

ANNUAL REPORT 2021-22



ACKNOWLEDGEMENT OF COUNTRY

**CHILDREN AND THEIR FAMILIES HAVE PLAYED AND
LEARNED ON THIS COUNTRY FOR MANY THOUSANDS
OF YEARS.**

**PLAYGROUP AUSTRALIA ACKNOWLEDGES THE
TRADITIONAL OWNERS OF THE LANDS ON WHICH WE
LIVE AND PLAY TODAY.**

**WE PAY OUR RESPECTS TO ABORIGINAL AND TORRES
STRAIT ISLANDER PEOPLES AND WE RECOGNISE
THEIR DEEP KNOWLEDGE AND CULTURAL PRACTICES
IN RAISING CHILDREN, SUPPORTING FAMILIES AND
BUILDING COMMUNITIES.**

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CHAIR'S REPORT



2021-2022 has been challenging and rewarding, as we tackled another busy year. While managing COVID-19 has moved to a business-as-usual activity, it continues to be foremost in the minds of our members and service delivery partners, to ensure that children and families remain safe.

In November 2021, changes to the Playgroup Australia constitution, introducing a representative Board from our members, was unanimously supported at a Special General Meeting. Our members in South Australia, New South Wales and Tasmania already had elected representatives on the Board, and we welcomed new directors from the Northern Territory, Victoria, and the ACT.

The Board retains the option to recruit up to three independent members. Recruitment to these non-executive positions is progressing. It is intended these new Directors will have complimentary skills and experience to those already on the Board.

The organisational review of Playgroup Australia moved to the consultation phase in the latter part of 2021. This has now progressed to the implementation phase during 2022, or what we have called the Transformation Roadmap. The time and effort put into the project has been significant, and the contribution of the member organisations is acknowledged for the essential value it adds to the work.

An element of the Transformation Roadmap has been the development of a new strategic plan. The plan's development has provided the opportunity to reflect back to our members their aspirations for Playgroup Australia going forward.

At the heart of the plan is building member value – where the member network is greater than the sum of its parts. This core value is expressed as the desired role for the national entity:

- Deliver strong, powerful advocacy that informs government policy with evidence-based research
- Be a leading authority that turns advocacy into funding growth for all playgroups
- Provide shared services to reduce costs for members and leverage expertise and capability; and
- Develop agreed quality standards and build member capacity to reach them.

Every member and service delivery partner has taken a leadership role for key projects and program management activities in 2021-22. This includes:

- the ACT and Queensland for PlayConnect
- the Northern Territory and South Australia for Play and Learn Supported (PALS) and PlayTogether

- New South Wales for the Play + Learn Together website
- Tasmania and New South Wales for engagement with the then federal Shadow Minister for Early Childhood Education (Hon Amanda Rishworth MP)
- Western Australia contributing to the Activity Work Plan for the Children and Parenting Support (CaPS) program; and
- Victoria's ongoing work on the Playgroup Statement.

Playgroup Australia, with a number of member organisations, represented the network to our funders, including the Department of Social Services. A funded extension was signed for the PlayConnect program and, following consultation, unfunded time-only extensions were signed for PALS and PlayTogether.

Playgroup Australia also facilitated two member meetings with the eSafety Commission, which may lead to future funding.

In response to member requests, Playgroup Australia supported Playgroup NSW as the lead agency in an application for funding with the Ian Potter Foundation.

Changes also occurred within the Playgroup Australia office, with the appointment of a part-time Interim Executive Officer, Simon Moore. While the position was to be short-term, it was extended to allow for the recruitment of a new Chief Executive.

I would like to thank Simon for his hard work, and his knowledge of all things governance.

The Board is extremely pleased to welcome Dr Amanda Walsh as its Chief Executive, commencing on 4 October 2022.

The Canberra office accommodation at the WOTSO building was closed in early 2022, as the majority of work was being done offsite.

I would like to specifically recognise a number of our service partners for their ongoing commitment and support for Playgroup Australia and its members. In particular: RSM for their contract management, but also their unwavering commitment to the Transformation Project; HR Success for support for our Human Resources responsibilities; Capital Strategic Bookkeeping, and Hardwicks and Purpose Accounting for their financial assistance.

Our thanks also to the retiring Board members Annette Ruhotas Morgan and Ben Ramsey, both from Playgroup NSW. They gave the Board a depth of knowledge and experience that was immensely valuable.

The Board's thanks are extended to all Directors, members, staff, volunteers and service partners for their ongoing commitment to Playgroup Australia.

This coming year will require more hard work as we see a new way forward and a change in how we do business and govern our organisation. Importantly, we expect to finalise a strategic plan through to 2024 and embed our new consultative governance model across for a including Advocacy and Policy, Contracts and Tendering, and Leadership.

I am confident we can build our capability and be recognised as a sector peak body, and for the value-add that our quality programs and services provide to the communities we serve.



Trish Strachan
Chair Playgroup Australia
November 2022



YEAR IN REVIEW

This was a year defined by the ongoing challenges of COVID-19, and particularly the Omicron wave of the virus. For many families, the pandemic created significant anxiety and vulnerability, while at the same time reducing dramatically their access to community-based supports.

Lockdowns and movement restrictions across the country disrupted the delivery of playgroups, requiring Playgroup Australia's members and service delivery partners to innovate and pivot, many times over, to meet the changing expectations and needs of families. This included a switch to online delivery of playgroups and the use of public spaces, such as parks, to keep playgroups meeting in person.

Reaching families who missed out on starting their playgroup journey due to the pandemic will remain a priority for Playgroup Australia, its member organisations and service delivery partners in the coming years.

Advocacy and research

The new Federal Government took office in May 2022 with a commitment to strengthening playgroups. Earlier that month, the then Labor Opposition had committed \$11 million in additional funding for Playgroup Australia and Toy Libraries Australia, to:

- establish new playgroups and grow playgroup membership

- purchase new playgroup materials; and
- expand intergenerational playgroups.

Playgroup Australia continued its work with Australian Catholic University to lead the development of a national Playgroup Statement, in conjunction with a National Advisory Group drawn from across the early childhood sector. The Statement is scheduled for launch in late 2022.

National programs for families

Playgroup Australia continued to manage four national programs for children and families, funded by the Australian Government. These programs are co-designed and delivered by our members and service delivery partners:

1. Children and Parenting

Support (CaPS): The bedrock of our services, these are community playgroups that meet regularly to deliver valuable services: peer support for parents and carers; social interaction for families; and play-based experiences for children, to support healthy development.

The groups are mostly volunteer-led, strengthening local communities.

2. PlayConnect: Facilitated playgroups for families of children aged 0-6 years who have unique strengths and needs associated with autism or autism-like characteristics in communication, behaviour or social skills.

3. Play and Learn Supported (PALS) inclusive playgroups:

Supported inclusive playgroups for families and children with and without disability, with activities that bring children and families of all abilities together to connect, build awareness and foster inclusive communities.

4. PlayTogether: A project that builds the awareness and skills of community playgroup leaders and participants in how to include all children and families, especially those with additional needs.

In 2021-22, our members and service delivery partners supported more than 103,000 community playgroup sessions for families across Australia. These included playgroups established by communities to support: languages other than English; children with disability; fathers; grandparents; and LGBTQI+ parents.

In addition, our members and partners delivered supported playgroups for children with autism or autism-like characteristics in 40 locations; and worked with families, playgroup volunteers and other community organisations to build inclusion for children with additional needs in around 25 locations.



'PlayConnect helped me get out of the house by myself when I hadn't been able to go out by myself with my two children anywhere due to safety concerns. By connecting with other mums and hearing their experiences I have finally taken the leap to engage with a day care, which I don't think I would have done if I hadn't gone to PlayConnect. This group is a lifesaver for parents' – participant feedback.

Playgroup Australia also continued work on two outreach and engagement projects funded by the Ian Potter Foundation:

1. Play + Learn Together: A website that provides parents and carers with a suite of home-based activities that support children's early learning, developed by experts and underpinned by early childhood pedagogy. Launched in 2022, the website is a collaborative effort between Playgroup Australia, the University of Wollongong and Early Childhood Australia.

playandlearntogether.com.au

2. Playgroup Reset: A project to attract families back to playgroups after the social isolation of the COVID-19 pandemic. Playgroup Australia is preparing a national marketing campaign about playgroups, for launch in early 2023.

Thanks to those on the ground

We acknowledge the dedication of our members and service delivery partners in supporting children and families throughout this period. We thank them for their extraordinary efforts in such a difficult year:

Members

- ACT Playgroups
- Playgroup NSW
- Playgroup NT
- Playgroup SA
- Playgroup Tasmania
- Playgroup Victoria

Service delivery partners

- Play Matters Australia
- Playgroup WA.

We look forward to following the path set out in our next Strategic Plan, which will see Playgroup Australia strengthen its role in national advocacy; oversee research that builds quality service delivery; and develop projects that capitalise on the strengths and expertise of its members.

Playgroup Australia Limited

ABN: 31 142 795 695

Financial Statements

For the Year Ended 30 June 2022

Playgroup Australia Limited

ABN: 31 142 795 695

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For the Year Ended 30 June 2022

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Playgroup Australia Limited

ABN: 31 142 795 695

Directors' Report For the Year Ended 30 June 2022

At the Special General Meeting held on 26 November 2021, state and territory members voted to amend the Constitution to become a representative Board, and also allowing for up to three independent members. The changes in Board membership are therefore reflected in the table below.

1. General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

| Names | Appointed | Resigned |
|---------------------|------------------|------------------|
| Patricia Strachan | 27 November 2019 | |
| Gloria Sherlock | 24 January 2017 | 24 November 2021 |
| Laura Jeffery | 15 December 2017 | 24 November 2021 |
| Jane Lemon | 15 December 2017 | 24 November 2021 |
| Annette Ruhotas | 15 December 2017 | 31 March 2022 |
| Kathryn Fordyce | 9 November 2018 | |
| Felicity Dunn | 26 November 2021 | |
| Kate Sowerby | 26 November 2021 | |
| Annick Beyderwellen | 26 November 2021 | |
| Ben Ramsey | 1 April 2022 | 22 July 2022 |

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

Playgroup Australia manages a range of funding streams that are delivered across Australia by State and Territory Organisations. STOs provide backbone support to individual playgroups and organisations that deliver playgroups.

Playgroups support children aged 0 to 7 years and their families. In addition to universal access for all children and families to playgroups, our programs include playgroups for children living with Autism Spectrum Disorder, disability and developmental delay and their families. Despite the significant impacts of the pandemic across Australia (particularly VIC) and flooding in QLD and NSW over 125,000 community playgroup sessions were delivered by STOs across the financial year.

In response to Member feedback, Playgroup Australia has embarked on an innovative transformation project that will reframe the way we manage programs and engage with Members and service delivery partners. The transformation project extends to Member representation on the Board, new structures to ensure Members are engaged in governance, strategy, and operations, and adopting innovative ways of better utilising the expertise, capability, and capacity of members. We will actively engage existing service delivery partners. In the FY23 financial year the transformation project is expected to deliver a range of outcomes, including a revised Strategic Plan.

Members' guarantee

Playgroup Australia Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 50 for members, subject to the provisions of the company's constitution.

At 30 June 2022 the collective liability of members was \$ 300 (2021: \$ 350).

Playgroup Australia Limited

ABN: 31 142 795 695

Directors' Report For the Year Ended 30 June 2022

2. Other items

Events after the reporting date

The Board has appointed Dr Amanda Walsh as the new Chief Executive of Playgroup Australia from 4 October 2022. Amanda is well regarded in the early childhood sector and brings a wealth of experience.

Amanda began her career in advocacy and public policy 25 years ago, as a diplomat in Poland and the Czech Republic. Back in Australia, she worked as a policy and media adviser in the federal Parliament, before joining the Department of the Prime Minister and Cabinet. Since 2013, she has worked in the education and early childhood sectors, including at Early Childhood Australia, the Early Learning and Care Council of Australia and Australian Catholic University. She served on the board of ACT Playgroup for three years before taking up the role of Chief Executive of the national body, Playgroup Australia.

Amanda has a PhD in Political Science and Political Economy and published her thesis as a book, *Globalisation, the state and regional Australia* (Sydney University Press) in 2018. She is a proud product of regional Australia, growing up on the land of the Yuin people.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments

The PlayConnect program will cease on 31 December 2022. It will be replaced by funding under the National Early Childhood Program. Playgroup Australia did not submit a tender for NECP funding.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Information on directors

| | |
|-------------------|--|
| Patricia Strachan | Chair – Nominated Representative of Playgroup SA |
| Qualifications | RN. RM. Dip. App. Sc (CHN). B. Hlth. Sc (Nsg). M. (PHC). MAICD |
| Experience | Trish's clinical background in nursing and midwifery provided her with the opportunity to live and work in all states and territories, including PNG (except for Tassie). She has an interest in the health of rural and remote communities and people who are disadvantaged or vulnerable by their health, social, cultural, and economic circumstances. She has led the planning and development of health services and facilities across NSW and South Australia, with the involvement of communities, staff, and other service partners. Trish has held senior executive positions for almost 20 years in the health and education sectors. In addition, she has chaired several national and system level, cross government forums to tackle some of the problems that face our services. Trish is Chair of Playgroup SA. Trish is the Chair of the PA Board, Chair of the Governance Committee and member of the Risk Committee. |

Directors' Report

For the Year Ended 30 June 2022

Information on directors (continued)

| | |
|-----------------|---|
| Gloria Sherlock | Director |
| Qualifications | B.E-Commerce University of Qld (Valedictorian), Cert in Governance & Risk, MAICD |
| Experience | <p>Gloria's professional career spans over 20 years in a variety of roles including accountant, business analyst, e-risk consultant and regional administration manager. Gloria has a Certificate in Governance and Risk and is a member of the Australian Institute of Company Directors. Gloria has long-standing community involvement including being former President of the Young Christian Workers group before being appointed to Playgroup Queensland's Board as a director. Gloria held the position of Vice Chair before coming Chair of Playgroup QLD Board in 2016. Gloria is also a Director on the Council of Ageing Qld (COTA). Gloria was appointed to the PA Board in 2017 and held the position of Deputy Chair of the PA Board from 2019 to 2020. Gloria resigned from the PA Board in November 2022. Queensland ceased to be a Member of Playgroup Australia in November 2022.</p> |
| Laura Jeffery | Director - Independent |
| Qualifications | BComm CPA, GAICD |
| Experience | <p>Laura is a qualified CPA accountant with demonstrated success across a diverse range of roles within the world's largest resources companies. Laura is the Managing Director of Tundra Resource Analytics, providing equipment strategy optimisation, financial modelling and integration & separation management services to global leaders within the resources industry. Laura has previously held a directorship of Seagrass Early Learning in the remote community of Groote Eylandt, NT and was the chair of the Playgroup Australia Finance, Risk and Audit Committee (FRAC) from 2017 to 2021. Laura retired from the PA Board at the end of her term in November 2021.</p> |
| Jane Lemon | Director -Independent |
| Qualifications | M.Ed (ECE), Grad Cert.(Professional Inquiry), Dip. Teach (ECE) |
| Experience | <p>Jane's experience in children's services and education extends across more than 40 years. She is a widely published author of many government reports and academic papers and is a highly acclaimed and sought-after speaker on children's services. Jane is currently the Principal Consultant of Citron Early Childhood, providing consultancy and professional development / learning to the sector in South Australia. In 2015, Jane was awarded a Public Service Medal for services to children and families in South Australia. Jane retired from the PA Board at the end of her term in November 2021.</p> |

Directors' Report

For the Year Ended 30 June 2022

Information on directors (continued)

| | |
|-----------------|--|
| Annette Ruhotas | Director – Nominated Representative of Playgroup NSW |
| Qualifications | B. Engineering (Civil) Hons. B. Teaching (Secondary Science) with Distinction; AAICD |
| Experience | Annette is an executive business leader with almost two decades of experience in the corporate and not for profit sectors in Australia, the UK and the South Pacific. She is currently the Founder and Principal Consultant of Be The Change Consulting Group, a trusted multidisciplinary consulting, advisory and coaching practice. Annette's professional career spans executive leadership positions in corporate foundations, corporate social responsibility, corporate charity partnerships, community development, sustainability, bid directorship, business operations, project management and construction delivery. Annette has worked for eminent organisations including Lendlease, where her most recent role was as General Manager – Social Sustainability & the Lendlease Foundation, Australia/NZ. She has also worked for a number of charitable organisations, including The Hornery Institute, Be Onsite UK, and the Australian Youth Ambassadors for Development program. Annette was immediate past Chair of Playgroup NSW Inc. |
| Kathryn Fordyce | Director – Nominated Representative of Playgroup Tasmania |
| Qualifications | B.Sp.Path (Hons), Grad Cert Hth Ser Man, Diploma of ECEC, CPSP, MSPA, GAICD |
| Experience | Kathryn is an experienced executive manager and non-executive director with demonstrated leadership skills in the not-for-profit disability, health and early childhood sectors. Kathryn is currently the CEO of Laurel House, a specialist sexual assault service in North and North West Tasmania. She has co-authored research papers on autism, early intervention and evidence-based practice. Kathryn is the immediate past Chair of Playgroup Tasmania and currently serves as a director on the Speech Pathology Australia and the National Association of Services Against Sexual Violence (NASASV) boards. Kathryn is also actively involved in other boards and committees that focus on the health and wellbeing of children and young people, and inclusion of people with disabilities. Kathryn is Deputy Chair of the PA Board, and the Chair of both the Finance and Audit Committee and the Risk Committee. |
| Felicity Dunn | Director – Nominated Representative of Playgroup Victoria |
| Qualifications | Bachelor of Arts/Music, Postgraduate Diploma in Public Policy & Management, Graduate Certificate in Education |
| Experience | Felicity's professional background is in education policy, with a particular focus over the past decade in early childhood education and care. Felicity is currently Policy and Research Manager at Community Early Learning Australia, a peak body advocating for both education and care services and children. She is also the founder and director of eQIPd – a service which supports education and care services to use feedback from parents and staff to inform quality improvement in their settings. eQIPd clients are more likely to be rated as Exceeding the National Standards compared with other education and care services. Prior having children, Felicity worked in State Government, specialising in education regulatory policy. She has two adorable children, who, like Felicity and her husband thoroughly enjoyed the fun and friendships which have come from playgroup. Felicity is the Chair of the PA Transformation Committee and a member of the Finance and Audit Committee. |

Directors' Report

For the Year Ended 30 June 2022

Information on directors (continued)

| | |
|---------------------|--|
| Kate Sowerby | Director – Nominated Representative of ACT Playgroups |
| Qualifications | Graduate Dip. Social and Organisational Leadership; Advanced Dip. Early Childhood Education and Care; Certified Organisational Coach, IECL |
| Experience | <p>Kate has worked for over 15 years in Commonwealth Government roles specialising in governance and organisational transformation, with experience in advising policy makers and senior parliamentarians. She has led gender equality networks in a number of large government agencies. She has worked for the empowerment of women working in the public sector, with a focus on increasing support for mothers returning to the workforce and access to family-friendly work practices.</p> <p>Kate has held non-executive director roles with local community sector not-for-profit boards over the past 8 years and is particularly interested in perinatal mental health and suicide prevention. Kate is currently the Chair of ACT Playgroups. Kate is a member of PA's Governance Committee.</p> |
| Annick Beyderwellen | Director – Nominated Representative of Playgroup NT |
| Qualifications | Bachelor of Teaching. Bachelor of Education In service |
| Experience | <p>Annick is a qualified primary school teacher specialising in Early Childhood and English as an additional language or dialect (EALD). She is currently the Education Liaison Officer for the Defence Member and Family Support Branch, Department of Defence. Annick's professional career includes being on the NAPLAN writing moderation panel, teaching new adult Australians English, Coordinator of Music & Science programs. Managing the Defence School Mentor program & supporting ADF families in the Northern Territory. Annick is dedicated to supporting community organisations within the not-for-profit sector and has been on the Veteran's Children Education Board & Vice President ZONTA. Annick is currently on the Toy Library Committee & is Chair of Playgroup NT. Annick is a member the PA Governance Committee.</p> |
| Ben Ramsey | Director – Nominated Representative of Playgroup NSW |
| Qualifications | Fellow of Chartered Institute of Management Accounting (FCMA CGMA) |
| Experience | <p>Ben is a dad to three boys and became an active member of playgroups when taking parental leave with his second son in 2017. It was here that he formed strong social bonds with local families and experienced first-hand the benefits of structured play and the support that Playgroup brings. Ben is a Fellow of the Chartered Institute of Management Accountants and was on the CIMA Membership Assessor panel for over 10 years. He has more than 20 years' experience in corporate finance, strategic planning and governance which was gained through various finance leadership roles in the UK and Australia. During his time with PA Ben was the Chair of the Finance Risk and Audit Committee.</p> |

Playgroup Australia Limited

ABN: 31 142 795 695

Directors' Report For the Year Ended 30 June 2022

Meetings of directors

During the financial year, 19 meetings of directors (including the AGM but excluding committees of directors) were held. Attendances by each director during the year were as follows:

| | Total Meetings | | Regular Meetings - 9 | Out of Session Meetings - 8 | Planning Sessions - 2 |
|---------------------|---------------------------|-----------------|----------------------|-----------------------------|-----------------------|
| | Number eligible to attend | Number attended | Number attended | Number attended | Number attended |
| Patricia Strachan | 19 | 19 | 9 | 8 | 2 |
| Gloria Sherlock | 10 | 8 | 1 | 7 | - |
| Laura Jeffery | 10 | 10 | 2 | 8 | - |
| Jane Lemon | 10 | 10 | 2 | 8 | - |
| Annette Ruhotas | 14 | 14 | 6 | 8 | - |
| Kathryn Fordyce | 19 | 18 | 9 | 7 | 2 |
| Felicity Dunn | 9 | 8 | 7 | - | 1 |
| Kate Sowerby | 9 | 9 | 7 | - | 2 |
| Annick Beyderwellen | 9 | 6 | 4 | - | 2 |
| Ben Ramsey | 5 | 4 | 2 | - | 2 |

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2022 has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Director:



Director:

Dated 3 November 2022

4 November 2022

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Playgroup Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully,



Elizabeth Hovasapian CPA CA RCA
Audit Partner 318418

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25 Bligh St, Sydney NSW 2000



Playgroup Australia Limited

ABN: 31 142 795 695

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|--|------|------------------|------------------|
| Revenue | | | |
| Project grants and sponsorships | | 8,695,924 | 8,004,860 |
| Sales and affiliation fees | | 22,837 | 57,092 |
| Other income | | 2,281 | 189,211 |
| Interest income | | 915 | 7,091 |
| Total revenue | 4 | 8,721,957 | 8,258,254 |
| Expenses | | | |
| Accounting and audit fees | | 47,360 | 56,074 |
| Communication and marketing | | - | 2,718 |
| Computer maintenance and IT support | | 8,533 | 29,080 |
| Conference and meeting expenses | | 157,581 | 10,014 |
| Consultant and legal expenses | | 151,417 | 253,143 |
| Insurance | | 12,017 | 13,328 |
| Postage and printing | | 417 | 926 |
| Project grants expenditure | | 8,267,606 | 7,136,520 |
| Rent | | 28,938 | 40,928 |
| Sundry expenses | | 317 | 27,125 |
| Superannuation contributions | | 11,681 | 33,845 |
| Telephone | | 2,061 | 4,400 |
| Travel | | 10,455 | 17,657 |
| Wages and salaries | | 128,282 | 414,965 |
| Total expenses | | 8,826,665 | 8,040,723 |
| (Loss)/Profit before income tax | | (104,708) | 217,531 |
| Income tax expense | 2(b) | - | - |
| (Loss)/Profit for the year | | (104,708) | 217,531 |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | (104,708) | 217,531 |

The accompanying notes form part of these financial statements.

Playgroup Australia Limited

ABN: 31 142 795 695

Statement of Financial Position

As At 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|----------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 1,940,215 | 2,040,665 |
| Trade and other receivables | 6 | 12,082 | 97,771 |
| Other financial assets | 7 | 256,879 | 255,823 |
| Loans and advances | 8 | 5,000 | 5,000 |
| Other assets | 10 | 14,294 | 12,696 |
| TOTAL CURRENT ASSETS | | 2,228,470 | 2,411,955 |
| NON-CURRENT ASSETS | | | |
| Loans and advances | 8 | 15,000 | 25,000 |
| TOTAL NON-CURRENT ASSETS | | 15,000 | 25,000 |
| TOTAL ASSETS | | 2,243,470 | 2,436,955 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 31,534 | 52,302 |
| Employee benefits | 13 | - | 20,570 |
| Contract liability | 12 | 1,436,457 | 1,483,896 |
| TOTAL CURRENT LIABILITIES | | 1,467,991 | 1,556,768 |
| TOTAL LIABILITIES | | 1,467,991 | 1,556,768 |
| NET ASSETS | | 775,479 | 880,187 |
| EQUITY | | | |
| Retained earnings | | 775,479 | 880,187 |
| TOTAL EQUITY | | 775,479 | 880,187 |

The accompanying notes form part of these financial statements.

Playgroup Australia Limited

ABN: 31 142 795 695

Statement of Changes in Equity For the Year Ended 30 June 2022

2022

| | Retained Earnings | Total |
|-------------------------|----------------------|-----------|
| | \$ | \$ |
| Balance at 1 July 2021 | 880,187 | 880,187 |
| (Loss) for the year | (104,708) | (104,708) |
| Balance at 30 June 2022 | 775,479 | 775,479 |

2021

| | Retained Earnings | Total |
|-------------------------|----------------------|---------|
| | \$ | \$ |
| Balance at 1 July 2020 | 662,656 | 662,656 |
| Profit for the year | 217,531 | 217,531 |
| Balance at 30 June 2021 | 880,187 | 880,187 |

The accompanying notes form part of these financial statements.

Playgroup Australia Limited

ABN: 31 142 795 695

Statement of Cash Flows For the Year Ended 30 June 2022

| | 2022 | 2021 |
|--|--------------------|-------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | 123,319 | 275,892 |
| Payments to suppliers and employees | (9,737,503) | (9,069,263) |
| Receipt from grants | 9,513,397 | 9,077,828 |
| Interest received | 1,393 | 6,613 |
| Net cash provided by operating activities | (99,394) | 291,070 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from term deposit | (1,056) | (5,823) |
| Net cash (used in) investing activities | (1,056) | (5,823) |
| Net increase in cash and cash equivalents held | (100,450) | 285,247 |
| Cash and cash equivalents at beginning of year | 2,040,665 | 1,755,418 |
| Cash and cash equivalents at end of financial year | 1,940,215 | 2,040,665 |

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers Playgroup Australia Limited as an individual entity. Playgroup Australia Limited is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Playgroup Australia Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Operating Grants and Donations

When the entity receives operating grant revenue or donations, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Specific revenue streams (continued)

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Interest Income

Interest income is recognised using the effective interest method.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

All revenue is stated net of the amount of goods and services tax.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(d) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Plant and equipment is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

| Fixed asset class | Depreciation rate |
|--------------------------|--------------------------|
| Office Equipment | 20% - 33.33% |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income - Equity instruments

The Company has no investments in listed and unlisted entities.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

The Company holds no assets that fall into this category.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise of trade and other payables.

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(f) Impairment of non-financial assets (continued)

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Leases

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Critical Accounting Estimates and Judgments (continued)

Key judgments - lease classification

The Company is a party to a lease arrangements in relation to their Office premise. Review of the minimum lease payments, lease term, other terms and conditions in the lease have caused the lease to be classified as operating leases and therefore there are no entries on the statement of financial position in relation to these assets or lease liability. The minimum lease payments are \$ -.

Key judgments - COVID-19

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Company based on known information. The consideration extends to the nature of the products and services offered, customers, supply chain and staffing. Other than as addressed in specific notes, there does not currently appear to be either significant impact on the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

4 Revenue and Other Income

| | 2022 | 2021 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| Revenue from contracts with customers (AASB 15) | | |
| - Project grants and sponsorships | 8,695,924 | 8,004,860 |
| - Sales and affiliation fees | 22,837 | 57,092 |
| | <u>8,718,761</u> | <u>8,061,952</u> |
| Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058) | | |
| - Interest income | 915 | 7,091 |
| - Other income | 2,281 | 189,211 |
| | <u>3,196</u> | <u>196,302</u> |
| Total Revenue | <u>8,721,957</u> | <u>8,258,254</u> |

5 Cash and Cash Equivalents

| | 2022 | 2021 |
|---------------|------------------|------------------|
| Note | \$ | \$ |
| Cash on hand | 200 | 200 |
| Bank balances | 1,940,015 | 2,040,465 |
| 14 | <u>1,940,215</u> | <u>2,040,665</u> |

Notes to the Financial Statements

For the Year Ended 30 June 2022

6 Trade and other receivables

| | Note | 2022 \$ | 2021 \$ |
|--|------|---------------|---------------|
| CURRENT | | | |
| Trade receivables | | 9,624 | 54,124 |
| Provision for doubtful debt | | (4,624) | (4,883) |
| | 14 | 5,000 | 49,241 |
| GST receivable | | 7,082 | 48,530 |
| Total current trade and other receivables | | 12,082 | 97,771 |

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7 Other Financial Assets

| | Note | 2022 \$ | 2021 \$ |
|--------------|------|----------------|----------------|
| CURRENT | | | |
| Term deposit | 14 | 256,879 | 255,823 |
| Total | | 256,879 | 255,823 |

8 Loans and Advances

| | Note | 2022 \$ | 2021 \$ |
|----------------------------|------|------------|------------|
| CURRENT | | | |
| Loan to Playgroup Tasmania | 14 | 5,000 | 5,000 |
| | 14 | 5,000 | 5,000 |
| NON-CURRENT | | | |
| Loan to Playgroup Tasmania | 14 | 15,000 | 25,000 |
| | 14 | 15,000 | 25,000 |

Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Plant and equipment

| | 2022 | 2021 |
|---------------------------|------|----------|
| | \$ | \$ |
| Plant and equipment | | |
| At cost | - | 17,882 |
| Accumulated depreciation | - | (17,882) |
| Total plant and equipment | - | - |

10 Other Assets

| | 2022 | 2021 |
|----------------|---------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Prepayments | 14,294 | 12,218 |
| Accrued income | - | 478 |
| | <u>14,294</u> | <u>12,696</u> |

11 Trade and Other Payables

| | | 2022 | 2021 |
|-----------------|------|---------------|---------------|
| | Note | \$ | \$ |
| CURRENT | | | |
| Trade payables | 14 | 18,753 | 23,718 |
| Accrued expense | | 8,902 | 16,169 |
| Other payables | | 3,879 | 12,415 |
| | | <u>31,534</u> | <u>52,302</u> |

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 Contract liability

| | 2022 | 2021 |
|----------------------------|------------------|------------------|
| | \$ | \$ |
| CURRENT | | |
| Grants received in advance | 1,436,457 | 1,483,896 |
| Total | <u>1,436,457</u> | <u>1,483,896</u> |

Notes to the Financial Statements

For the Year Ended 30 June 2022

13 Employee Benefits

| | 2022 \$ | 2021 \$ |
|----------------------------|------------|---------------|
| CURRENT | | |
| Provision for annual leave | - | 20,570 |
| | <u>-</u> | <u>20,570</u> |

14 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments. The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables

Financial assets

Held at amortised cost

| | | | |
|-----------------------------|---|-----------|-----------|
| Cash and cash equivalents | 5 | 1,940,215 | 2,040,665 |
| Trade and other receivables | 6 | 5,000 | 49,241 |
| Term deposit | 7 | 256,879 | 255,823 |
| Loans and advances | 8 | 20,000 | 30,000 |

Total financial assets

| | |
|------------------|------------------|
| <u>2,222,094</u> | <u>2,375,729</u> |
|------------------|------------------|

Financial liabilities

Financial liabilities at fair value

| | | | |
|----------------|----|--------|--------|
| Trade payables | 11 | 18,753 | 23,718 |
|----------------|----|--------|--------|

Total financial liabilities

| | |
|---------------|---------------|
| <u>18,753</u> | <u>23,718</u> |
|---------------|---------------|

Notes to the Financial Statements

For the Year Ended 30 June 2022

14 Financial Risk Management (continued)

Objectives, policies and processes

Those charged with governance have overall responsibility for the establishment of Playgroup Australia Limited's financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Playgroup Australia Limited's activities.

The day-to-day risk management is carried out by Playgroup Australia Limited's finance function under policies and objectives which have been approved by those charged with governance. The Finance Manager has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate risk and assessment of market forecasts for interest rate.

Those charged with governance receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Financial guarantee liabilities are treated as payable on demand since Playgroup Australia Limited has no control over the timing of any potential settlement of the liabilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables

Notes to the Financial Statements

For the Year Ended 30 June 2022

14 Financial Risk Management (continued)

Credit risk (continued)

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company review includes external ratings, if they are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Those charged with governance receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Company's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

Other financial assets held at amortised cost

Other financial assets at amortised cost include [debenture assets, zero coupon bonds and listed corporate bonds, loans to related parties and key management personnel and other receivables].

The loss allowance provision for other financial assets at amortised cost as at 30 June 2022 reconciles to the opening loss account for that provision as follows:

All of these financial assets are considered to have low credit risk and therefore the impairment provision recognised during the period was limited to 12 months expected credit losses. Management consider 'low' credit risk for bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer is expected to meet their contractual cash flow obligations in the relevant term.

The Company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Notes to the Financial Statements

For the Year Ended 30 June 2022

14 Financial Risk Management (continued)

(i) Interest rate risk

The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Company is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

15 Members' Guarantee

The Company is registered with the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 50 each towards meeting any outstanding obligations of the Company. At 30 June 2022 the number of members was 6 (2021: 7).

16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Playgroup Australia Limited during the year are as follows:

| | 2022 | 2021 |
|------------------------------|----------------|-------------|
| | \$ | \$ |
| Short-term employee benefits | 123,456 | 194,513 |
| Post-employment benefits | 11,413 | 20,401 |
| | 134,869 | 214,914 |

17 Auditors' Remuneration

| | 2022 | 2021 |
|---|--------------|-------------|
| | \$ | \$ |
| Remuneration of the auditor Alpine Auditors, for: | | |
| - auditing or reviewing the financial statements | 4,800 | 4,800 |
| Total | 4,800 | 4,800 |

18 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

19 Related Parties

Key management personnel - refer to Note 16.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

There were no related party transactions during the year.

Notes to the Financial Statements

For the Year Ended 30 June 2022

20 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

| | 2022 | 2021 |
|--|------------------|-------------|
| | \$ | \$ |
| (Loss)/Profit for the year | (104,708) | 217,531 |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | 95,689 | (142,344) |
| - (increase)/decrease in other assets | 478 | (478) |
| - (increase)/decrease in prepayments | (2,076) | (7,614) |
| - increase/(decrease) in income in advance | (47,439) | 272,483 |
| - increase/(decrease) in trade and other payables | (20,768) | (33,799) |
| - increase/(decrease) in employee benefits | (20,570) | (14,709) |
| Cashflows from operations | (99,394) | 291,070 |

21 Events after the end of the Reporting Period

The Board has appointed Dr Amanda Walsh as the new Chief Executive of Playgroup Australia from 4 October 2022. Amanda is well regarded in the early childhood sector and brings a wealth of experience.

Amanda began her career in advocacy and public policy 25 years ago, as a diplomat in Poland and the Czech Republic. Back in Australia, she worked as a policy and media adviser in the federal Parliament, before joining the Department of the Prime Minister and Cabinet. Since 2013, she has worked in the education and early childhood sectors, including at Early Childhood Australia, the Early Learning and Care Council of Australia and Australian Catholic University. She served on the board of ACT Playgroup for three years before taking up the role of Chief Executive of the national body, Playgroup Australia.

Amanda has a PhD in Political Science and Political Economy and published her thesis as a book, Globalisation, the state and regional Australia (Sydney University Press) in 2018. She is a proud product of regional Australia, growing up on the land of the Yuin people.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

22 Statutory Information

The registered office and principal place of business of the company is:


Playgroup Australia Limited
490 Northbourne Avenue
Dickson ACT 2602

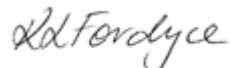
Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.


Responsible person


Responsible person

Dated 3 November 2022

4 November 2022

Independent Auditor's Report

To the members of the Playgroup Australia Limited

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of Playgroup Australia Limited, which comprises a Statement of Financial Position as at 30 June 2022, a Statement of Profit and Loss and other comprehensive income, Statement of Cash flow, Statement of change in Equity and Notes to the Financial Statements, Responsible person's Declaration.

The responsibility of the Directors for the financial report

The Directors are responsible for the preparation and fair presentation of the financial report. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian auditing standards. These auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 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 and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Directors' financial reporting responsibilities under the constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's opinion

In our opinion the financial report of the Playgroup Australia Limited, has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including

Canberra

Level 4, 59 Wentworth Ave,
Kingston ACT 2604
Phone: 02 61112222

Cooma

61 Bombala Street
Cooma, NSW, 2630
Phone: 02 64526000

Sydney

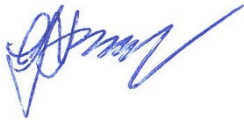
Suite 15.02, Level 15,
25 Bligh St, Sydney NSW 2000



- a) Giving a true and fair view of the registered entity's financial position as at 30 June 2022 and of its financial performance for the year 2022 then ended; and
- b) Complying with Australian Accounting Standards to the extent of Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Should you have any questions in relation to the above matters, please do not hesitate to contact me on telephone number 02 6111 2222.

Yours faithfully,



Elizabeth Hovasapian CPA CA RA
Audit Partner 318418

OUR MEMBERS

**ACT PLAYGROUPS
PLAYGROUP NORTHERN TERRITORY
PLAYGROUP SA
PLAYGROUP TASMANIA
PLAYGROUP VICTORIA**

OUR FUNDERS



Australian Government

Department of Social Services



**The Ian Potter
Foundation**