are invested in their individual professional development and in 2017 the whole Cubby House team headed down to Gowrie Victoria in North Carlton. Gowrie Victoria has been championing good early education and care since 1939. Educators were able to access quality training around enhancing play spaces. After exploring their outdoor yards and play areas, educators were very inspired and took many new ideas back to Cubby House.

Our community engagement and fundraising efforts continued throughout the year with our annual movie fundraiser being a successful hit with our families and the community. We were successful in applying for a community matching fund through the Mansfield Shire Council. These funds were put towards engaging children and families in a sustainable future. Cubby House wanted to enhance the children's knowledge, awareness of sustainability and useful sustainable practices by installing a rain water tank, providing colour coded easy to use bins in each room and increasing safety and access with attached retractable hoses installed. We were also fortunate to gain sponsorship from Mansfield and District Community Bank, with sponsorship fees going towards new outdoor equipment for the children.

Cubby House began working closely with Mansfield Kindergarten to offer Outside School Hours Care to the community. This is an exciting new service, and we look forward to offering the community these new programs in 2018.



We also adopted some new Cubby House pets and welcomed Ben and Jerry the guinea pigs! They are brothers and the children have absolutely loved watching them grow and play this year. We have been having discussions about how to handle them with care and what we need to do to look after them.



Outdoor swing painting



Pirate dress up day ... ARRGGHH!!!



Bubble play



Digging in the sandpit



MACE – Board of Management in 2017

Janene Ridley	President
Ross Martin	Vice President
David Roff	Treasurer
Kerstie Lee	Secretary
Imogen Smith	
Katie Lockey	

MACE – Staff in 2017

Kevin Vivian	Executive Officer (outgoing)
Kylie Richards	Chief Finance Officer
	Chief Executive Officer (incoming)
Ann-Maree Playfair	Pre-Accredited & Marketing Officer
Bernadette Caminos	Student & Administration Officer
Daryl Hunt	Digital Development Officer
Elin Ree	Education & Quality Officer
Tania Crawford	Bookkeeper



Mansfield Community Cubby House Staff in 2017

Bachelor in Early Childhood Education or working towards:

Molly Walker

Diploma Qualified or working towards:

Cassandra Daykin – Director

Arwen Hannaford

Caitlin Armstrong

Corrin Crawford

Jesseca Walsh

Kirsty Williams

Lisa O'Dwyer

Madeline Cooksey

Nicole Medcraft

Tara Clark

Teagan Hopgood

Certificate 3 or working towards:

Belinda Banks

Elizabeth Banks

Karissa Thoburne

Kylie Ramsay

Maggie Wilks

Melissa Storer

Sally Kirley

Santana Allen

Shannon Arndt

MACE INCORPORATED.

ABN 25 306 780 833

Annual Financial Statements

For the period 1st January 2017 to 31st December 2017

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST DECEMBER 2017

	Note	2017	2016
		\$	\$
Revenue from ordinary activities	1,2	1,263,746	991,846
Depreciation expenses	3	(16,107)	(17,153)
Other expenses from ordinary activities	3	(1,399,276)	(1,582,613)
Profit from ordinary activities Before Income Tax Expense		<u>(151,637)</u>	<u>(607,920)</u>
Income Tax Expense	1	NIL	NIL
Profit (Loss) from Ordinary Activities after Related Income Tax Expense		<u>(151,637)</u>	<u>(607,920)</u>
Retained Profits		1,649,511	2,257,431
TOTAL EQUITY		<u>1,497,874</u>	<u>1,649,511</u>

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	4	76,025	(38,881)
Debtors and Other Receivables	5	22,110	45,609
Other Financial Assets	6	10,000	10,000
TOTAL CURRENT ASSETS		<u>108,135</u>	<u>16,728</u>
NON CURRENT ASSETS			
Property, plant & equipment	7	<u>1,966,716</u>	<u>2,126,035</u>
TOTAL NON CURRENT ASSETS		<u>1,966,716</u>	<u>2,126,035</u>
TOTAL ASSETS		<u>2,074,851</u>	<u>2,142,763</u>
CURRENT LIABILITIES			
Creditors & Other Payables	8	37,178	60,270
Provisions – Employee Benefits	9	<u>79,911</u>	<u>73,093</u>
TOTAL CURRENT LIABILITIES		<u>117,088</u>	<u>133,363</u>
NON CURRENT LIABILITIES			
ANZ Loan	10	<u>459,889</u>	<u>359,889</u>
TOTAL NON CURRENT LIABILITIES		<u>459,889</u>	<u>359,889</u>
TOTAL LIABILITIES		<u>576,977</u>	<u>493,252</u>
NET ASSETS		<u>1,497,874</u>	<u>1,649,511</u>
EQUITY			
Retained Profits		<u>1,497,874</u>	<u>1,649,511</u>
TOTAL EQUITY		<u>1,497,874</u>	<u>1,649,511</u>

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31ST DECEMBER 2017

	Note	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments			
Wages Salaries and benefits		(989,544)	(907,808)
Suppliers		(403,295)	(613,868)
Interest and Charges		(22,714)	(15,911)
Receipts			
User Fees and Charges		875,393	710,627
Grant Income		308,834	221,117
Investment Income		170	564
Other		102,848	82,532
Net Cash used in operating activities	11	<u>(128,307)</u>	<u>(522,747)</u>
CASH FLOW FROM FINANCE ACTIVITIES			
Increase in Bank Loan	10	<u>100,000</u>	<u>130,000</u>
Net Cash used in finance activities		100,000	130,000
CASH FLOW FROM ASSET TRANSACTIONS			
Building Sales	7	145,577	144,567
Plant Purchases	7	(2,364)	NIL
Vehicle Sale		<u>NIL</u>	<u>NIL</u>
Net Cash used for asset sales		143,213	144,567
Net increase/decrease in cash held		114,906	(248,180)
Cash at the beginning of the period		<u>(38,881)</u>	<u>209,299</u>
Cash at the end of the period	4	<u><u>76,025</u></u>	<u><u>(38,881)</u></u>

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31ST DECEMBER 2017

	Retained earnings \$	Total \$
Balance at 1st January 2016	2,257,431	2,257,431
Net Profit/(loss) for the period	(607,920)	(607,920)
Balance at 31st December 2016	<u>1,649,511</u>	<u>1,649,511</u>
Balance at 1st January 2017	1,649,511	1,649,511
Net Profit/(loss) for the period	(151,637)	(151,637)
Balance at 31st December 2017	<u><u>1,497,874</u></u>	<u><u>1,497,874</u></u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017

NOTE 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 Association 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 purposed under the Income Tax Assessment Act. Accordingly, no income tax is payable.

Rounding Off

All amounts show 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017 (CONTINUED)

Depreciation

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 expensed 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 assets, being the higher of the asset's fair value less costs to sell and the 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 estimated the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017 (CONTINUED)

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 original maturities of three months or less.

Revenue Recognition

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017 (CONTINUED)

NOTE 2: REVENUE

	2017	2016
	\$	\$
Rental Income	40,572	29,552
Fees and Charges	851,894	687,635
Grant Income	308,834	221,117
Centrelink	36,504	36,295
Interest	170	564
Other Income	25,773	16,683
TOTAL REVENUE	<u>1,263,746</u>	<u>991,846</u>

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

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

a) Depreciation of plant and equipment:	16,107	17,153
Leasehold Improvements write down	NIL	NIL
	<u>16,107</u>	<u>17,153</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017 (CONTINUED)

b) Other Expenses

Accounting Expenses	8,251	NIL
ACFE Expenses	NIL	87,192
Advertising and Promotion	5,286	2,327
Administrative Expenses	8,200	16,806
Audit Expenses	1,800	2,550
Bad Debts	8,589	14,390
Childcare Expenses	22,585	14,478
Bank Fees	3,006	2,933
Equipment Costs	5,775	1,181
Equipment Lease	14,679	23,064
Book Costs	270	505
Insurance	6,593	6,714
Interest	22,714	15,911
Information Technology	14,606	9,942
Motor Vehicle Operation	16,618	18,018
Occupancy	73,556	93,908
Operating Expenses	73,400	54,250
Human Resources	996,361	919,885
Staff Training and Development	9,818	59,793
Tutors and Contractors	95,448	208,355
Program Delivery	11,721	30,411
	<u>1,399,276</u>	<u>1,582,613</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017 (CONTINUED)

NOTE 4: CASH AND CASH EQUIVALENTS

ANZ – Business Overdraft	24,446	(39,365)
ANZ Online Saver	50,022	NIL
Cash on hand	1,558	484
	<u>76,025</u>	<u>(38,881)</u>

NOTE 5: DEBTORS & OTHER RECEIVABLES

Trade Debtors	22,110	45,609
	<u>22,110</u>	<u>45,609</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	1,221,868	1,367,445
Leasehold Improvements at Cost	136,466	136,466
Less: Accumulated Depreciation	(63,637)	(56,814)
Plant and Equipment at Cost	247,740	245,375
Less: Accumulated Depreciation	(225,221)	(215,937)
	<u>1,966,716</u>	<u>2,126,035</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017 (CONTINUED)

NOTE 8: CREDITORS & OTHER PAYABLES

Australian Taxation Office	14,528	3,540
Trade Creditors	19,172	53,795
Employee Superannuation	3,478	2,935
	<u>37,178</u>	<u>60,270</u>

NOTE 9: PROVISIONS

Annual Leave	63,575	50,653
Long Service Leave	14,990	22,440
Parental Leave	1,345	NIL
	<u>79,911</u>	<u>73,093</u>

NOTE 10: BORROWINGS

ANZ Loan	459,889	359,889
	<u>459,889</u>	<u>359,889</u>

NOTE 11: CASH FLOW INFORMATION

Reconciliation of Cash flow from Operations with Profit

Net Loss for the year	(151,637)	(607,920)
Net cash flows in profit		
Depreciation	16,107	17,153
Decrease in receivables	23,499	22,992
Decrease in payables	(23,093)	32,949
Increase in employee entitlements	6,818	12,077
Cash flows from operations	<u>(128,307)</u>	<u>(522,749)</u>

DIRECTORS' DECLARATION

In the opinion of the directors of MACE Incorporated:

- (a) The financial statements and notes as set out on pages 2 to 12, are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the financial position of the company as at 31 December 2017 and of its performance, for the year ending on that date; and
 - (ii) Complying with Australian accounting standards – reduced disclosure requirements, other mandatory professional reporting requirements to the extent described in note 1 and the Corporations Regulations 2001; and

- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at 1st May 2018

Signed in accordance with a resolution of the directors.



President



Treasurer

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, 2017, 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 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 ASRE2400, Review of a Financial Report Performed by an Assurance Practitioner Who is not the Auditor of the Entity.

ASRE2400 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 ASRE2400 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 procedure 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.

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

INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT (CONTINUED)

MACE INCORPORATED.

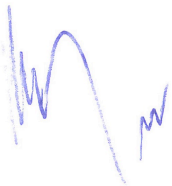
Conclusion

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 a true and fair view of), the financial position of MACE INCORPORATED as at 31st December 2017, and (of) its financial performance and cash flows for the year then ended, in accordance with Australian Accounting Standards.

McCann Financial Group

Phil McCANN B. Comm., FCPA

Director



Dated in Melbourne on 1st May 2018

Notes

Notes

Mansfield Adult Continuing Education

145 -147 High Street, Mansfield 3722

P: 03 5775 2077

F: 03 5775 2836

E: contact@mace.vic.edu.au

www.mace.vic.edu.au

ABN: 25 306 780 833

Office Hours

Monday 10am - 4pm

Tuesday to Friday 9am - 4pm

