



MACE

linking the community through learning



Annual Report

2018

MANSFIELD ADULT CONTINUING EDUCATION



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

Statement of Purpose

Enriching lives through learning, engagement and community programs

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 interactions and communication with everyone.

MACE Incorporated

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Incorporation No: A0048770V

ABN: 25 306 780 833

Licensed Childcare Provider No: 9921



President's Report 2018

On behalf of the MACE Incorporated Board of Management, I am pleased to present the President's Report for the year ending 31 December 2018.

2018 Overview

2018 was a great year for MACE Incorporated with a small, but very satisfying surplus being returned for the first time in five years.

The MACE Board and Chief Executive Officer were directly focused on bedding down the new business model (as outlined in last year's annual report) adopted during the 2017 year and ensuring that our new projects, such as Out of School Hours Care, were effectively implemented.

I am pleased to report that the new model appears to be working well for the organisation and our focus from here on is to grow the business sustainably.

Governance

In light of the new business model, the Board has paid particular interest this year to risk management and, in particular, the risks associated with the provision of Children's Services. The Board has worked closely with the Chief Executive Officer and Children's Services Manager to implement a specific board risk report for Cubby that is designed to ensure that all Board Members are familiar with the risk issues involving our largest business unit. To date, the new reporting system is working well and we will continue to refine the risks reported to and monitored by the Board.

Another risk governance issue that has taken precedence during 2018 has been to appoint the Board's 'Chair of Governance', Katie Lockey, to the organisation's Continuous Improvement Committee (CIC). Katie's input has been welcomed by the staff involved with the CIC and she regularly updates the Board on improvement initiatives.

During the year, we welcomed new Board Members, Simon Hicks and Jane Leonard. Simon's expertise in finance and, especially information technology, has been put to great practical use during the year. Simon's IT skills have been utilised repeatedly and he has actively assisted the Board in becoming more technologically savvy. I thank him for his hard work and commitment in this area. Jane's TAFE background and understanding of the Learn Local sector was greatly appreciated during her time on the MACE Board. Unfortunately, Jane had to resign from the Board after six months due to unforeseen circumstances. I thank Jane for her time and efforts and wish her all the best for the future.

I am forever grateful to all the other members of the Board of Management who have worked tirelessly and with great enthusiasm throughout the year. A big 'thank-you' to Kerstie Lee (Vice President), David Roff (Treasurer), Imogen Smith (Secretary), Katie Lockey (Chair of Governance) and Murray Chenery (Marketing guru-extraordinaire). Without this hard working team behind me, my job as President would not be sustainable. Well done to each and every one of you!

Leadership and Support

Our Chief Executive Officer, Ms Kylie Richards, has proven over and over again that she is up to the task of leading our organisation.

During 2018, Kylie effectively steered her staff through the many changes brought about by the implementation of the new business model. Kylie has demonstrated great leadership abilities during this time and the Board is grateful to her and her staff for their continuing hard work, dedication and commitment to MACE.

Financial Sustainability

As mentioned at the beginning of this report, MACE returned a small surplus for the 2018.

During the year, we also implemented a debt repayment program which has been designed to significantly reduce our borrowings over the next few years.

We are predicting another small surplus in 2019 and, at the time of writing this report, are well within budget and on track to meet the predicted surplus.

Into the Future

With our finances now under control, the organisation is now facing an optimistic future. As a Board, we are charged with the responsibility to balance the scales in relation to business growth and financial sustainability.

I believe, as a Board, we are moving in the right direction to make sure that the scales will remain balanced as we continue to successfully move the business forward.

Janene Ridley

A handwritten signature in black ink, appearing to read 'Janene Ridley', with a horizontal line underneath the name.

President, Board of Management



Chief Executive Officer's Report

2018 was a positive and satisfying year for MACE, with the Board and Management working hard to ensure financial stability, relevance and sustainability for the organisation.

We aimed to enrich lives through learning, engagement and community programs, whilst continuing to grow in the community organisation environment. During the year, MACE continued to partner with other Registered Training Providers to ensure the delivery of a variety of accredited training locally. These partnerships enabled more choice for the community, allowing MACE to meet local community demand.

Our Child Care service, Mansfield Community Cubby House, expanded its services to offer Outside of School Hours Care, including Before School, After School and Vacation Care. Cubby House continued to thrive and grow, with consistent quality education programs provided. I would like to thank all our educators for their passion and commitment to ensuring quality, flexible and reliable child care is delivered to the community.

I would also like to thank the Board for their ongoing support, professionalism and guidance, and in particular the MACE Board President, Janene Ridley, whose expertise has proven invaluable.

MACE remains a community owned and values driven provider, responsive to community needs and wants.

I look forward to continuing working with the amazing staff and management at MACE, to ensure MACE remains viable, and relevant to the community.

Kylie Richards

A handwritten signature in black ink, appearing to read 'Kylie Richards', with a long horizontal flourish extending to the right.

Chief Executive Officer



Treasurer's Report

The Board has continued to work hard to stabilise the organisation in 2018 and I am delighted to report that MACE has operated at a surplus after a number of years of deficits. Whilst only a small surplus, it is an indication of a positive outlook going forward.

This result is due to the hard work of a committed and highly professional Board, with excellent leadership and great people within the organization. This year's operating surplus is an improvement of \$155,910 on the previous year. Our Financial Position is showing net equity of \$1,502,153 and a liquidity ratio of 1.07:1. This improved position has allowed for the commencement of a debt reduction program.

The star performer of the organisation has been our Child Care service, Mansfield Community Cubby House with an improvement in revenue of \$199,000, largely due to utilisation in excess of 95%. This resulted in a 25% increase in revenue, while growth in employment costs was contained to 10% despite a significant increase in activity particularly in the child care field. The addition of extra services and the commitment of our caring and professional staff all contributed to this excellent outcome.

During the year, our financials were closely monitored, forecasts were developed for future years and we can look at forthcoming years with confidence and optimism.

David Roff

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

Treasurer, Board of Management

2018 Programs and Services



Accredited Training

MACE continued to ensure Accredited Courses were offered locally through a new partnership with The Centre for Continuing Education Inc. (The Centre). We continued to work closely with the Continuing Education and Arts Centre of Alexandra Inc. (CEACA) in Alexandra and with the Asthma Australia (previously Asthma Foundation Victoria) to deliver Accredited Training to the community.

Accreditation means the course is nationally recognized, and MACE remains committed to the continued delivery of accredited training in Mansfield and the surrounding district.

During 2018, MACE students enrolled in a variety of accredited courses, including:

- Certificate III in Education Support CHC30213
- Diploma of Community Services CHC52015
- Provide Cardiopulmonary Resuscitation HLTAID001 (CPR)
- Provide First Aid in an Education and Care Setting HLTAID004
- Provide First Aid HLTAID003
- Provide Responsible Service of Alcohol SITHFAB002
- Use Hygienic Practices for Food Safety SITXFSA101
- Work Safely in the Construction Industry CPCCOHS1001A

Learn Local



As a Learn Local provider, MACE continued to offer a range of education and training programs. These programs are also known as pre-accredited programs and are designed to help learners gain the confidence and skills needed to look for a job or go on to further study. They included courses in communication, job search skills, getting ready to go back to work and literacy and numeracy.

MACE had 136 enrolments (an increase of 200% on last year) in the following pre-accredited programs in 2018;

- Adult Literacy and Numeracy
- Core Digital Photography Concepts
- Fit to Work - Wellbeing
- Getting Your L's
- Intel Easy Steps
- Introduction to Woodwork
- iPad-iPhone Introduction
- MYOB Basics
- Literacy and Numeracy through Beekeeping
- Workshop Safety Induction and Best Practice

MACE is looking forward to expanding on the programs offered to learners and will continue to provide learning programs at a local level.

Neighbourhood House



Neighbourhood Houses bring people together to connect, learn and contribute in their local community through social, educational, recreational and support activities. Neighbourhood Houses (NH) welcome people from all walks of life. This inclusive approach creates opportunities for individuals and groups to enrich their lives through connections they might not otherwise make.

Early in 2018, MACE actively participated in the 2018 NHVic budget and election campaign. The result was the Government investing an additional \$21.8 million in Victoria's Neighbourhood Houses over four years, ensuring families can access activities and services they need and want closer to home. This funding boost secured relevance and currency of Neighbourhood Houses, ensuring employment, training and volunteering services will continue.



PHOTO: Courtesy of Mansfield Courier

Popular programs and activities in 2018 included;

- Adult Literacy and Numeracy
- Basic Barista
- Basic Cheesemaking
- English Literacy
- Introduction to MYOB Payroll
- Master Class – Spanish Cooking “Paella”
- Microsoft Office Training
- Spanish Language

MACE continued to proudly assist and 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 to offer Agent Services in Mansfield. An Agent helps people in their local area to access Medicare, Centrelink and Child Support services.

Agent Services available at MACE:

- Copy and verify identity documents
- Get help to set up and access digital services
- Use internet enabled computers and printers

- Get brochures and fact sheets
- Call Centrelink using a phone provided
- Use the phone claiming service
- Get reply paid Medicare envelopes
- Scan and upload documents

A total of 1,131 customer enquiries were processed by MACE staff throughout 2018.

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

Mansfield Gadhaba Local Aboriginal Network

The Gadhaba Local Aboriginal Network (GLIN) acknowledges the Taungurung People as the traditional owners of the land on which it operates and pays respect to their ancestors and to elders, past and present.

Local Aboriginal Networks were established in Victoria from 2008 by Aboriginal Victoria to enable and support local Aboriginal communities to set local priorities and problem solve to develop local solutions; improve social cohesion and strengthen relationships and to empower Aboriginal people to participate in civic and community life.

Mansfield Gadhaba Local Aboriginal Network is a volunteer based, non-incorporated community action group comprising both Aboriginal and non-Aboriginal membership. The word Gadhaba – pronounced Gud-a-bah, is a Taungurung word meaning *“together”*.

In 2018, the GLIN network continued to raise 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 2018 was *“Because of her, we can”*. The group meet together at MACE and in the community, to address local issues through their 2019–2024 Community Plan.

Mansfield Men’s Shed

MACE continued to work closely with and offer support to the Mansfield Men’s Shed, assisting with the Men’s Sheds Grant Application 2018. Mansfield Men’s Shed is a non-profit organisation where men can meet, socialize and work together in a safe environment.

Multicultural Group

Mansfield Multicultural Group (MMG) is active in welcoming and supporting new residents to our growing multicultural community. MMG gathers monthly at MACE to enjoy good company and food with people from many cultures, including Nepal, Argentina, England, India, Holland, Norway, Malaysia, Thailand and China. The group share in a variety of cultural activities, in association with the North East Multicultural Association (NEMA), who provide support and networking opportunities.

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. Everybody is welcome.

Skills First Reconnect Program



The Swinburne University Skills First Reconnect outreach program commenced in Mansfield in 2017. The Swinburne University partnership with MACE is successfully providing expanded learning opportunities, which assist Mansfield learners to re-engage and succeed in vocational education, transition to accredited training, or pathway to employment.

During the program, the Reconnect Access Worker Elin Ree had engaged with a comprehensive number of local agencies. Maintaining connections with local providers has been beneficial and Reconnect has filled a gap in service provision in Mansfield for disengaged people or high needs learners.

Ongoing liaison and follow up with agencies, who refer people to Reconnect, has been crucial to effective interactions with participants, for their ongoing support. The range of people engaged was broad from age 17 to late 50s, with a good gender mix. Participants expressed how beneficial the program has been, and for many participants, Reconnect has provided the impetus for major life changes.

Establishment of an adult literacy and skills development course, which addresses learning needs for the Reconnect demographic, has been a specific achievement. This course was developed to meet individual needs in a supportive class environment.



Mansfield Community Cubby House Report

2018 was a prosperous and satisfying year at Mansfield Community Cubby House, with our services at capacity and growing waiting lists. Cassie Daykin and Molly Walker worked diligently together for the first three months of 2018 to manage increased demand and ensure quality education and care. Cassie's maternity leave began in April, and Molly subsequently proved her capabilities, stepping up as Children's Services Manager for the remainder of 2018.

Throughout 2018, we continued our high quality of education and care in all our services, notwithstanding the increase in enrolments. During regular monthly staff meetings, staff consistently reflected on our practices and took a proactive approach to ensure the quality of our programs, and that care remained exceeding quality standards and consistent. Our various programs are designed to ensure resilience and better support children's learning and development. They reflect each child's current knowledge, ideas, culture, abilities and interests. By introducing intentional teaching throughout the programs, we are helping the children increase their skills and build on their interests to develop and learn more.

We were very excited to open our Outside School Hours Care (OSHC) service in 2018 and were fully operational in March. Cubby House now offers Before School care, After School care, and Vacation care. Our Vacation care program is run during the school holidays, with initial enrolments encouraging and children enjoying the varied programs and activities. Amy Hearn and Lauren Hutchinson have run these programs exceptionally well, consistently coming up with challenging and recreational programs to cater for the children's age, interests and abilities. The new OSHC programs are designed to develop stronger, healthier and happier children and we look forward to continuing to work closely with the Mansfield Kindergarten on setting a high standard for these new programs.



School children in our first Vacation Care program of 2018 completing the obstacle course



Our babies room testing out the new prams (A big success!!)

Community engagement and fundraising efforts continued throughout 2018, with our annual movie fundraiser well attended and a successful hit with the community and our families. With the funds raised, we were able to purchase 2 x 4-seater prams, which has allowed our babies and toddlers to go on more external adventures. We were successful in our application with the Victorian Government for the Community Shade Sale Grants Program, allowing us to install two large new shade sails to deliver shade and further sun protection.



With several members of our education team taking maternity leave, we welcomed some new members to the Cubby House team. We embraced Clare Dale, who has 20 plus years of Early Education experience. Her experience and expertise has proved invaluable. We also welcomed Amy Hearn. Amy has many years' experience in the Early Education field also, and has been a huge asset to the team. Margot Trelu was a new face, and joined the team looking for a new career change. Lauren Hutchinson and Chloe Smith joined the team, fresh out of Secondary School, and are currently completing their Diplomas of Early Childhood Education and Care through a traineeship. In addition, we also welcomed back Arwen Hannaford from maternity leave and back into her position of Educational Leader, a role in which she is sharing with Teagan Hopgood.

All our educators are invested in continuing to increase their knowledge and skills through professional development days and various readings and webinars. During 2018, we focused on updating policies and procedures, to ensure relevance and currency, whilst also updating our Quality Improvement Plan goals.



We celebrated Early Childhood Educator Day in 2018.

It was a great way to commend all our staff for their hard work, dedication and for everything they do on a daily basis for Cubby, our families and the children. The staff were very appreciative, and we look forward to making this an annual event.

Overall, 2018 was rewarding and a highly successful year, albeit a busy one in which all educators showed commitment and flexibility. Cubby House continued and will continue to work hard to deliver quality education and care, in a safe, welcoming and fun environment, with an amazing team of dedicated educators.



Park excursions are a favourite outing



Our Anzac Day craft, displayed in the foyer of the Mansfield Children's and Family Centre



MACE – Board of Management in 2018

Janene Ridley	President
Kerstie Lee	Vice President
David Roff	Treasurer
Imogen Smith	Secretary
Katie Lockey	
Murray Chenery	
Simon Hicks	
Jane Leonard (outgoing)	

MACE – Staff in 2018

Kylie Richards	Chief Executive 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 2018

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 2018 to 31st December 2018

1 These financial statements should be read in conjunction with the notes to and forming part of the financial statements as set out on pages 6-12.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31ST DECEMBER 2018

	Note	2018	2017
Revenue from ordinary activities	1,2	1,337,563	1,263,746
Depreciation expenses	3	(17,217)	(16,107)
Other expenses from ordinary activities	3	<u>(1,316,067)</u>	<u>(1,399,276)</u>
Profit from ordinary activities Before Income Tax Expense		4,279	(151,637)
Income Tax Expense	1	NIL	NIL
Profit (Loss) from Ordinary Activities after Related Income Tax Expense		4,279	(151,637)
Retained Profits		1,497,874	1,649,511
TOTAL EQUITY		<u>1,502,153</u>	<u>1,497,874</u>

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2018

	Note	2018	2017
CURRENT ASSETS			
Cash and cash equivalents	4	68,293	76,025
Debtors and Other Receivables	5	69,645	22,110
Other Financial Assets	6	10,000	10,000
TOTAL CURRENT ASSETS		147,938	108,135
NON CURRENT ASSETS			
Property, plant & equipment	7	1,968,099	1,966,716
TOTAL NON CURRENT ASSETS		1,968,099	1,966,716
TOTAL ASSETS		2,116,037	2,074,851
CURRENT LIABILITIES			
Creditors & Other Payables	8	58,619	37,178
Provisions – Employee Benefits	9	79,203	79,910
TOTAL CURRENT LIABILITIES		137,822	117,088
NON CURRENT LIABILITIES			
Money Held		20,129	NIL
ANZ Loan		455,933	459,889
TOTAL NON CURRENT LIABILITIES	10	476,062	459,889
TOTAL LIABILITIES		613,884	576,977
NET ASSETS		1,502,153	1,497,874
EQUITY			
Retained Profits		1,502,153	1,497,874
TOTAL EQUITY		1,502,153	1,497,874

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31ST DECEMBER 2018

	Note	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES			
<i>Payments</i>			
Wages Salaries and benefits		(1,001,063)	(989,544)
Suppliers		(267,242)	(403,294)
Interest and Charges		(27,030)	(22,714)
<i>Receipts</i>			
User charges		1,003,479	875,393
Grants received		150,742	308,834
Investment Income		136	170
Other		135,673	102,848
<i>Net Cash used in operating activities</i>	11	<u>(5,305)</u>	<u>(128,307)</u>
CASH FLOW FROM FINANCE ACTIVITIES			
Increase in Bank Loan	10	16,172	100,000
<i>Net Cash used in finance activities</i>		<u>16,172</u>	<u>100,000</u>
CASH FLOW FROM ASSET TRANSACTIONS			
Building/Leasehold Purchases / Sales	7	(18,600)	145,577
Plant Purchases		NIL	(2,364)
<i>Net Cash used for asset sales</i>		<u>(18,600)</u>	<u>143,213</u>
Net increase/decrease in cash held		(7,733)	114,906
Cash at the beginning of the period		76,025	(38,881)
Cash at the end of the period	4	<u>68,292</u>	<u>76,025</u>

4 These financial statements should be read in conjunction with the notes to and forming part of the financial statements as set out on pages 6-12.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31ST DECEMBER 2018

	Retained Earnings	Total
	\$	\$
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	1,497,874	1,497,874
Balance at 1st January 2018	1,497,874	1,497,874
Net Profit/(loss) for the period	4,279	4,279
Balance at 31st December 2018	1,502,153	1,502,153

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

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 cash 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 2018 (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 2018 (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 2018 (CONTINUED)

	2018	2017
Note2: Revenue		
Rental Income	43,091	40,572
Fees and Charges	1,051,014	851,893
Grant Income	150,740	308,834
Centrelink	37,550	36,504
Interest	136	170
Other Income	55,032	25,773
TOTAL REVENUE	1,337,563	1,263,746

9 These financial statements should be read in conjunction with the notes to and forming part of the financial statements as set out on pages 6-12.

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

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

a) Depreciation of plant and equipment:	<u>17,217</u>	<u>16,107</u>
	<u>17,217</u>	<u>16,107</u>
b) Other Expenses		
Advertising and Promotion	3,329	5,286
Administrative Expenses	2,043	8,200
Audit Expenses	2,273	1,800
Bad Debts	2	8,589
Childcare Expenses	25,139	22,585
Bank Fees	2,420	3,006
Equipment Costs	15,788	5,775
Equipment Maintenance	NIL	14,679
Book Loss	NIL	270
Insurance	6,264	6,593
Interest	27,030	22,714
Information Technology	11,458	14,606
Motor Vehicle Operation	2,478	16,618
Occupancy	72,615	73,556
Operating Expenses	76,851	73,400
Human Resources	1,000,355	996,361
Staff Training and Development	1,333	9,818
Tutors and Contractors	61,774	95,448
Program Delivery	4,915	11,721
Accounting Expenses	<u>NIL</u>	<u>8,251</u>
	<u>1,316,067</u>	<u>1,399,276</u>

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

NOTE 4: CASH AND CASH EQUIVALENTS

ANZ – Business Overdraft	42,120	24,446
ANZ Online Saver	25,094	50,021
Cash on hand	1,079	1,558
	68,293	76,025

NOTE 5: DEBTORS & OTHER RECEIVABLES

Trade Debtors	69,645	22,110
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NOTE 6: OTHER FINANCIAL ASSETS

Shares – Mansfield Community Bank	10,000	10,000
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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	1,221,868
Leasehold properties at Cost	155,066	136,466
Less: Accumulated Depreciation	(71,785)	(63,637)
Plant and Equipment at Cost	247,740	247,740
Less: Accumulated Depreciation	(234,290)	(225,221)
	1,968,099	1,966,716

NOTE 8: CREDITORS & OTHER PAYABLES

Australian Taxation Office	18,706	14,528
Trade Creditors	36,150	19,172
Employee Superannuation	3,763	3,478
	58,619	37,178

11 These financial statements should be read in conjunction with the notes to and forming part of the financial statements as set out on pages 6-12.

NOTE 9: PROVISIONS

Annual Leave	61,862	63,575
Long Service Leave	17,341	14,990
Parental Leave	NIL	1,345
	79,203	79,910

NOTE 10: BORROWINGS

Money Held	20,129	NIL
ANZ Loan	455,932	459,889
	476,061	459,889

NOTE 11: CASH FLOW INFORMATION

Reconciliation of Cash flow from Operations with Profit

Net Profit/(Loss) for the year	4,279	(151,637)
Net cash flows in profit		
Depreciation	17,217	16,107
Decrease in receivables	(47,535)	23,499
Increase in payables	21,441	(23,094)
Increase in employee entitlements	(707)	6,818
Cash flows from operations	(5,305)	(128,307)

DIRECTORS' DECLARATION

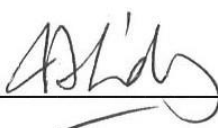
In the opinion of the directors of MACE Incorporated:

- (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 2018 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

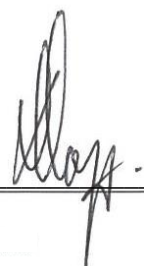
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated on 26th March 2019

Signed in accordance with a resolution of the directors.



Director



Director

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, 2018, 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.

INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT (CONTINUED)

MACE INCORPORATED.

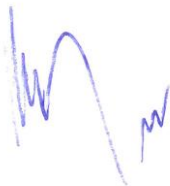
Conclusion

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 2018, 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 26th March 2019

**Independent Auditor's report
to the members of MACE Incorporated
ABN 25 306 780 833
145-147 High Street,
Mansfield, Victoria 3722**

Report on the financial statements

We have audited the accompanying financial report of MACE Inc., which comprises the statement of financial position as at 31st December, 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members.

Auditor's responsibility

Our responsibilities are to express an opinion, based on our audit, on the financial report. We conducted our audit of the financial report and the financial statement in accordance with Australian Auditing Standards. The applicable Standards require that we comply with relevant ethical requirements and plan and perform our work to obtain reasonable assurance about whether the financial report and the financial statement are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the financial statement and about the entity's compliance with the Grant Agreement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and the financial statement, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used by management, as well as evaluating the overall presentation of the financial report and the financial statement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion, review and limited assurance conclusions.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion:

the financial report presents fairly, in all material respects, the financial position of MACE Inc. as at 31st December, 2018, and its financial performance and its cash flows for the year then ended in accordance with the Associations Incorporations Reform Act (Vic) 2012, including:

- (i) Giving a true and fair view of the association's financial position as at 31st December, 2018 and of its performance for the year ended on that date; and
- (ii) Complying with Australian accounting standards.

McCANN FINANCIAL GROUP
Phil McCANN B. Comm., FCPA, RTA

1st Floor, 36-38 Errol Street,
North Melbourne, Victoria 3051

Dated in Melbourne this 4th April, 2019