

**CANTERBURY COMMUNITY
CHILD CARE CENTRE INC.**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

CANTERBURY COMMUNITY CHILD CARE CENTRE INC.

31 December 2016

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Chartered Accountants

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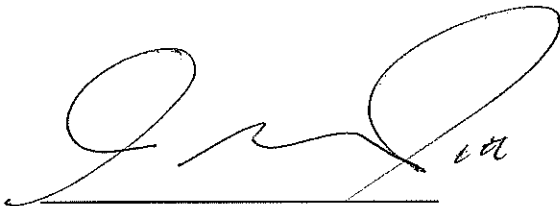
AUDITOR'S INDEPENDENCE DECLARATION

CANTERBURY COMMUNITY CHILD CARE CENTRE INC.

As lead auditor for the audit of Canterbury Community Child Care Centre Inc. for the year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as required by Chartered Accountants Australia & New Zealand; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Canterbury Community Child Care Centre Inc. during the period.



Charles M Pitt
C M Pitt & Co
Units 6 & 7, 2 Philip Street
STRATHFIELD NSW 2135

Dated: 16 February 2017



Chartered Accountants

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CANTERBURY COMMUNITY CHILD CARE CENTRE INC.
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

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	Note	2016 \$	2015 \$
INCOME			
Care fees		319,503	280,690
Fee relief		27,768	25,159
Total care fees		<u>347,271</u>	<u>305,849</u>
NSW Department of Education & Training		163,385	163,724
NSW Family & Community Services		19,432	3,280
Rent subsidy		16,322	16,092
PDSP		10,530	16,237
Donations		15,892	9,785
Sundry income		321	596
Interest		5,628	5,068
Enrolment fee & waiting list fee		2,440	2,510
Levy income		600	605
Membership fees		59	77
TOTAL INCOME		<u>581,880</u>	<u>523,823</u>
LESS EXPENDITURE			
Advertising		-	327
Depreciation		8,624	6,510
Audit fees	7	3,100	3,100
Bad debts		205	548
Bank charges		281	209
Capital upkeep		7,100	2,400
Children's consumables		4,690	3,247
Repairs & replacements		23,221	7,526
Cleaning		4,573	3,969
Electricity		2,067	2,065
Computer expenses		1,008	1,780
Insurance		12,718	13,175
Lease charges		2,987	2,413
Licence fee		297	293
Miscellaneous expenditure		1,388	947
Subscriptions & Publicity		1,037	1,394
Computer & equipments		-	1,947
Rates		1,620	1,724
Rent		23,940	23,602
Petty cash		4,618	4,006

CANTERBURY COMMUNITY CHILD CARE CENTRE INC.
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

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	Note	2016 \$	2015 \$
Employee benefits		(578)	3,650
Printing, Stationery & postage		2,956	2,774
Salaries & wages		414,350	383,483
Staff Amentities		792	1,500
Superannuation		37,657	34,562
Transport & excursions		1,908	2,763
Teaching aids & equipments		2,816	4,267
Telephone		1,716	1,881
Training & recruitment		2,095	1,608
TOTAL EXPENSES		567,185	517,669
(LOSS) / PROFIT FROM OPERATIONS		14,695	6,154

The above Income Statement should be read in conjunction with the accompanying Notes.

CANTERBURY COMMUNITY CHILD CARE CENTRE INC.
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

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	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	2	342,270	315,858
Receivables		934	1,103
Prepayments		11,221	3,150
TOTAL CURRENT ASSETS		<u>354,425</u>	<u>320,111</u>
NON CURRENT ASSETS			
Property plant & equipment	3	42,833	41,731
TOTAL NON CURRENT ASSETS		<u>42,833</u>	<u>41,731</u>
TOTAL ASSETS		<u>397,258</u>	<u>361,842</u>
CURRENT LIABILITIES			
Payables	4	47,270	50,206
Fees in advance		475	337
Deferred revenue		82,041	65,044
TOTAL CURRENT LIABILITIES		<u>129,786</u>	<u>115,587</u>
NON-CURRENT LIABILITIES			
Provision for long service leave		42,894	43,473
Provision for capital maintenance & replacement		41,287	34,187
TOTAL NON-CURRENT LIABILITIES		<u>84,182</u>	<u>77,660</u>
TOTAL LIABILITIES		<u>213,968</u>	<u>193,247</u>
NET ASSETS		<u><u>183,291</u></u>	<u><u>168,595</u></u>
REPRESENTED BY:			
EQUITY			
<u>Retained Earnings</u>			
Balance at beginning of financial year		168,595	162,441
Add: (Loss)/Profit for year		14,695	6,154
Balance at end of financial year		<u>183,291</u>	<u>168,595</u>
TOTAL EQUITY		<u><u>183,291</u></u>	<u><u>168,595</u></u>

The above Balance Sheet should be read in conjunction with the accompanying Notes.

CANTERBURY COMMUNITY CHILD CARE CENTRE INC.
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

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		Inflow (Outflow) 2016 \$___	Inflow (Outflow) 2015 \$___
	Note		
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from fees & subsidies		584,764	527,401
Payments to employees & suppliers		(570,145)	(496,590)
		<u>14,619</u>	<u>30,811</u>
Donations received		15,892	9,785
Interest received		<u>5,628</u>	<u>5,068</u>
Net cash provided by operating activities	5	<u>36,139</u>	<u>45,663</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property improvements & equipment		(9,726)	-
Net cash used in investing activities		<u>26,412</u>	<u>-</u>
Net (Decrease)/Increase In Cash Held			
Cash at the beginning of the financial year		<u>315,858</u>	<u>270,195</u>
CASH AT THE END OF THE FINANCIAL YEAR	2	<u><u>342,270</u></u>	<u><u>315,858</u></u>

The above Cash Flow Statement should be read in conjunction with the accompanying Notes.

CANTERBURY COMMUNITY CHILD CARE CENTRE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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NOTE

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act NSW & the Australian Charities & Not for Profits Commission Act 2012.

The committee has determined that the Association is not a reporting entity.

The financial report has been prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specially stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial statements.

(a) Revenue Recognition

Revenue from funding authorities received in advance is deferred to the period to which it relates and included as deferred revenue on the balance sheet.

(b) Employee Benefits

The amounts expected to be paid to employees for their pro-rata long service leave entitlements are accrued annually at current pay rates.

Long service leave has been provided for all employees. The amounts provided where appropriate have been apportioned between current and non-current, the current provision being the portion that is entitled to be paid within the next twelve months.

(c) Income Tax

The Association is exempt from income tax.

(d) Maintenance Repairs & Replacements

Maintenance, repair costs and minor renewals are charged as expenses as incurred:

(e) Non consolidation

The Canterbury Community Child Care Centre (CCCCC) Fundraising maintains a separate bank account together with appropriate books and records. The management report the fundraising activities separately.

2 CASH AND CASH EQUIVALENTS

	2016 \$	2015 \$
CBA Cheque account	124,899	102,995
CBA Trust account	6,259	7,327
CBA - Term deposits	211,011	205,436
Cash on hand	100	100
Total cash	<u>342,270</u>	<u>315,858</u>

CANTERBURY COMMUNITY CHILD CARE CENTRE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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	2016 \$	2015 \$
3 PROPERTY, PLANT & EQUIPMENT		
Premises improvements & Equipments - at cost	64,477	54,751
Less: Depreciation	(21,644)	(13,020)
Total	<u>42,833</u>	<u>41,731</u>
4 PAYABLES		
PAYG Withholding Tax	16,135	15,696
Fee deposit	14,356	16,999
Creditors & accruals	4,254	6,236
Levy deposit	4,900	6,000
GST payable	7,626	5,275
Total payables	<u>47,270</u>	<u>50,206</u>
5 RECONCILIATION OF NET CASH		
Net cash provided by operating activities	36,139	45,663
Non-cash flows in profit		
Depreciation	(8,624)	(6,510)
Changes in operating assets and liabilities:		
Decrease (increase) in payables	2,936	(9,165)
Decrease (increase) in deferred revenue	(16,997)	(16,173)
(Increase) decrease in receivables - fees	(169)	342
Increase (decrease) in prepayments	8,070	(1,754)
Decrease (increase) in employee entitlements	578	(3,650)
Decrease (increase) in provision	(7,100)	(2,400)
Decrease (increase) in fees in advance	(138)	(199)
OPERATING PROFIT/(LOSS)	<u>14,695</u>	<u>6,154</u>
6 RECONCILIATION OF CASH		
For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	100	100
Cash at bank	342,170	315,758
	<u>342,270</u>	<u>315,858</u>

CANTERBURY COMMUNITY CHILD CARE CENTRE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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	2016 \$	2015 \$
7 AUDITOR'S REMUNERATION		
Auditor's remuneration		
- for audit services	3,100	3,000
- under estimate -2014	-	100
Total auditor's remuneration	<u><u>3,100</u></u>	<u><u>3,100</u></u>
8 LEASE COMMITMENTS		
Being for rent of the Child Care Centre		
Payable - minimum lease payments:		
not later than 12 months	23,382	23,382
between 12 months and 5 years	<u>9,743</u>	<u>33,125</u>
	<u><u>33,125</u></u>	<u><u>56,507</u></u>

The property lease is a non-cancellable lease with five-year term, with rent payable annually in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by the CPI every year. Canterbury City Council is generously rebating 75% of the annual rental payments for the term of the lease. Grants for property improvements are recognised as revenue when the expenditure has been incurred.

9 FINANCIAL REPORTING BY SEGMENTS

The Canterbury Community Child Care Centre operates at Ashbury, NSW to provide childcare services.

10 RELATED PARTY TRANSACTIONS

There are no related party transactions other than those in normal course of business with members and their families.

11 FINANCING ARRANGEMENTS

The Association has no finance arrangements with their bankers or borrowings with any other institutions.

12 COMPARATIVE FIGURES

Where required by Accounting Standards comparative figures have been adjusted with changes in presentation for the current financial year.

STATEMENT BY MEMBERS OF THE COMMITTEE

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CANTERBURY COMMUNITY CHILD CARE CENTRE INC.


The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 2 to 4:

- a) Present a true and fair view of the financial position of Canterbury Community Child Care Centre Inc. as at 31 December 2016 and its performance for the year ended on that date.
- b) At the date of this statement, there are reasonable grounds to believe that the Canterbury Community Child Care Centre Inc. 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

Signed at Canterbury this 16th day of February 2017.

C M PITT & CO

Chartered Accountants

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Page 10

Independent Audit Report **To The Members Of Canterbury Community Child Care Centre Inc.**

Report on the Audit of the Financial Report

We have audited the financial report of Canterbury Community Child Care Centre Inc which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities declaration.

In our opinion the financial report of Canterbury Community Child Care Centre Inc has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2016 and of its financial performance for the year ended; and
 - (b) complying with Australian Accounting Standards to the extent described in Note 1 , and division 60 the Australian Charities and Not-for-profits Commission Regulation 2013.
- basis for opinion.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial



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reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Committee's Responsibility for the Financial Report

The committee of the Canterbury Community Child Care Centre Inc are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities & Not for Profits Commission Act 2012. The committee's responsibility also includes such internal control as they determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the Canterbury Community Child Care Centre Inc ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.

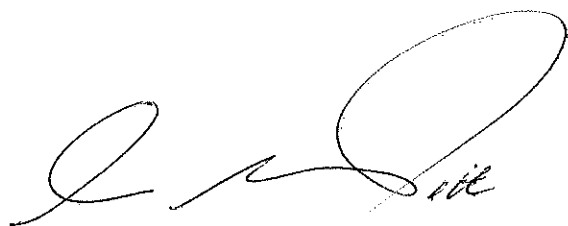


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- Conclude on the appropriateness of responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Charles M Pitt
C M PITT & CO
CHARTERED ACCOUNTANTS

ICAA Membership No. 20180
Registered Company Auditor No. 2944
Unit 6 & 7, 2 Philip Street Strathfield

Date: 16 February 2017



CANTERBURY COMMUNITY CHILD CARE CENTRE
(CCCCC) FUNDRAISING

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

CANTERBURY COMMUNITY CHILD CARE CENTRE (CCCCC) FUNDRAISING

31 December 2016

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**CANTERBURY COMMUNITY CHILD CARE CENTRE (CCCCC) FUNDRAISING
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	Note	2016 \$	2015 \$
INCOME			
Fund raising		7,824	5,901
Interest received		18	47
TOTAL INCOME		<u>7,842</u>	<u>5,949</u>
LESS EXPENDITURE			
Audit fees		275	275
Cost of fund raising		2,281	2,085
Donations		9,322	7,500
Postage & Stationery		20	-
Bank charges		12	-
TOTAL EXPENSES		<u>11,910</u>	<u>9,860</u>
 NET (LOSS) FROM ORDINARY ACTIVITIES		 <u><u>(4,068)</u></u>	 <u><u>(3,911)</u></u>

The above Income Statement should be read in conjunction with the accompanying Notes.

**CANTERBURY COMMUNITY CHILD CARE CENTRE (CCCCC) FUNDRAISING
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

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	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash assets		14,174	17,967
Petty cash		100	100
TOTAL CURRENT ASSETS		<u>14,274</u>	<u>18,067</u>
 TOTAL ASSETS		 <u>14,274</u>	 <u>18,067</u>
 CURRENT LIABILITIES			
Payables		275	-
 NET ASSETS		 <u><u>13,999</u></u>	 <u><u>18,067</u></u>
 REPRESENTED BY:			
 ACCUMULATED FUNDS			
<u>Retained Income</u>			
Balance at beginning of financial year		18,067	21,978
Add: Net Income for year		<u>(4,068)</u>	<u>(3,911)</u>
Balance at end of financial year		13,999	18,067
 TOTAL FUNDS		 <u><u>13,999</u></u>	 <u><u>18,067</u></u>

The above Balance Sheet should be read in conjunction with the accompanying Notes.

**CANTERBURY COMMUNITY CHILD CARE CENTRE (CCCCC) FUNDRAISING
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	Inflow (Outflow) 2015 \$	Inflow (Outflow) 2014 \$
Note		
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from fund raising	7,824	5,901
Payments to suppliers	(11,635)	(9,860)
	<u>(3,811)</u>	<u>(3,959)</u>
Interest received	<u>18</u>	<u>48</u>
Net Cash Inflow (Outflow) from (used in) Operating Activities	<u>(3,793)</u>	<u>(3,911)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for plant & equipment	-	-
Net Cash Outflow From Investing Activities	<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Association membership	-	-
Net Cash Outflow From Financing Activities	<u>-</u>	<u>-</u>
Net (Decrease)/Increase In Cash Held		
Cash at the beginning of the financial year	<u>18,067</u>	<u>21,978</u>
CASH AT THE END OF THE FINANCIAL YEAR	<u><u>14,274</u></u>	<u><u>18,067</u></u>

The above Cash Flow Statement should be read in conjunction with the accompanying Notes.

**CANTERBURY COMMUNITY CHILD CARE CENTRE (CCCCC) FUNDRAISING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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NOTE

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Committee has determined that the Canterbury Community Child Care Centre (CCCCC) Fundraising is not a reporting entity and accordingly this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The Committee has determined that the accounting policies adopted are appropriate to meet the needs of the members.

This report has been prepared in accordance with the requirements of the Associations Incorporation Act (NSW) & the Australian Charities & Not for Profits Commission Act 2012. The financial statements have been prepared on the basis of historical cost and do not take into account the changing money values or except where stated, current valuations of non-current assets.

Cost is based on the fair values of the consideration given in exchange for assets. The concept of accrual accounting has been adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Non consolidation

The Canterbury Community Child Care Centre (CCCCC) Fundraising maintains a separate bank account together with appropriate books and records. The management report the fund raising activities separately.

(b) Income Tax

The Association is exempt from income tax.

2 FINANCIAL REPORTING BY SEGMENTS

The Canterbury Community Child Care Centre (CCCCC) Fundraising operates at Ashbury, NSW to provide childcare services.

3 RELATED PARTY TRANSACTIONS

There are no related party transactions other than those in normal course of business with members and their families.

4 FINANCING ARRANGEMENTS

The Association has no finance arrangements with their bankers or borrowings with any other institutions.

5 COMPARATIVE FIGURES

Where required by Accounting Standards comparative figures have been adjusted with changes in presentation for the current financial year.

STATEMENT BY MEMBERS OF THE COMMITTEE

CANTERBURY COMMUNITY CHILD CARE CENTRE (CCCCC) FUNDRAISING


The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 13 to 17:

- a) Present a true and fair view of the financial position of Canterbury Community Child Care Centre (CCCCC) Fundraising as at 31 December 2015 and its performance for the year ended on that date.
- b) At the date of this statement, there are reasonable grounds to believe that the Canterbury Community Child Care Centre (CCCCC) Fundraising 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

Signed at Canterbury this 16th day of February 2017

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Independent Audit Report To The Members Of Canterbury Community Child Care Centre Fundraising

Report on the Audit of the Financial Report

We have audited the financial report of Canterbury Community Child Care Centre Fundraising which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities declaration.

In our opinion the financial report of Canterbury Community Child Care Centre Fundraising has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2016 and of its financial performance for the year ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and division 60 the Australian Charities and Not-for-profits Commission Regulation 2013.
basis for opinion.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial



Chartered Accountants

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reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Committee's Responsibility for the Financial Report

The committee of the Canterbury Community Child Care Centre is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities & Not for Profits Commission Act 2012. The committee's responsibility also includes such internal control as the committee determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the Canterbury Community Child Care Centre Inc ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.

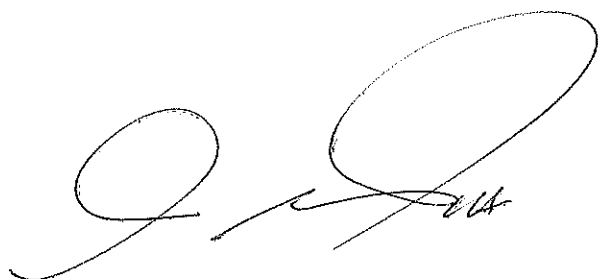


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- Conclude on the appropriateness of responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Charles M Pitt
C M PITT & CO
CHARTERED ACCOUNTANTS

ICAA Membership No. 20180
Registered Company Auditor No. 2944
Unit 6 & 7, 2 Philip Street Strathfield

Date: 16 February 2017



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