



Annual Report 2023

Where children come first.

C&K
Childcare &
Kindergarten
Early Learning since 1907



Acknowledgement of Country

C&K acknowledges and pays its respects to the Traditional Custodians of the lands on which we live and work and honour their continuing connection to land, sea, and community. C&K also pays respect to all Elders past, present and emerging.

C&K recognises that the footprints of our offices and centres are located across Queensland and our learning communities have been shaped, and will continue to be shaped, by the influences of Aboriginal and Torres Strait Islander cultures, wisdoms, and knowledge.

Honouring First Nations Peoples' histories, perspectives and continuing connections to land, sea and sky in all early childhood programs deepens everyone's learning; to learn from, and with, the longest living culture in the world, and to walk together for a better future for all.

C&K's early childhood centres recognise that an innovative early childhood curriculum is richest when it connects past, present, and future. The C&K Curriculum Approach, *Listening and Learning Together*, draws on our 116-year history of commitment to early childhood education, reflects current research and policy, and enables scope for embracing the future.

C&K - Where every child flourishes

At C&K, the core purpose of our work is to create learning environments that allow children to flourish. As a not-for-profit organisation, we reinvest profits across our portfolio so we can support thousands of Queensland families.

At the heart of C&K is our dedicated workforce, who create quality education programs and experiences that respond to today's children and empower them for the world of tomorrow.

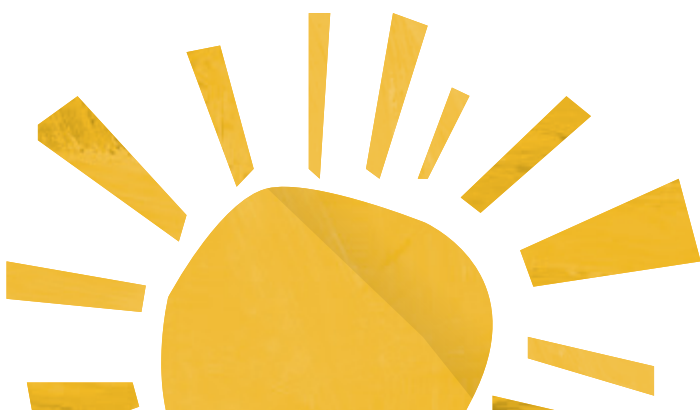
Across our network of 329 centres, we focus on quality and recognise that improvement is an ongoing, reflective and essential process. We are proud to be an inclusive organisation, where religion, culture and abilities are not barriers to participation.

We grow our reputation as thought leaders, by actively engaging in consultation and advocacy and curating professional learning opportunities to strengthen and shape the future direction of early childhood education and care.

At C&K, we are proud of our long history of nurturing generations of lifelong learners. The secret to our longevity is simple - we keep children at the centre of everything we do, we adapt to changing environments and we innovate to remain leaders in providing high-quality early childhood education and care.

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A message from our Chair

On behalf of the Board of Directors, I am pleased to present C&K's 2023 Annual Report.

As we commenced 2023, the second year of C&K's current 5 year Strategic Plan, our focus was clear:

- continue to enhance the quality of services
- deepen our positive impact on children, families, and communities
- cultivate an exceptional workforce
- strive for highly efficient and effective operations and
- strengthen our position as a trusted leader in early childhood education and care.

I am pleased to report that by the end of 2023, we had made significant progress in each of these areas.

A significant highlight of this year was Reconciliation Australia's endorsement of our second Innovate Reconciliation Action Plan (RAP) – Innovate Reconciliation Action Plan December 2023 - December 2025. This Innovate RAP is a roadmap that reflects C&K's core values, guides our ongoing commitment to reconciliation and fosters an inclusive, respectful, and culturally sensitive environment for all C&K children, families, communities and our exceptional workforce.

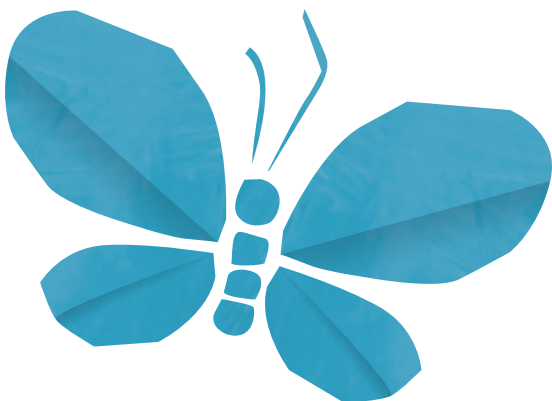
In 2023, we demonstrated our commitment to meeting the evolving needs of children and families and providing Queensland communities with access to quality early childhood education and care services in the following ways:

- supporting the request of the Monto Community Kindergarten Management Committee to transition their kindergarten to C&K operational management
- opened two new purpose-built, state-of-the-art centres at Oxley (C&K Yuingi Community Childcare) and Carseldine (C&K Carseldine Community Childcare)
- opened the Dixon Street Early Years Centre at Strathpine, and
- completed a significant refurbishment of the C&K Caloundra Community Childcare Centre.

This added 136 additional places for children to experience C&K's high-quality early childhood education and care.

One example of our commitment to innovation was demonstrated by an Intergenerational Pilot Program involving the kindergarten children at the Carseldine Community Childcare Centre and the residents of the adjacent Rockpool Residential Aged Care facility. The program not only allowed the children and residents to share the joy of learning, but enriched their lives through education, relationships, and social connection.

I was lucky enough to see these positive impacts in the early childhood centres and community kindergartens I visited this year. Each visit was a unique opportunity to connect with our children, families and educators and see the valuable role our centres play within diverse communities across Queensland. These experiences have reinforced to me the importance of our work and the direct impact C&K has on shaping the futures of the youngest members of our society.



The 2023 year also marked a personal milestone for me as I celebrated 10 years of service on the C&K Board. The evolution I've witnessed over that time is a testament to our collective commitment, resilience and passion for nurturing the potential in every child. From our pedagogy practices to our operational frameworks, every aspect of our organisation has grown and adapted to meet the changing needs of children, families, communities, staff and governments. Yet, despite these significant changes, our core vision remains the same: to be a place where every child flourishes.

We expect to see even more Queensland families accessing early childhood programs with the Queensland Government announcing the introduction of Free Kindy from 2024. This transformative initiative will make early learning accessible to more families than ever before, breaking down barriers and providing a strong foundation for children's learning.

I extend my heartfelt thanks to all C&K children, families, communities, affiliated centres, parent committees, our exceptional workforce, management team and CEO and my fellow C&K Board Directors. Your unwavering support, feedback and dedication have been the driving force behind our achievements.

As we look to the future, it is inevitable that our sector will continue to change and evolve. I am filled with optimism for what lies ahead and confident that together, we have the ability and commitment to continue to pave the way for a bright future for all Queensland children.

Therese Mulherin

Therese Mulherin
Chair



Meeting the wonderful education team and children of C&K Balaclava Community Kindergarten



A message from our CEO

As I reflect on 2023, I am filled with immense pride and gratitude for the significant contributions, strategic partnerships and impactful initiatives that have shaped an exceptional year. C&K's unwavering commitment to early childhood education and care has propelled us to the forefront of innovation, advocacy, contributions and impactful initiatives that reinforce our position as sector leaders.

A cornerstone of our achievements has been our ongoing partnership with the Queensland Government to implement pioneering kindergarten reforms. We welcomed the government's announcement of Free Kindy for 2024, recognising it as a significant step towards making early childhood education accessible to all Queensland families. This initiative demonstrates the value of early learning and need to ensure all Queensland children have access to affordable and high-quality early childhood education and care programs.

Across 2023 we also engaged in the Kindy Uplift program providing support to 239 of our branch and affiliated kindergarten programs to build capability and provide targeted professional learning. We were thrilled to once again secure the tender in partnership with Lady Gowrie Queensland, to extend this support to 202 non-aligned centres. The Queensland Government's decision to increase funding enables us to support more centres with tailored learning experiences that meet the diverse needs of children, drawing on the data from the Australian Early Development Census (AEDC).

This was a year of very active involvement in no less than nine public inquiries. Our contributions to the Australian Competition and Consumer Commission (ACCC) and Productivity Commission (PC) inquiries, alongside our involvement in the Queensland Government's Workforce Strategy, highlight our commitment to shaping the future of early childhood education at state and national levels. This work was a significant undertaking by our staff and reflects our ongoing advocacy for policies that benefit children, families, and educators and contribute to shaping a refreshed and reformed early childhood system. I was pleased to accept a number of invitations to meet with Ministers and senior officials of Government to share the expertise and experience that C&K brings to these discussions.

C&K has been on the forefront of adapting to sector changes for 116 years and we continued this tradition in 2023 with the opening of C&K Dixon Street Early Years Centre; the first of its kind in Queensland. Delivered in partnership with the Parkville Institute, the centre sets a new benchmark for early years education, catering for the specific needs of children living with high levels of stress and social vulnerability. We are proud to be part of this innovative approach to improve the life trajectories of children who face multiple risk factors in their early years.

We continued to build our position as a leader in the sector by delivering the C&K Conference to more than 550 attendees within the early childhood sector. It was clear that the event facilitated a platform to share knowledge, inspire innovation and foster connections among professionals. Our Awards night was once again an evening of shared celebrations of the outstanding work taking place across C&K. Congratulations to C&K Balaclava for winning the highest of awards, The Mary Mahoney Award for Excellence.



Celebrating Wandarrah Preschool and Kindergarten's 50th Anniversary with Aunty Christine Barney and Aunty Kerry Charlton

C&K's proud history and partnership with our affiliated centres continued this year, with many celebrating significant milestones. It was an honour to be invited to many of these events and see first-hand the meaningful and long-standing impact these centres have had on their communities.

I was particularly honoured to celebrate and acknowledge C&K Bribie Island Community Kindergarten's outstanding achievement of being awarded the Exceeding quality rating for the fourth consecutive time. They are the first early childhood centre in the country to achieve this milestone, which reflects their ongoing commitment to providing outstanding education and care and setting a standard for excellence across the sector.

As we prepare for 2024, our focus remains on building upon this strong foundation. We remain committed to strengthening our partnerships, responding to community needs and continuing our advocacy for high-quality, universal early childhood education and care programs, and professional recognition of the early childhood workforce.

Across this year of considerable change and innovation, I would like to acknowledge the support of our Executive and their teams. Our senior leaders have been outstanding in providing advice and support to navigate the opportunities and challenges of change. I would like to thank all of our exceptional C&K people, our partners and all those who have supported our vision and contributed to our achievements. Together, we are making a profound difference in the lives of children, families, and communities across Queensland.

Dr Sandra Cheeseman
CEO



Achievements we're proud of in 2023

Delivered our second Innovate Reconciliation Action Plan December 2023-December 2025, endorsed by Reconciliation Australia.

Opened C&K Dixon Street Early Years Centre, one of four research sites in Australia, led by the Parkville Institute, that supports children and families facing significant adversity by providing a safe, inclusive, and responsive learning environment.

Shared our evidence and insights to a range of national inquiries, including the Productivity Commission Inquiry into Universal ECEC, Australian Consumer and Competition Commission Inquiry into Childcare, National Early Years Strategy and Vision, Cheaper Childcare Bill and the Inclusion Support Program.

Completed an Intergenerational Program Pilot between C&K Carseldine Community Childcare Centre and residents of the Rockpool Residential Aged Care residence, providing opportunities for the children and residents to interact and create meaningful social connections.

Opened the newly constructed and relocated C&K Carseldine and Yuingi Community Childcare Centres, providing a combined 59 additional spaces.

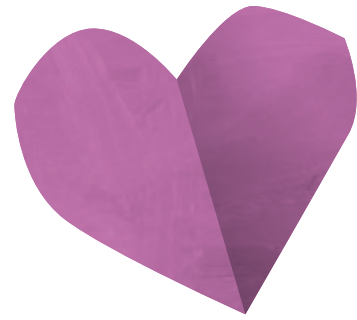
Celebrated C&K Bribe Island Community Kindergarten becoming the first early childhood education and care centre in Australia to be awarded the Excellent rating for the fourth consecutive time.

Delivered Kindy Uplift professional learning and support to a record number of centres – 239 C&K centres and 202 non-aligned centres.

Enhanced our internal communication channels launching two newsletters – Flourish, and Directors Digest, which target the information needs of all staff and Directors.

Achieved a positive shift in workforce wellbeing, reflecting highly engaged employees who share our values and passion.

Delivered a record facilities investment to create high-quality early childhood environments.



Our vision: Where every child flourishes

C&K strives to provide nurturing and inclusive educational environments that allow every child to flourish. We understand that achieving this requires the people involved in children's lives to also flourish. Our Strategic Plan 2022-2026 aligns with this vision, acting as the foundation to build environments that foster growth, opportunity, and innovation - not just for children, but their families, communities, our dedicated workforce, and the organisation as a whole.



Our children, families and communities

C&K has been committed and responsive to the needs of Queensland's children, families, and communities for 116 years. We prioritise creating high-quality educational environments, developing targeted programs and models and fostering relationships in the communities we live and work in. Our dedication to progressing reconciliation is woven into our curriculum, policies and operations, reflecting our respect for and recognition of the Traditional Custodians of the many lands we work and play on.

We actively seek to understand and meet the diverse needs of the families and communities we serve, and act as educational partners, to provide informed, inclusive, equitable and high-quality early childhood educational experiences.



Our people

C&K recognises the importance of our workforce and is committed to attracting, developing, supporting and retaining passionate professionals who share our vision. We provide comprehensive professional learning programs, designed to empower teachers and educators with the skills, knowledge and resources they need to support each child's unique journey.

The wellbeing of our workforce is fundamental to achieving our vision, as it directly influences job satisfaction, productivity and service delivery. We have many roles, work practices and initiatives to support the wellbeing of our people in their professional and personal lives. These are aimed at creating a supportive and resilient environment where individuals feel valued and motivated to contribute their best.



Our organisation

C&K seeks to leverage technology and innovation to enhance learning and deliver organisational efficiencies whilst enabling our workforce and delivering a great family experience. We integrate educational technologies and methodologies that complement our pedagogical approach through interactive learning tools, digital resources and engagement platforms. Embracing innovation allows us to make learning more accessible, engaging, and effective, and prepares children for a digital future.

We extend this investment to deliver organisational efficiencies and enhanced employee experience, including streamlined administrative processes and targeted communication channels. This approach supports us to optimally allocate resources, and reduce administrative burden, allowing our workforce to nurture each child's potential. While we are making significant progress, we continually work to improve our processes and systems to achieve greater efficiencies.



Our influence

In this pivotal time for early childhood education, C&K's role as an advocate, partner and research collaborator is more crucial than ever. We actively engage with governments, policymakers, academic institutions and the sector in innovative research, public inquiries and program delivery to drive positive change at local and national levels.

We use our expertise to influence future policy, and advocate for the needs of children, families and our workforce, through evidence-based practices and real-world experiences. We are proud to help shape a future where every child has access to equitable, inclusive and quality early childhood education and it is recognised and valued for its foundational role in lifelong learning and wellbeing. Our commitment to our people is unwavering – as we strive to provide great places to work and learn.



About C&K

C&K has proudly nurtured Queensland children for 116 years. As a not-for-profit organisation, we always put children at the centre of everything we do, and deliver innovative early learning programs that honour every child's curiosity, individuality and potential.

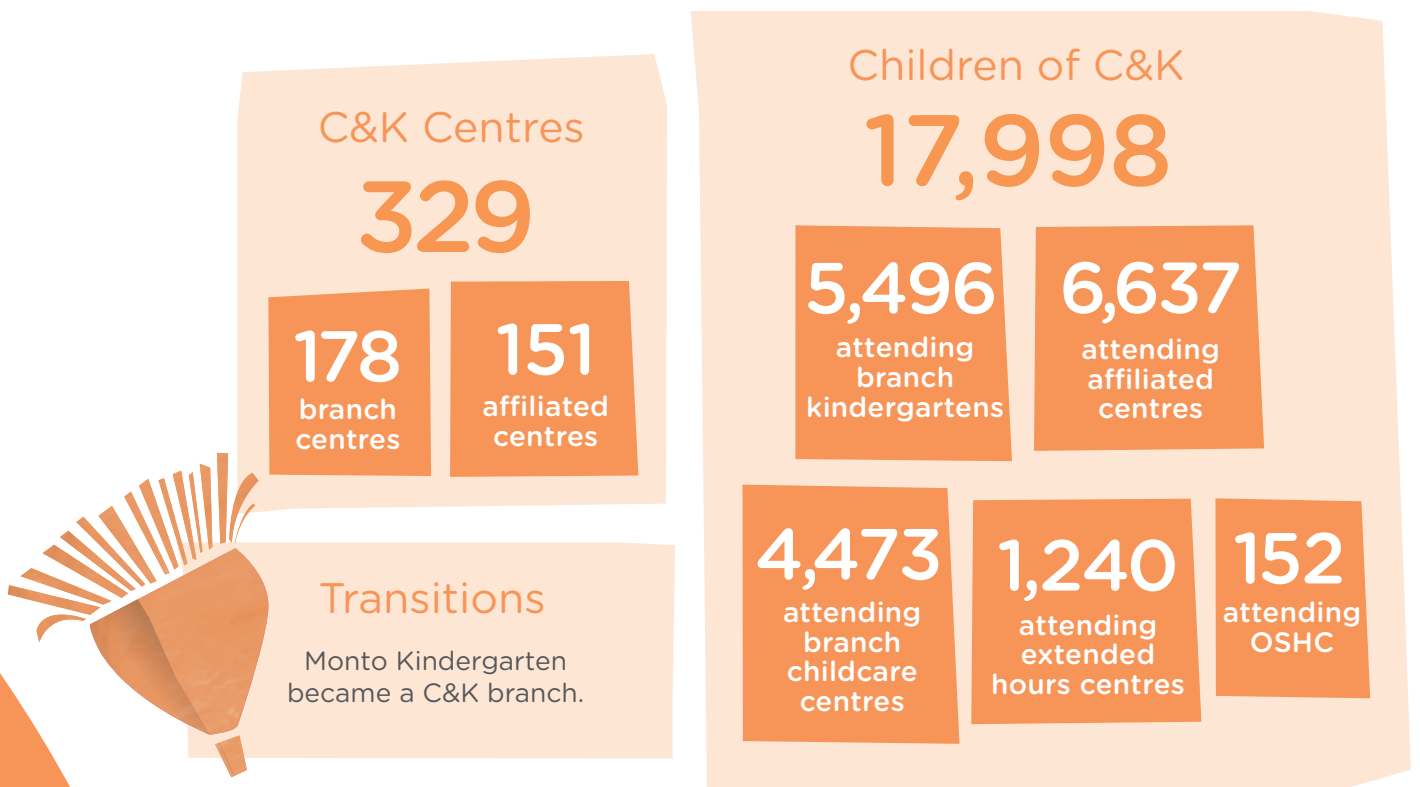
Our steadfast commitment to providing high-quality and inclusive education programs is grounded in our recognition of how important the early years are for laying the foundation of lifelong learning and wellbeing. C&K remains a trusted brand by families and communities to offer an engaging and enriching educational environment for tomorrow's leaders.

In 2023, C&K continued to expand its reach and support more families by creating an additional 118 places. Our teachers and educators remain the heart of our success, using their passion, expertise, and dedication to create vibrant learning spaces where children feel valued, understood, and empowered to explore their world with confidence. We deliver carefully designed play-based educational programs to create environments where every child can flourish and embark on their learning journey with a sense of wonder and enthusiasm.

Our innovative approach to early childhood education is evident in the measurable outcomes that underscore our commitment to the overall development and wellbeing of children. This year, C&K proudly introduced a range of new, evidence-based initiatives aimed at enhancing children’s language development, STEM education, and emotional resilience, demonstrating our curriculum is at the forefront of educational best practices. These initiatives also reflect our ongoing investment in the professional growth of our workforce, equipping them with tools and knowledge to inspire, challenge and support our young learners and grow their own career pathways.

C&K’s ongoing partnership with our 151 affiliated centres is foundational to providing more than 6,600 children with early childhood education and care across Queensland. Our partnership is built on a shared commitment to deliver the high-quality programs, relationships and inclusion all children deserve.

Our collaborative approach provides each affiliated centre with a strong support network that includes professional learning, operational support, and access to evidence-based research and resources. The ongoing strength of this relationship not only elevates the quality of education and care we provide but also supports C&K’s role as a leader in setting benchmarks for early learning outcomes in Queensland.



INVESTING IN CHILDREN,
FAMILIES AND COMMUNITIES

Investing in children, families and communities

C&K delivers a range of approaches and initiatives to support the holistic development, wellbeing and growth of children, families and communities. These include providing high-quality early childhood education programs and professional development for our workforce, engaging families and communities as education partners and creating culturally safe environments.

We develop strong relationships with families to understand and support their child's individual learning and wellbeing and address any barriers to participation.

Making a difference to the everyday lives of children

C&K is committed to identifying ways we can make a difference in children's lives that positively impact their cognitive, social, emotional and physical development. Our Wellbeing and Inclusion team help to identify and respond to children's diverse skills and abilities, provide engaging resources and learning environments, and enhance cultural confidence and support for our workforce to promote cultural safety.

We continue to deliver the Queensland Government's Kindergarten Inclusion Support Scheme (KISS), which supports centres to provide inclusive educational support for children with diverse needs.

In 2023, C&K supported 1,006 approved applications across branch and affiliated centres, to provide inclusive adjustments to support children in the educational environment. Teachers and educators were supported with professional learning, and additional educators were engaged to provide inclusion support within the program.

The Queensland Government's Kindy Uplift Program, introduced in 2022, also allows us to strengthen children's access to, and meaningful participation in, the diverse range of kindergarten experiences.



Child participating in inclusion activities.

Kindergartens focus on five priority areas to build workforce capability, foster high-quality and inclusive pedagogy and enhance outcomes for children:

1. Social and emotional capability
2. Physicality
3. Thinking and responding
4. Oral language and communication
5. Access and inclusion.

In 2023, C&K supported 240 branch and affiliated kindergarten centres to participate in the program. This funding delivered a range of support including professional development, allied health support, cultural capability and trauma-informed practice professional learning, social-emotional regulation programs and resources to enhance children's educational environments. An important component of Kindy Uplift is the provision of advisory support funding which supports our teachers and educators to fully engage in the program.

C&K again partnered with Lady Gowrie Queensland to deliver the second year of the Kindy Uplift and Advisory Support to 470 non-aligned kindergartens.

Children's physical environments play a crucial role in shaping play, learning and developmental outcomes. We pride ourselves on creating stimulating, inclusive and secure environments that cater to the diverse needs of all children. Our property upgrade program refreshes and revitalises physical spaces to meet evolving standards, incorporate latest design requirements and provide equitable access.

In 2023, our property upgrades included revamping playgrounds, maintaining shade structures and fencing, updating kitchens and bathrooms, and installing solar power systems. These upgrades ensure our centres remain modern, inviting and respond to local community needs.

Strengthening families

As one of Queensland's oldest early childhood education and care providers, C&K has formed strong relationships with generations of families. While we have seen the traditional definition of a family undergo many changes, we have never wavered from our commitment to support all families. We are driven by the need to reduce barriers so Queensland families can access and participate in high-quality early childhood education and care programs in inclusive environments that make them feel represented, valued, heard and respected.

We supported families by implementing the state government's Queensland Kindergarten Funding Program, and the Australian Government's changes to the Child Care Subsidy, which remove the financial barriers that prevent some families from participating in early childhood education and care programs. We also welcomed the state government's announcement to provide 15 hours of free kindergarten for all Queensland children from 1 January 2024, and worked with our network of centres to prepare for its introduction.



This year, we also opened the C&K Dixon Street Early Years Centre, which is one of four research sites in Australia, led by Parkville Institute. The innovative program provides a safe, inclusive, and supportive learning environment for children and families facing significant adversity. Children benefit from smaller teacher-to-child ratios, and a team of pedagogy specialists and infant mental health consultants, who work collaboratively to provide the best possible care and education to change their life trajectories.

Since my children have attended C&K Dixon Street, their social, physical, educational, and emotional regulation has improved dramatically. Each week is a new milestone. My children absolutely love coming to C&K, they care so much for their peers and educators. We love learning something new every day.

Family member,
C&K Dixon Street Early Years Centre

Helping communities thrive

C&K has always recognised the importance of fostering the communities we live and work in. With a network of 329 centres across the state, we are a proud member of numerous diverse and unique communities which we contribute to by providing access to high-quality early education and care programs.

We were also successful in securing the tender to continue operating the three Queensland University of Technology (QUT) childcare sites at Gardens Point, Kelvin Grove and Herston Road campuses for a further five years. This outcome provides ongoing security for families and allows us to continue building our partnership with QUT.

EYEP was initiated by Kids First, previously the Children's Protection Society (CPS), an independent not-for-profit child and family services organisation based in the north-east of Melbourne which was founded in 1896. The program was designed and implemented by CPS in collaboration with Associate Professor Brigid Jordan and Dr Anne Kennedy.



A Grandfather from C&K Cooloom Childcare Centre sharing First Nations' traditions

C&K took an innovative approach to community building by running an Intergenerational Program Pilot between C&K Carseldine Community Childcare Centre and 8 residents of the Carseldine Rockpool Residential Aged Care residence. Five sessions were held, providing opportunities for the children and residents to interact and create meaningful social connections. Their first meeting involved the children baking brownies and holding a lemonade stand at the Rockpool café for residents. The children then decided to refer to their new friends as “Grandfriends.”

Our centres embraced, recognised and celebrated the diversity of their local communities by participating in a range of national and culturally-significant weeks and celebrations. From Ramadan, Harmony Week and National Reconciliation Week to Clean Up Australia Day, ANZAC Day, and Grandparents' Day, acknowledging different cultures provides children with the opportunity to learn about, respect and appreciate their diversity, histories, sustainability, and relationships.

By helping children understand the diversity of their communities, we promote empathy, understanding and appreciation of their role as global citizens. This year, C&K Kingston Community Kindergarten held their first Community Fair, bringing community services together to chat, connect, and support local families. The fair included play and creative areas for the children and presentations about the importance of reading, healthy lunchboxes, play-based learning and the transition from kindergarten to Prep.



Activities in the Intergenerational Program Pilot

C&K Walkervale Community Kindergarten thanked their local firefighters for their hard work by baking and decorating cookies for them, along with creating thank you cards, while the children at C&K Moorooka Community Kindergarten decided to support people without food by donating food to OzHarvest.

In December 2023, C&K Holloways Beach Community Kindergarten was devastated by a deluge of rain associated with Tropical Cyclone Jasper. The centre's staff worked tirelessly with our Central Northern Queensland regional team, Facilities Manager and local tradespeople to clean up, order new resources and set up to open in the first week of Term 1.

Celebrating our affiliated centres

C&K's 151 affiliated centres play a vital role in delivering high-quality early childhood programs to Queensland's communities. Our shared commitment to creating generations of lifelong learners has been an essential part of the partnership we've shared for over 110 years.

Affiliated centres form part of their community's fabric as they are run by a team of dedicated and passionate volunteers and employees. Many have created longstanding legacies by providing local families with a stable and nurturing environment for decades. Their ongoing presence enhances social cohesion, promotes inclusivity and contributes to stronger, more resilient communities. Many of our affiliated centres have had generations of the same family walk through the doors, demonstrating the profound and long-lasting impact they can have.

This year, some of our affiliated centres celebrated significant milestones, with Lowood & District and Kent Street Community Kindergartens both celebrating 60 years and Wandarrah Preschool and Kindergarten marking 50 years of providing community kindergarten.



Lowood and District Community Kindergarten celebrating their 60th anniversary.

C&K's affiliated centres demonstrate their deep community connections by running a range of community-focused events to support local needs. C&K Bribie Island Community Kindergarten holds an annual 'Changing the Narrative' event on 26 January, in partnership with Pumicestone Indigenous Education and Employment Council and the Bribie Island Environmental Protection Association. The community is invited to connect and share in acknowledging the Country, celebrate the Traditional Owners, the Joondoburri People, and honour all Aboriginal and Torres Strait Islander People.

C&K Koobara Aboriginal and Torres Strait Islander Kindergarten runs a range of community programs and events to support Jarjums and families. These events include a weekly community program that provides a playgroup and dinner for families, Murri Tukka for Jarjums to learn about traditional plant-based foods and NAIDOC Week events.

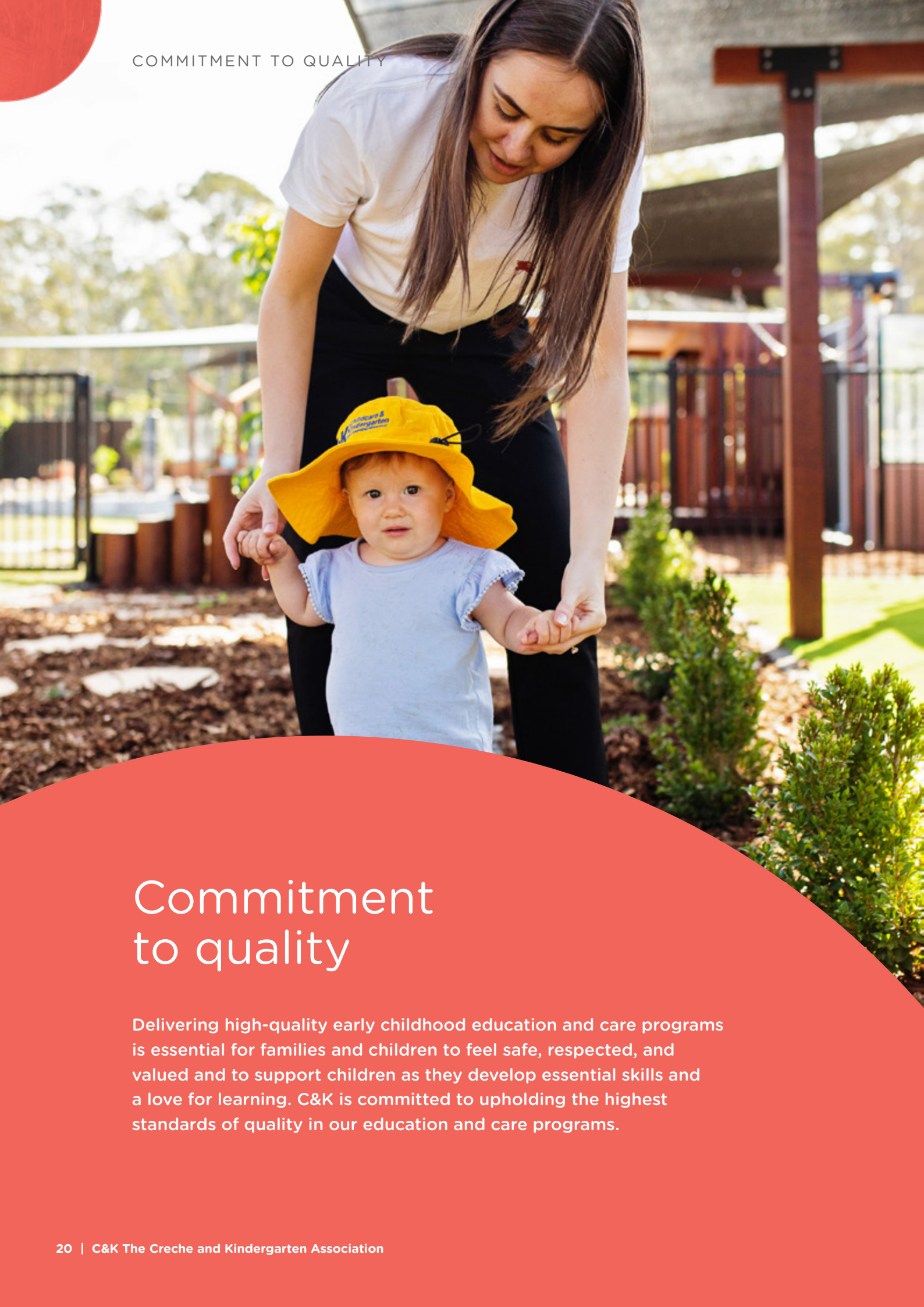


C&K Koobara Aboriginal and Torres Strait Islander Kindergarten learning about Murri Tukka.

C&K Texas and District Kindergarten holds an annual charity ball to bring the remote community together and raise money for their education program.

Celebrating the achievements and anniversaries of our affiliated centres is central to nurturing a culture of recognition and appreciation within the community. These celebrations foster a sense of community pride, achievement, and the ongoing legacy of the vital role affiliated centres play.





Commitment to quality

Delivering high-quality early childhood education and care programs is essential for families and children to feel safe, respected, and valued and to support children as they develop essential skills and a love for learning. C&K is committed to upholding the highest standards of quality in our education and care programs.

C&K invests in comprehensive professional learning to support our teachers and educators to engage in regular critical reflection to inform decisions, implement regulatory changes, and improve outcomes for children, families, and communities. This was particularly important in 2023 as we had to respond to a range of significant regulatory changes. This included reducing the Assessment and Rating notification period from six weeks to five days, implementing 28 new or updated policies and reviewing and implementing C&K procedures and forms across our 329 centres.

Regulatory changes often reflect evolving understanding of best practice in child development and education and aim to raise the standards of learning and care environments. We proactively work on enhancing our capabilities to align with regulatory standards and demonstrate our commitment to providing exceptional educational and care experiences. Our Quality Improvement Plans document practice strengths, achievements, and improvement goals and focus on continuous improvement and bettering outcomes for children and our workforce.

Our teachers and educators understand that building relationships with children, families and communities is fundamental to achieving quality educational outcomes. This was demonstrated with our strongest quality areas being Collaborative Partnerships with Families and Communities and Relationships with Children.

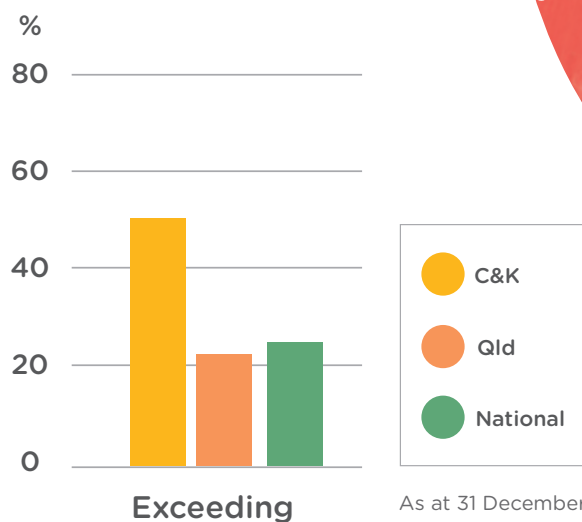
In 2023, 52 C&K centres (28 branch and 24 affiliated centres) were assessed, with seven centres achieving an Exceeding rating across all standards and quality areas.

We congratulate C&K Yandina Community Kindergarten, C&K Whiterock Community Kindergarten, C&K Flagstone Community Kindergarten (branch centres), Banyo Kindergarten, Whitfield Community Kindergarten, Lutwyche-Windsor Kindergarten and Preschool and Bribie Island Community Kindergarten (affiliated centres) for achieving these outstanding results.

Congratulations to C&K Bribie Island Community Kindergarten for being the first early childhood education and care centre in Australia to be awarded the Excellent rating for the fourth consecutive time.



Total number of C&K centres Exceeding quality rating compared to Queensland and national averages



Commitment to Reconciliation

After more than a year of collaboration, learning, deep listening and reflecting, we finalised our Innovate Reconciliation Action Plan December 2023-December 2025. This is a milestone document that marks a significant step forward in our reconciliation journey and reflects our dedication to understanding, respecting, celebrating and sharing the cultures, histories, stories and achievements of Aboriginal and Torres Strait Islander Peoples.



The development of our second Innovate Reconciliation Action Plan (RAP) December 2023-December 2025 reflects C&K’s understanding of the importance of acknowledging the past to shape a future of meaningful partnership with Aboriginal and Torres Strait Islander Peoples. An important part of delivering this Innovate RAP is our relationship with Reconciliation Australia and we acknowledge their support and endorsement.

Working in partnership was central to developing our Innovate RAP and ensuring it represented the voices and aspirations of our workforce, represented by our RAP Working Group and external Aboriginal and Torres Strait Islander consultation group. Open and honest conversations created a rich tapestry of perspectives that are embedded into the very fabric of our Innovate RAP.

Jineecka Don, C&K teacher, artist, and descendent of the Djabugay and Kuku Yalanji tribes, brought this tapestry to life with the Innovate RAP artwork she created. Jineecka’s painting Djama, Bama: “Bringing up the next generation,” represents educators guiding the next generation, teamwork, children, happiness and our collective connection to Aboriginal land.

These elements are reflected in 18 targeted actions that focus on enhancing cultural competence across our organisation, supporting Aboriginal and Torres Strait Islander employment and education initiatives and celebrating the rich cultural heritage and invaluable contributions Aboriginal and Torres Strait Islander People make to the communities we work and live in.

It is important to recognise that our organisational Innovate RAP does not replace the importance of individual centre’s RAPs, created through Narragunnawali. These RAPs are crucial for addressing and implementing reconciliation initiatives that respond to local communities, cultures, and contexts.



Artist Jineecka Don sharing her painting Djama, Bama: “Bringing up the next generation.”



Reconciliation in action

C&K's kindergartens and childcare centres have continued their outstanding and award-winning reconciliation initiatives.

2023 C&K Award for Reconciliation In Action and Emeritus Professor Mary Mahoney AO Award for Excellence in Early Childhood Education and Care Award - C&K Balaclava Community Kindergarten

C&K Balaclava Community Kindergarten experienced low enrolments, with Australian Early Development Census Data indicating many local children were not attending kindergarten. With 12% of local families identifying as Aboriginal, Torres Strait Islander or South Sea Islander, the education team committed to deepening their knowledge of First Nations histories and cultures, using truth-telling to strengthen relationships, providing opportunities for culturally safe community engagement and intentionally removing access barriers.

The teachers and educators at C&K Balaclava implemented a range of initiatives including supporting families through the enrolment process, running a free "tuck shop" program to alleviate food cost barriers, and creating visible representations of children's learning for parents.

As a result, C&K Balaclava has become a safe and secure space where children's cultural voices, connections and identities are valued, respected and embedded every single day. The centre now boasts full enrolments, with 90% identifying as Aboriginal, Torres Strait Islander, Cook Islander, or other diverse cultural backgrounds.



C&K Balaclava Director Ishbel Macconnachie collecting an award on behalf of the C&K Balaclava education team.



Children at C&K Boopa Werem reading First Nations stories written by First Nations authors.

Parents and Literacy Program – C&K Boopa Werem Kindergarten and Preschool

C&K Boopa Werem Kindergarten and Preschool runs a Parents and Literacy (PaL) program to support kindergarten families to participate in their child’s early literacy learning. First developed in 2001, the 22-week program provides children with a PaL resource kit to take home each week that includes books, activity packs and a clearly defined and articulated learning objective.

PaL tutors support parents to engage in the process through morning tea events which allow them to discuss the activities, ideas, challenges and progress. Participants are encouraged to read the books as many times as they like, with families often reading the books over 100 times during the program. This helps children to become more confident in their reading, take pride in their PaL ‘homework’ and improve their vocabulary and attitude towards learning.

Changing the Narrative event – C&K Bribie Island Community Kindergarten

C&K Bribie Island Community Kindergarten chooses to stand in solidarity with Aboriginal and Torres Strait Islander Peoples and communities, holding an annual “Changing the Narrative event” on 26 January, instead of Australia Day.

The event is jointly run with the Pumicestone Indigenous Education and Employment Council and Bribie Island Environmental Protection Association. It brings the local community together to connect, celebrate and acknowledge the land’s earliest inhabitants, the Joondoburri People, and honour all Aboriginal and Torres Strait Island Peoples.

The event takes place on the Joondoburri Walk, a small reserve behind the kindergarten that educates visitors about the traditional ways of the Joondoburri People and how much can be learned from the natural environment.



The local community supporting C&K Bribie Island’s “Changing the Narrative” event.

Regina Sharma,
Director, C&K Kedron
Childcare Centre.

Exceptional workforce

As an established and high-quality provider of early childhood education and care, C&K prides itself on being an employer of choice. Our diverse, passionate, and committed workforce all contribute to creating enriching, supportive and inclusive learning environments that lay the foundation for children to become lifelong learners.

In 2023, the C&K Board endorsed our Workforce Strategy 2023- 2026, which provides a high-level framework to deliver initiatives and activities that align with C&K's vision and support our people to be exceptional.

One of the first deliverables was the implementation of our Employee Wellbeing Framework which incorporates principles of equity, dignity, diversity, and interconnectedness to support the workforce with initiatives that promote mental health and individual wellbeing.

The first initiative was introducing Employee Acknowledgement Cards which allow for timely feedback directly to employees to acknowledge and thank each other and celebrate contributions as peers.

We also introduced a new Employee Referral Program to reward employees who help attract new workforce to C&K. Existing employees receive a bonus if they refer a successful candidate to a permanent or fixed-term C&K vacancy.

Our ongoing commitment to partnering with organisations that align with C&K's values, and celebrate our workforce, has been a strong part of shaping our employee experience. We have chosen organisations that drive inclusion, diversity and a strong sense of social purpose to add value to our employee services and offerings.

Ongoing workforce challenges required us to take a broad approach to position C&K as a great place to work to attract and retain highly qualified and passionate employees. Growing our regional workforce continued to be a focus as we participated in the Childcare Leadership Alliance - an initiative of BHP and the Isacc Regional Council, delivered by Astute Early Years Specialists. The alliance supports the early childhood sector through recruitment and solutions to retain employees in the region.

Our Talent and Marketing teams collaborated with Employer Branding Australia to design a new employee value proposition (EVP) which captures the stories and ongoing experience of our workforce. After extensive consultation across our workforce, we launched 'A Better Way, with C&K - For Children, For You, For Always'.

Our EVP articulates the unique benefits and opportunities C&K provides and allows us to stand out in a competitive employment market. Introduced into the market in December, our EVP includes a range of marketing content that features branding to reflect C&K's commitment to our vision, people, and legacy. We are excited to see the resulting traction it creates in 2024.

We also sought to grow our workforce, and invest in their professional learning, by:

- promoting and increasing the number of trainees and apprentices employed at our centres,
- developing micro-credentials to certify employees that have completed C&K courses,
- focusing on the development and training needs identified in employees' Performance Planning and Reviews,
- aligning Kindy Uplift programs with capability building.



Diana Hoyoz Rubio, Chef, C&K Carseldine Community Childcare Centre.

Professional learning

Providing professional learning opportunities in early childhood education and care is vital to inform our pedagogies and practices, so they reflect contemporary evidence and understanding of child development and learning theories. Ongoing professional learning helps teachers and educators to create more effective, inclusive, and responsive learning environments that cater to the diverse needs of children. This year, our Early Childhood Team participated in a coaching and mentoring program to support teachers and educators to embed strong pedagogical practice.

We updated our Educational Leadership Framework, with examples of practice and supports to embed leadership in everyday practices to align with the new Early Years Learning Framework V2.

C&K's Childcare Operations Team played an instrumental role in providing professional learning for our employees and the broader early childhood education and care sector. This included delivering the Infant and Toddler Pedagogy Professional Learning Program to 106 educators to develop their practices and understanding of how their work builds strong connections and nurturing spaces for our youngest children to learn and grow.

C&K, in partnership with Lady Gowrie Queensland, once again secured the tender to provide Kindy Uplift Advisory Support. We supported participants, across 470 non-aligned early childhood centres, to develop their understanding across five areas of children's learning and development, including social and emotional capability, physicality, thinking and responding, oral language and communication and access and inclusion.

We continued to deliver our Hanen - Learning Language and Loving It program to 129 C&K employees, which builds educator skills to promote children's social, literacy and communication development.

C&K partnered with the Queensland Department of Education in the psychometric validation of its new Kindergarten Learning Progression Tool. The tool will support teachers and educators to gather evidence of and monitor what children 'know' and 'do' in relation to five developmental areas. This evidence can then guide teaching and learning experiences, assessments and communication of learning with families.

C&K's CEO, Dr. Sandra Cheeseman, continued her membership on the Australian Government's Ministerial Advisory Council on the Preschool Reform Agreement. All state and territory governments have agreed to the Preschool Reform Agreement, a four-year national reform agreement that aims to strengthen preschool delivery to promote better transitions to school for all children. The agreement includes the delivery of the Preschool Outcomes Measure which is an important tool to support every child to thrive in the year before school and support teachers and educators in assessing children's learning and development as part of delivering high-quality kindergarten programs.





C&K workforce snapshot

2,300 employees

584
full-time

671
part-time

1,045
casual/relief

3.9%

identify as Aboriginal
and/or Torres Strait
Islander

79.9%

employee
retention

C&K Awards

C&K's annual Excellence and Innovation Awards recognise our central, regional, branch and affiliated workforce that demonstrate exceptional practice in a range of areas including pedagogy and practice, children, families and community, leadership and advocacy. The awards night is an opportunity for us to come together as an organisation and celebrate the outstanding contributions our dedicated teachers and educators make to the lives of children, families and communities.

We are enormously proud to have such passionate and dedicated people who work to nurture and inspire children to succeed.



Board Member Associate
Professor Megan Gibson
presenting at the 2023 C&K
Excellence and Innovation Awards

Our 2023 Winners

Emeritus Professor Dr Mary Mahoney AO Award for Excellence in Early Childhood Education and Care
C&K Balaclava Community Kindergarten

C&K CEO Award
Quality and Regulation Team

COS Award 'Reflect, Connect, Ignite - for our Children'
C&K Amberley Community Childcare Centre

Queensland Department of Education Award 'Reflect, Connect, Ignite - for our Profession and People'
C&K Childcare Operations Team

ChildcareNow Award 'Reflect, Connect, Ignite - for our Sector and Community'
Lisa Liddell, C&K Mt Warren Park Community Kindergarten

C&K Award for 'Reflect, Connect, Ignite - for Equity'
C&K Durack Community Kindergarten

MTA Award for Promising Practice for Early Career Teachers and Educators
Karen Churchman, C&K Arnwood Place Community Childcare Centre

Hesta Award for Reconciliation in Action
C&K Balaclava Community Kindergarten



Our 2023 C&K Excellence and Innovation Awards winners

C&K College

The C&K College of Early Childhood is a respected registered training organisation that grows the pipeline of talented and dedicated early childhood teachers and educators. We respond to the needs of the sector and workforce, developing and providing vocational qualifications that are relevant now and into the future.

The C&K College focuses on Certificate III and Diploma of Early Childhood Education and Care qualifications and providing high-quality, learning within our accredited qualifications. This enables students to graduate with recognised qualifications and our current workforce to access training and development opportunities.

A major focus for 2023 was transitioning students to the updated Early Childhood Education and Care Training Package. The C&K College increased internal enrolments from our branch and affiliated centres from 38 in 2022, to 49 in 2023.

The C&K College continues to provide educational opportunities for Aboriginal and Torres Strait Islander students to access early childhood education and training, with 14 students enrolled from remote communities. We are pleased to partner with the Queensland Department of Education and TAFE Queensland to run our Cairns Residential Program, providing the opportunity for our remote students to come together for study and peer support.

C&K college
New enrolments
128





Effective organisation

C&K prides itself on consistently operating in line with our values, fostering a culture of respect, integrity, and inclusivity across all facets of our organisation. Our commitment to social responsibility extends beyond our centres, as we actively engage with and contribute to communities through various initiatives and partnerships. We expertly adapt to complex and changing environments, responding to the evolving needs and challenges of early childhood education. C&K embraces innovation, continuous learning, and forward-thinking strategies to effectively navigate uncertainties while staying true to our vision of providing environments where children can flourish.



Supporting human rights

C&K is unwavering in its commitment to uphold human rights in all aspects of our operations, recognising the inherent dignity and worth of every individual. Our Modern Slavery Statement reflects our proactive stance and outlines our policies, procedures, and ongoing efforts to strengthen our supply chains and select business partners who are free from exploitation and uphold the highest ethical standards. We continue to educate our workforce about modern slavery and how we can reduce the risks through our business operations and supply chain.

In 2023, we spent more than \$37 million with 1,150 direct suppliers of goods and services, who are all critical to our business. We engaged directly with 650 of our largest suppliers and provided them with a copy of our Supplier Code of Conduct which sets out our expectations regarding the way our suppliers conduct their business. This includes treating their employees with fairness, respect and dignity and following practices that protect their health and safety.

Better business

C&K's digital strategy continued to evolve as we focused on system optimisation. A key driver for this focus was the large-scale hardware upgrade of more than 270 centres, including laptops, iPads and Wi-Fi upgrades. Together, this new hardware will boost efficiency, streamline tasks, provide engaging learning experiences and deliver seamless connectivity and coverage.

We also introduced a new modern and user-friendly recruitment and onboarding system to streamline the hiring process, integrate resources for new hires and deliver a positive onboarding experience.

We streamlined our finance operations with the introduction of a new Enterprise Resource Planning system. It provides greater oversight and informed decision-making to budgeting and streamlines regular financial cycle processing. We will continue to rollout further improvements in 2024.

These combined efforts create a more efficient, engaging, and technology-driven environment, reflecting our commitment to delivering the best possible experience for our children, workforce and communities.

Environmental sustainability

C&K is committed to environmental sustainability and actively integrates eco-conscious practices across our operations. We promote sustainability through hands-on experiences that educate children on the importance of environmental stewardship, foster a deep connection with nature and instil a sense of environmental responsibility from an early age. Through gardening, composting, recycling, and nature walks, children actively engage with sustainable practices and global citizenship, learning valuable lessons about conservation, caring for each other and their environment, and respect for the natural world.

We integrate sustainable principles into the design and construction of our early childhood centres, prioritising energy efficiency, natural lighting, eco-friendly materials and sustainable construction methods wherever possible.

By integrating sustainable practices into our curriculum, operations, and infrastructure, we are nurturing a generation of environmentally conscious citizens who will play a pivotal role in shaping a more sustainable future for all.

C&K Carseldine Community Childcare Centre became the first C&K and Queensland childcare centre to achieve the prestigious 5 Star, Green Star rating and one of only a few early childhood education and care centres in Australia to be certified by the Green Building Council.

The building design incorporated new construction techniques to improve energy and water use and includes solar panels, water tanks and a recycling program to reduce waste and carbon emissions.

This certification is a testament to C&K's ongoing commitment to sustainability and teaching children the importance of conservation practices and protecting their environment.



Gardening activities at C&K Hatton Vale Community Kindergarten





Forest Kindy
exploration at
C&K Canungra
Community
Kindergarten

LEADER IN EARLY CHILDHOOD
EDUCATION & CARE



Queensland
Premier Steven
Miles visits C&K
Kedron Childcare
Centre

Leader in early childhood education and care

C&K utilises our expertise, knowledge and values to collaborate across the sector and is recognised as an influential leader in early childhood education and care. By partnering with governments, and across the sector, C&K can make meaningful contributions to policy and decisions that benefit children, families and the early childhood workforce and sector.

Advocating for impact

Children and families became front and centre in 2023, with the Australian and Queensland Governments announcing unprecedented interest and investment in early childhood education and care (ECEC). Underpinning this focus was a commitment to universal ECEC, and a growing acknowledgement that ECEC has dual objectives of workforce productivity and child outcomes.

C&K was proud to share evidence and insights from our position as a leader in ECEC, that will shape the future of the sector, to the Productivity Commission Inquiry into Universal ECEC, the Australian Consumer and Competition Commission Inquiry into Childcare, National Early Years Strategy and Vision, the Cheaper Childcare Bill, and the Inclusion Support Program.

In 2023, the Queensland Government announced the introduction of free kindergarten from 2024. This was a crucial and historic step to remove barriers to children participating in kindergarten. C&K was a key stakeholder for the Queensland Government's Workforce Strategy, National Quality Framework Staffing and Qualifications Review, and Consultation on Growing Child Safe Organisations.

Through our partnership with the Queensland Government, C&K can support the delivery of the Government's strategic objective of a great start for all children. By working together, we can set the critical foundations for learning and wellbeing for children in the early years, through high-quality early learning environments.

Partnerships are crucial to C&K's influence and impact, and we are proud to work closely with the Early Learning and Care Council, Centre for Policy Development, Early Childhood Australia, Thrive by Five, and The Front Project.

What does C&K advocate for?

For Australian children to flourish, we need an early childhood system that guarantees:

- high-quality education and care based on evidence, research and best practice
- delivery by a highly-educated, capable, and qualified workforce who are recognised and rewarded for the important work they do
- universal access for all children in every part of the country
- ongoing viability and consistency, through long-term and secure policy, funding, and regulation, that can be responsive and adapted to meet the uniqueness of local communities

C&K supported a diverse range of research projects to inform and contribute to the delivery of quality early childhood programs. This included working on two Australian Research Council projects to investigate young children's use of digital media as a sector partner in The Centre of Excellence for the Digital Child, led by the Queensland University of Technology, and our participation in The Young Child in Digital Society project, led by the Australian Catholic University.

We also worked with the Australian Research Council on the ORICL (Observing, Reflecting, Improving Children's Learning Tool) project, which uses an online tool to document infants' and toddlers' learning against the Early Years Learning Framework. A small number of educators will observe and document children's learning and development across 2024.



Queensland Deputy Premier and Treasurer Cameron Dick visits C&K Kingston Community Kindergarten

LEADER IN EARLY CHILDHOOD EDUCATION & CARE

Once again in 2023, we partnered in the ARC Linkage Project - Engagement in early childhood education in the context of disadvantage. This project examines the factors that contribute to the participation of children in early childhood education and care when they are experiencing a range of risk factors. C&K Durack Community Kindergarten and our affiliated kindergarten C&K Wandarrah Preschool and Kindergarten provided valuable insights to this study.

C&K also supported the Queensland University of Technology with the 'Using mealtimes to support child self-regulation project', to investigate if children who experience consistent and responsive feeding practices at home and in long day care, have higher levels of self-regulation, optimal eating behaviour and diet quality.

The Framing and Enabling Children's Active Play using the 'Novel technology project' required children to play with two new digital toys to encourage them to engage in sustained play over an extended period. Their physical activity will be tracked over a six-month period.

C&K's training, education and research skills are helping to identify, develop and implement a range of sector improvements. We collaborated with Early Childhood Australia to review and streamline the Australian Institute for Teaching and School Leadership's Professional Standards for Teachers and participated in the Australian Research Council's Exemplary Early Childhood Educators Research project.





C&K 2023 Conference

The 2023 C&K Conference - Reflect, Connect, Ignite - was a wonderful success, bringing 550 participants together from across the early childhood education and care sector. Dr Julia Baird and Associate Professor Fay Hadley presented keynotes on the theme of Reflect, Connect, Ignite, while a diverse range of presenters shared research, contemporary practices and practical sessions to expand and inspire attendees' professional knowledge and thinking.

C&K teachers and educators showcased innovative practice in global citizenship, technology, gender diversity, music, children's consent, reconciliation and inclusive practices. There was a high level of excitement and anticipation as teachers, educators, researchers, child and sector advocates, policy and change makers came together to connect, reflect and be inspired personally and professionally.

Grants and funding

In 2023, C&K received \$148,818 in funding, for 17 different grant programs and sponsorships, from 27 successful applications.

This vital funding assisted us with implementing projects to improve our facilities including playground upgrades, installing solar panels, new equipment, indoor and outdoor resources, delivering First Nations cultural experiences, and providing professional development opportunities for employees.

C&K would like to acknowledge and thank the following governments for their support in 2023:

Australian Government

- Department of Education

Queensland Government

- Department of Education
- Department of Justice and Attorney-General

Local Government

- Brisbane City Council
- Moreton Bay Regional Council

Early Childhood Education and Care Workforce Paid Practicum and Professional Development Grants

We received \$58,065 through the Australian Government's Early Childhood Education and Care Workforce Paid Practicum and Professional Development Grants for employees to undertake professional development within the early childhood sector.

Gambling Community Benefit Fund

We received \$49,863 through the Queensland Government's Gambling Community Benefit Fund for interactive touch screen panels, resources, and gross motor equipment.

Thank you

Thank you to the following organisations for their generous funding and sponsorships:

- Anglo Gold (Moranbah)
- Atlas
- Avokah Legal
- Bravus
- CS Energy
- Drivas Moorooka Pty Ltd
- LMRE Trust
- MyOwnVet Moorooka
- New Hope Group
- Queensland Child Protection Week Committee
- Ray White Moorooka
- Woolworths & Landcare Australia





Annual financial report 2023

The Creche & Kindergarten
Association Limited

ABN 59 150 737 849



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Directors' report

Your directors present this report on The Crèche and Kindergarten Association Limited ("C&K" or "the Company"), for the year ended 31 December 2023.



Therese Mulherin
CHAIR (non-executive)
 BOccThy, GAICD

- Appointed Chair on 27 March 2019
- Appointed Deputy Chair on 6 September 2017
- Board member since 30 May 2013

Therese Mulherin has had an extensive career as a non-executive director, executive leader, and strategic advisor to executive teams and Boards. She has a clinical allied health background in Occupational Therapy and is experienced in the effective delivery of human services including early childhood education and care, health and injury rehabilitation, aged care, disability, and employment services. Therese's experience spans large national service organisations, outsourced government contracts, strategy development, stakeholder management and change management.

Committee Responsibilities:
 Audit, Risk and Finance



Brit Ibanez
DIRECTOR (non-executive)
 B IntBus, LLB, LLM, GAICD

- Appointed Deputy Chair on 27 March 2019
- Board member from 13 March 2018 until her resignation on 12 February 2024

Ms Ibanez is a partner at Hamilton Locke. She has held various positions at C&K services including as the Coordinator of a Parental Advisory Committee at a branch service and as president of an affiliated service. A lawyer with 20 years' experience, Brit's expertise spans corporate governance, risk management and compliance, commercial disputes, and directors' duties. Brit is a mother of three children and has a longstanding interest in developing best practice for early childhood education and care.

Committee Responsibilities:
 People and Culture

Directors' report (continued)

For the year ended 31 December 2023



Scott Carpenter

DIRECTOR (non-executive)

M.Business Process Management,
Prince 2 Practitioner, GAICD, Cert. IV TAE

- Board member since 26 June 2019

Mr. Carpenter works to bridge the gap between technology and business and improve organisational performance by aligning IT solutions to business needs. He applies appropriate best practice methodologies, frameworks and models coupled with technology solutions to achieve long term business objectives. Mr. Carpenter strongly believes in the ability of education to positively change someone's life and to support young people to achieve.

Committee Responsibilities:

Nominations (Chair)



Megan Gibson

DIRECTOR (non-executive)

PhD, MEd, BEd (EC), DipT (EC)

- Board member since 19 May 2016

An Associate Professor in the School of Early Childhood at Queensland University of Technology, Dr Megan Gibson is also a respected researcher in her field. Her background as an early childhood educator with experience in teaching and leadership positions, culminated in her role as Director of an industry-leading childcare centre in Brisbane. Her award-winning doctoral research examined the professional identities of early childhood educators. This work combined with her extensive professional experience have laid the foundations for her ongoing interest in the early childhood workforce, leadership, professionalism and sustainability. In her current role at QUT, Dr Gibson is responsible for teacher education units on leadership, professionalism and health and wellbeing.

Committee Responsibilities:

Early Years and Innovation (Chair)
Nominations

Directors' report (continued)

For the year ended 31 December 2023



Geoff Hirst

DIRECTOR (non-executive)

B. Com (Accounting and Economics),
GAICD, CIA, CCSA, PMIIA

- Board member since 14 July 2020

Geoff Hirst is a Director of Aurecon, specialising in infrastructure design, engineering, sustainability, resilience and ESG. An authentic executive leader with 25 years of professional finance, audit, and risk advisory experience. Mr Hirst also has extensive global experience, particularly in the Education sector and professional services industry, with two Big-4 consulting firms, and more recently as the Managing Director and Market Leader for Protiviti. With expertise in business risk advisory, implementing complex governance programs and change, differentiated value, and business resilience, Mr Hirst has provided assurance and risk advisory outcomes on a variety of risk-based transactions, including, business performance, joint ventures, major projects, divestments, and acquisitions. He has also had executive leadership roles within industries including Queensland Health, major infrastructure development, and transport.

Committee Responsibilities:

Audit, Risk and Finance



Charles Strickland

DIRECTOR (non-executive)

B. IntBus, B. Com, GAICD, CA, CPA

- Board member since 21 June 2019

Charles Strickland is a senior director at the Queensland Audit Office where he has responsibility for audit methodology, audit and accounting advice, the quality assurance program, and data transformation projects. With broad experience across general government administration, and more recently the health and local government sectors, he brings a commitment to improving the lives of Queenslanders through his financial and performance audit work. He has a strong background in audit, risk, and governance. Mr. Strickland is a firm believer in quality education and giving young people every opportunity to succeed, in the past serving on his local school P&C as treasurer, and coaching junior hockey teams.

Committee Responsibilities:

Audit, Risk and Finance (Chair)

Directors' report (continued)

For the year ended 31 December 2023



Christina Turner
DIRECTOR (non-executive)
PhD (HRM), MAppLaw, MBusCoach,
GCMgt, GAICD, FGIA, FIML, FAHRI, FAIM

- Board member since 23 June 2021

Dr Turner is a HRM & governance specialist. Her career has included heading up HR functions in national and multi-national, public and private sector organisations including ABC Learning Centres, the University of the Sunshine Coast, and QSuper Ltd. A past president of the Australian Human Resources Institute, Christina has also held a number of non-executive director roles on public, private and not-for-profit boards, as well as government and Governor-in-Council appointments to panels, commissions of inquiry, and tribunals. Christina also holds governance roles with the Community Services Industry Alliance and the Presbyterian and Methodist Schools Association, and Duchesne College.

Committee Responsibilities:
People and Culture (Chair)



Pauline Elliott
DIRECTOR (non-executive)
BA, MProfEc

- Board member since 23 June 2021

Pauline Elliott enjoyed a successful career in the Queensland public sector holding senior executive roles in the Queensland Treasury, Department of Energy and Water Supply and the Queensland Treasury Corporation. Pauline has extensive experience in financial and commercial matters, a deep understanding of government processes and public policy development, and has worked across multiple industry sectors including energy, transport, and telecommunications. Pauline is employed full-time at CS Energy as Head of Commercial Partnerships working to support the transition to a low carbon economy.

Committee Responsibilities:
People and Culture
Nominations

Directors' report (continued)

For the year ended 31 December 2023

No directors retired during 2023.

Company Secretary

Katherine Fleming was appointed to the position of Company Secretary on 24 October 2012 until her resignation on 31 January 2024. Yolande Wiltshire was appointed to the position of Company Secretary on 1 February 2024.

Meetings of Directors in 2023

| Director | Board | | Audit Risk and Finance Committee | | Nominations Committee | | People and Culture Committee | | Early Years and Innovation Committee* | |
|--------------------|-------|---|----------------------------------|---|-----------------------|---|------------------------------|---|---------------------------------------|---|
| | A | B | A | B | A | B | A | B | A | B |
| Therese Mulherin | 7 | 7 | 4 | 4 | - | - | - | - | - | - |
| Brit Ibanez | 7 | 7 | - | - | - | - | 4 | 4 | - | - |
| Megan Gibson | 6 | 7 | - | - | 3 | 3 | - | - | 2 | 2 |
| Geoff Hirst | 6 | 7 | 4 | 4 | - | - | - | - | - | - |
| Charles Strickland | 7 | 7 | 4 | 4 | - | - | - | - | - | - |
| Scott Carpenter | 7 | 7 | - | - | 3 | 3 | - | - | - | - |
| Christina Turner | 6 | 7 | - | - | - | - | 4 | 4 | - | - |
| Pauline Elliott | 6 | 7 | - | - | 3 | 3 | 4 | 4 | - | - |

A - Indicates the number of meetings attended during the period in which the Director was a member of the Board or Committee

B - Indicates the number of meetings held during the period in which the Director was a member of the Board or Committee

*This Committee comprises a Board Director and independent external experts

Principal Activities

The principal activities of C&K (a not-for-profit company) remain unchanged during the financial year and included:

providing the highest standard of early childhood education and care;

- operating its own early childhood branch services;
- administering public funds as a Central Governing Body;
- providing business operations and curriculum support to affiliated community managed early childhood services; and
- advocating for and promoting the interests of children and the sector.

Directors' report (continued)

For the year ended 31 December 2023

Purpose

C&K has an unwavering commitment to children and its organisational purpose is 'to nurture and inspire children to succeed in an ever-changing world'. The organisation is focused on delivering excellent education and care for young children and driving positive social change for children and their families.

Vision and strategy

The 'C&K Strategic Plan 2022-2026' includes a vision for Queensland where every child flourishes.

C&K's strategy focusses on four key pillars and their associated goals:

| Pillar | Goal |
|--|--|
| Our CHILDREN, FAMILIES AND COMMUNITIES | C&K exceeds the National Quality Standard |
| | C&K responds to and invests in children, families, and their communities |
| Our PEOPLE | C&K's workforce is exceptional |
| Our ORGANISATION | C&K is an efficient organisation |
| Our INFLUENCE | C&K is the recognised leader in early childhood education and care |

C&K is committed to embedding reconciliation across the breadth of our operations and the Strategic Plan includes the significant actions to be undertaken in order to achieve the stated goals by 2026. C&K's Innovate Reconciliation Action Plan (RAP) was endorsed by Reconciliation Australia in December 2023.

Directors' report (continued)

For the year ended 31 December 2023

Performance Measures

C&K reviews its key performance indicators and sets targets and measures linked to its strategic objectives on an annual basis. Directors regularly review and monitor C&K's performance with the CEO and Executive Managers.

C&K measures organisational performance across five goals:

- **C&K exceeds the National Quality Standard:** The standard of our early childhood education and care services as measured against the National Quality Framework.
- **C&K responds to and invests in children, families, and their communities:** The social value returned to children, families, and communities as a not-for-profit reinvesting in the early childhood education and care sector.
- **C&K's workforce is exceptional:** The extent to which we can attract, retain, and nurture our diverse, safe, and engaged workforce.
- **C&K is an effective organisation:** The effectiveness and efficiency with which we manage our resources and operations.
- **C&K is the recognised leader in early childhood education and care:** The extent to which we are recognised by our families, government and other stakeholders as a high-quality provider and influential thought leaders and innovators in early childhood education and care.

Review of Operations and Results

The 2023 year started and ended with significant changes to government funding for children eligible to enrol in the kindergarten program. The changes at the beginning of the year saw new subsidies introduced to make kindergarten more affordable for families, which had a positive impact on demand for places at C&K kindergartens. By the end of 2023 C&K was gearing up for the introduction of 'Free Kindy' for four-year-olds for the 2024 year – a cost-of-living initiative by the Queensland Government to provide up to 600 hours per year of a kindergarten program free for all eligible aged children across Queensland.

C&K's growth continued in 2023 with the addition of 135 licensed places. This was achieved by the relocation of two existing childcare services to newly built and expanded premises (C&K Carseldine Community Childcare Centre in August and C&K Yuingi Community Childcare Centre in October), renovation and expansion of the C&K Caloundra Community Childcare Centre, the opening of a new specialist early years centre in Strathpine for highly disadvantaged children and families (an innovative new model of care in partnership with the Parkville Institute), and the transition of the Monto Community Kindergarten to branch status.

Directors' report (continued)

For the year ended 31 December 2023

The centre at Carseldine attained a highly prized Five-Star Green Rating and the site also provides a great opportunity for intergenerational learning activities in partnership with the adjacent residential aged care facility.

C&K's commitment to high-quality early childhood environments continued in 2023 with significant investment in centre upgrades and refurbishments. We invested \$3.7m into building and playground upgrades, re-painting, and the installation of solar systems and more efficient air-conditioning systems to support energy sustainability.

C&K's positive financial result was underpinned by strong enrolment figures throughout the year, and bolstered by the combination of better than expected performance of its investment portfolio (after incurring losses in 2022) and a beneficial non-recurrent change to kindergarten funding in the first half of the year.

Key Operating Results

| | | |
|------------------------------------|-----------------|---|
| Total Revenue | \$147.8m | Revenue increased by \$15.6m (11.8%) compared to 2022. Increases to enrolments, fees, and kindergarten funding delivered \$13.5m of additional revenue. Increasing cash on deposit values and interest rates contributed \$1.3m of additional finance income. |
| Total Expenses | \$143.6m | Total expenses increased by \$13.4m (10.3%) compared to 2022, driven by increased salary and wages, additional centres, and professional development related costs. |
| Operating surplus/(deficit) | \$4.2m | Operating surplus increased to \$4.2m in 2023 (2.8% of total revenue) from \$2.0m in 2022. |
| Net surplus/(deficit) | \$6.5m | The 2023 net result was favourably impacted by the over-performance of C&K's investment portfolio and additional non-recurrent kindergarten funding. |
| Net Assets | \$50.9m | Net assets increased by the net surplus in 2023, up from \$44.4m in 2022 |
| Cashflow from operations | \$9.7m | |

Events since the end of the financial year

No matter or circumstance has occurred subsequent to the period end that has significantly affected, or may significantly affect, the operations or the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Directors' report (continued)

For the year ended 31 December 2023

Members' Guarantee

In accordance with the Company's constitution, each member is liable to contribute a maximum of \$20 in the event that the Company is wound up. As at 31 December 2023 the total amount members would contribute is \$880 (2022: \$880).

Significant changes in the state of affairs

There were no significant changes to the state of affairs of the Company that occurred in the financial year.

Likely developments and expected results of operations

In the foreseeable future it is expected that the Company will continue its principal activities as described in this report.

Environmental Regulation

The Company is not affected by any significant environmental regulation in respect of its operations.

Insurance of Officers

During the financial year, the Company paid a premium of \$48,795 (2022: \$50,116) to insure the directors and officers of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between the insurance against legal costs and those relating to other liabilities.

Auditor's Appointment

PricewaterhouseCoopers continue as our external auditor in 2023 in accordance with section 327 of the Corporations Act 2001.

Directors' report (continued)

For the year ended 31 December 2023

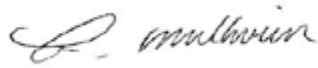
Auditor's Independence

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-Profit (ACNC) Act 2012* is set out on page 55 and forms part of the Directors' Report.

Rounding Off

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Financial Report and Directors' Report have been rounded off in accordance with the instrument to the nearest thousand dollars unless otherwise stated.

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



Therese Mulherin, Chair of the Board of Directors
24 April 2024



Charles Strickland, Chair of the Audit, Risk and Finance Committee
24 April 2024

Auditors' Independence Declaration



Auditor's Independence Declaration

As lead auditor for the audit of The Creche and Kindergarten Association Limited for the year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Andrew Weeden', with a horizontal line extending to the right.

Andrew Weeden
Partner
PricewaterhouseCoopers

Brisbane
24 April 2024

PricewaterhouseCoopers, ABN 52 780 433 757
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Liability limited by a scheme approved under Professional Standards Legislation.

Statement of Profit and Loss and other Comprehensive Income

For the year ended 31 December 2023

| | Note | 2023 | 2022 |
|---|--------|----------------|----------------|
| Revenue from contracts with customers | 1 | 145,019 | 131,788 |
| Finance income | 2 | 2,052 | 716 |
| Other income | | 694 | (354) |
| Total revenue | | 147,765 | 132,150 |
| Employee costs | 3 | 107,580 | 97,443 |
| Depreciation and amortisation expenses | 7,8,13 | 4,988 | 4,738 |
| Supplies and services | 4 | 26,731 | 23,897 |
| Finance costs | 13 | 4,277 | 4,064 |
| Total expenses | | 143,576 | 130,142 |
| Operating surplus / (deficit) | | 4,189 | 2,008 |
| Changes in the fair value of financial assets | | 1,929 | (3,683) |
| Gain/(loss) on sale of assets | | (17) | (45) |
| Fair value of donated assets | | 280 | 2 |
| Franking credit received | | 82 | 97 |
| Net non-operating income / (expense) | | 2,274 | (3,629) |
| Net surplus / (deficit) | | 6,463 | (1,621) |
| Total comprehensive income / (loss) | | 6,463 | (1,621) |

All figures in thousands of AUD, unless advised otherwise.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Balance Sheet

For the year ended 31 December 2023

| | Note | 2023 | 2022 |
|--------------------------------------|------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 5 | 11,085 | 11,667 |
| Trade and other receivables | 6 | 3,360 | 2,721 |
| Other financial assets | 5 | 36,086 | 30,613 |
| Prepayments and security bonds | | 1,894 | 1,345 |
| Total current assets | | 52,425 | 46,346 |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 21,281 | 18,040 |
| Intangible assets | 8 | 3,739 | 3,790 |
| Non-current investments | 17 | 22,049 | 19,551 |
| Right-of-use assets | 13 | 72,125 | 68,274 |
| Total non-current assets | | 119,194 | 109,655 |
| Total assets | | 171,619 | 156,001 |
| Current liabilities | | | |
| Trade and other payables | 9 | 16,315 | 16,716 |
| Contract liabilities | 1b | 8,589 | 6,816 |
| Provisions | 10 | 5,085 | 4,575 |
| Lease liabilities | 13 | 681 | 621 |
| Total current liabilities | | 30,670 | 28,728 |
| Non-current liabilities | | | |
| Provisions | 10 | 5,384 | 4,654 |
| Lease liabilities | 13 | 84,691 | 78,208 |
| Total non-current liabilities | | 90,075 | 82,862 |
| Total liabilities | | 120,745 | 111,590 |
| Net assets | | 50,874 | 44,411 |
| Funds | | | |
| Accumulated funds | | 50,874 | 44,411 |
| Total funds | | 50,874 | 44,411 |

All figures in thousands of AUD, unless advised otherwise.
The balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Funds

For the year ended 31 December 2023

| | Accumulated Funds | Total |
|------------------------------------|------------------------------|----------------------|
| Balance at 31 December 2021 | 46,032 | 46,032 |
| Net loss | (1,621) | (1,621) |
| Total comprehensive income | (1,621) | (1,621) |
| Balance at 31 December 2022 | <u>44,411</u> | <u>44,411</u> |
| Net surplus | 6,463 | 6,463 |
| Total comprehensive income | 6,463 | 6,463 |
| Balance at 31 December 2023 | <u>50,874</u> | <u>50,874</u> |

All figures in thousands of AUD, unless advised otherwise.

The above statement of changes in funds should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 31 December 2023

| | Note | 2023 | 2022 |
|---|------|----------------|----------------|
| Cash flows from operating activities | | | |
| Receipts from customers and grants | | 145,204 | 133,782 |
| Finance income received | | 1,909 | 443 |
| Payments to suppliers and employees | | (133,371) | (118,107) |
| Interest paid on lease liabilities | | (4,043) | (3,797) |
| Net cash generated from operating activities | | 9,699 | 12,321 |
| Cash flow from investing activities | | | |
| Proceeds from sale of fixed assets | | - | 25 |
| Franking credit received/receivable | | 82 | 97 |
| Proceeds from/(payments to) investments in term deposits | | (5,473) | 200 |
| Payments for property, plant & equipment | | (4,259) | (2,834) |
| Proceeds from financial assets at fair value through profit or loss | | 8,050 | - |
| Payments to financial assets at fair value through profit or loss | | (8,000) | - |
| Net cash used in investing activities | | (9,600) | (2,512) |
| Cash flow from financing activities | | | |
| Principal paid on lease liabilities | | (681) | (527) |
| Net cash used in financing activities | | (681) | (527) |
| Net increase in cash and cash equivalents | | (582) | 9,282 |
| Cash and cash equivalents at beginning of year | | 11,667 | 2,385 |
| Cash and cash equivalents at end of year | 5 | 11,085 | 11,667 |

All figures in thousands of AUD, unless advised otherwise.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Index to Notes to the Financial Statements

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Notes to the Financial Statements

For the year ended 31 December 2023

1. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

The Company recognises revenue from the transfer of services over time and at a point in time across the following revenue streams:

| | 2023 | 2022 |
|---|----------------|----------------|
| Revenue from the provision of childcare & kindergarten services | 139,988 | 127,798 |
| Central Governing Body activities | 3,744 | 2,709 |
| Registered Training Organisation income | 310 | 339 |
| All other streams | 977 | 942 |
| | <u>145,019</u> | <u>131,788</u> |

(b) Assets and liabilities related to contracts with customers

The Company has recognised the following assets and liabilities related to contracts with customers.

| | 2023 | 2022 |
|---|--------------|--------------|
| Unearned income | 8,589 | 6,816 |
| Total current contract liabilities | <u>8,589</u> | <u>6,816</u> |

Contract liabilities represent the fair value of that portion of the consideration received in respect of grants and funding received and in advance for which the performance obligation has not yet been satisfied.

ACCOUNTING POLICY

Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts and refunds.

Provision of childcare and kindergarten services

Parent and other fees are recognised in the period in which the service was provided. Fees are charged on an equivalent daily basis and any monies received in advance of the actual booking days are recognised as an unearned revenue liability.

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

1. Revenue from contracts with customers (continued)

Grants and Government funding are recognised at fair value when the right to receive the funding has been established (when specific performance obligations or services have been met). When funding is received and there is a contractual or constructive obligation to refund some or all funds if the Company was unable to provide the service or did not comply with the terms of the funding agreement, then the grant is recognised as unearned income until the service has been delivered.

Funds received which do not impose restrictions on the use of funds, including a time restriction on when the funds can be used, are recognised as revenue on receipt of the funds.

Central Governing Body activities

C&K acts as a Central Governing Body (CGB) for the distribution of the Queensland Kindergarten Funding (and others) to not-for-profit community kindergartens (branches – owned, and independent affiliated centres). This is recognised over the time the services are provided. Affiliated kindergartens, which are managed by Volunteer Management Committees, enter into an agreement to be affiliated with C&K and are charged membership fees to receive a range of support services over the agreement period. Membership fees are recognised over time.

Registered Training Organisation (RTO) income

C&K operates an RTO and receives income from students and various government bodies. Income from government bodies (primary income source) is recognised when the required performance obligation to be eligible for the income has been achieved. Student fees are recognised based on the course units completed in the period.

Community Advisory Group (CAG) (included in 'All other streams')

CAG funds are recognised as income when funds are used which is considered to be the point in time of which the performance obligation has been completed. These funds are raised by advisory groups consisting of parents, guardians, and other community members, and are spent on activities or assets based on recommendations of the CAG.

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

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

2. Finance income and other income

| | 2023 | 2022 |
|--|--------------|------------|
| Interest from financial assets held for cash management purposes | <u>2,052</u> | <u>716</u> |

ACCOUNTING POLICY

Interest

Interest revenue is recognised on an accrual basis. For fixed term deposits the accrual is based on the actual fixed rate secured for each of the individual deposits.

3. Employee Costs

| | 2023 | 2022 |
|---|----------------|---------------|
| Employee Costs | | |
| Salaries and Wages | 93,414 | 85,697 |
| Contributions to defined contribution plans | 9,787 | 8,611 |
| Professional Development Expenses | 2,320 | 1,680 |
| Other employee expenses | 2,059 | 1,455 |
| | <u>107,580</u> | <u>97,443</u> |

ACCOUNTING POLICY

Contributions to defined contribution plans

The Company pays contributions to certain defined contribution plans. These contributions are recognised in profit or loss in the periods during which services are rendered by employees.

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

4. Supplies and services

| | 2023 | 2022 |
|---|----------------------|----------------------|
| Advertising and marketing | 933 | 784 |
| Bank charges | 417 | 380 |
| Cleaning | 4,845 | 4,547 |
| Conferences and seminars | 402 | 89 |
| Equipment | 2,308 | 2,083 |
| Medical expenses | 239 | 281 |
| Provision of food for children | 2,381 | 2,267 |
| Grants expenditure | 136 | 365 |
| Information technology | 2,732 | 2,471 |
| Motor vehicles | 246 | 190 |
| Occupancy | 5,251 | 5,314 |
| Consultancy | 759 | 790 |
| Postage, printing, stationery and program materials | 1,313 | 1,003 |
| Repairs and maintenance | 2,118 | 1,650 |
| Telephone and internet | 682 | 630 |
| Travel | 867 | 464 |
| Other expenses | 1,102 | 589 |
| | <u>26,731</u> | <u>23,897</u> |

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

5. Cash and cash equivalents and other financial assets

| | 2023 | 2022 |
|---------------------------------------|---------------|---------------|
| Current | | |
| Cash and cash equivalents | <u>11,085</u> | <u>11,667</u> |
| Other current financial assets | | |
| Term deposits | <u>36,086</u> | <u>30,613</u> |

ACCOUNTING POLICY

For the purpose of presentation in the statement of cashflows, cash and cash equivalents include cash on hand with financial institutions.

Term deposits

The term deposits are held to maturity of terms between three and twelve months. They carry a weighted average fixed interest rate as at 31 December 2023 of 4.96% (2022: 3.66%). Due to their short-term nature their carrying value is assumed to approximate their fair value. The Company has \$1,085,800 (in whole dollars of AUD) (2022: \$613,160) in term deposits that have been pledged as security for the Company's guarantees provided by Westpac Banking Corporation and Commonwealth Bank of Australia as set out in note 12.

Investments and other financial assets

The Company classifies its financial assets in the following categories:

i. Financial assets at amortised cost

The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the assets are held within a business model with the objective of collecting the contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

ii. Financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss:

- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income.

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

5. Cash and cash equivalents and other financial assets (continued)

Management determines the classification of its investments at initial recognition. The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised through profit or loss.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and fair value through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

6. Trade and other receivables

| | 2023 | 2022 |
|---|--------------|--------------|
| Current | | |
| Trade receivables | 160 | 482 |
| Children's fees receivable | 807 | 670 |
| Goods and services tax receivable | 357 | 1,351 |
| Other receivables | 2,276 | 394 |
| Provision for expected credit loss | (240) | (176) |
| | <u>3,360</u> | <u>2,721</u> |
| | | |
| Movement in the provision for expected credit loss is as follows: | | |
| Balance at the beginning of the year | 176 | 178 |
| - Charge for the year | 102 | 58 |
| - Written off | (38) | (60) |
| Balance at the end of the year | <u>240</u> | <u>176</u> |

ACCOUNTING POLICY

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for expected credit loss. The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which requires the use of the lifetime expected loss provision for all trade receivables.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

7. Property, plant and equipment

| | 2023 | 2022 |
|--|----------------------|----------------------|
| Capital works in progress | <u>616</u> | <u>227</u> |
| Freehold land - at cost | <u>1,982</u> | <u>1,982</u> |
| Buildings & leasehold improvements - at cost | 30,296 | 26,826 |
| Less accumulated depreciation | <u>(13,243)</u> | <u>(11,970)</u> |
| | <u>17,053</u> | <u>14,856</u> |
| Equipment, furniture & fittings - at cost | 7,177 | 6,060 |
| Less accumulated depreciation | <u>(5,602)</u> | <u>(5,140)</u> |
| | <u>1,575</u> | <u>920</u> |
| Motor vehicles - at cost | 140 | 140 |
| Less accumulated depreciation | <u>(85)</u> | <u>(85)</u> |
| | <u>55</u> | <u>55</u> |
| Total property, plant and equipment | <u>21,281</u> | <u>18,040</u> |

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

The Crèche and Kindergarten Association Limited
 ABN 59 150 737 849
 Notes to the Financial Statements (continued)
 For the Year Ended 31 December 2023

7. Property, plant and equipment (continued)

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

| 2023 | Capital works in progress | Freehold land | Buildings & leasehold improvements | Equipment, furniture & fittings | Motor vehicles | Total |
|--------------------------------------|------------------------------|------------------|--|---------------------------------------|-------------------|----------|
| Cost | | | | | | |
| Balance at the beginning of the year | 227 | 1,982 | 26,826 | 6,060 | 140 | 35,235 |
| Additions | 4,449 | - | 800 | - | - | 5,249 |
| Donated assets | 135 | - | - | - | - | 135 |
| Transfers and other movements | (4,195) | - | 2,740 | 1,130 | - | (325) |
| Disposals | - | - | (70) | (13) | - | (83) |
| Balance at the end of the year | 616 | 1,982 | 30,296 | 7,177 | 140 | 40,211 |
| Accumulated depreciation | | | | | | |
| Balance at the beginning of the year | - | - | (11,970) | (5,140) | (85) | (17,195) |
| Donated assets | - | - | - | - | - | - |
| Charge for the year | - | - | (1,326) | (475) | - | (1,801) |
| Disposals | - | - | 53 | 13 | - | 66 |
| Balance at the end of the year | - | - | (13,243) | (5,602) | (85) | (18,930) |
| Net carrying amount | | | | | | |
| At the beginning of the year | 227 | 1,982 | 14,856 | 920 | 55 | 18,040 |
| At the end of the year | 616 | 1,982 | 17,053 | 1,575 | 55 | 21,281 |

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

7. Property, plant and equipment (continued)

ACCOUNTING POLICY

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses.

Land and buildings

It is the policy of the Board to record the value of buildings at cost. The Board has adopted the Australian Accounting Standards in terms of depreciation of all its buildings.

Land and Buildings that have been contributed to the Company at no cost, or for a nominal cost are valued at the fair value of the asset at the date it is acquired.

Buildings on crown land

No value is recorded for land held under Deed of Grant in Trust from the Crown, because it can only be used for the approved purpose and reverts to the Crown in the event of the Company ceasing to use it for that purpose. Buildings on Crown Land are shown at original cost less depreciation.

All other property, plant and equipment

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Plant and equipment that have been contributed to the Company at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

All property, plant and equipment, excluding freehold land and leasehold improvements, are depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease taking into account renewal options or the estimated useful lives of the improvements.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

7. Property, plant and equipment (continued)

The depreciation rates used for each class of depreciable assets are:

| Class of fixed asset | Useful life |
|--------------------------------------|--------------|
| Buildings and leasehold improvements | 3 - 40 years |
| Equipment, furniture and fittings | 3 - 5 years |
| Motor vehicles | 4 years |

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

8. Intangible assets

| | 2023 | 2022 |
|---|--------------|--------------|
| Curriculum - at cost | 251 | 251 |
| Less: accumulated amortisation | (182) | (140) |
| | <u>69</u> | <u>111</u> |
| Software - at cost | 265 | 265 |
| Less: accumulated amortisation | (265) | (265) |
| | <u>-</u> | <u>-</u> |
| Goodwill - at cost | 10,212 | 10,212 |
| Less: accumulated impairment | (6,736) | (6,736) |
| | <u>3,476</u> | <u>3,476</u> |
| Lease premiums and other rights - at cost | 269 | 269 |
| Less: accumulated amortisation | (75) | (66) |
| | <u>194</u> | <u>203</u> |
| Total intangible assets | <u>3,739</u> | <u>3,790</u> |

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

8. Intangible assets (continued)

| | Curriculum | Software | Goodwill | Lease premiums and other rights | Total |
|--|--------------|--------------|----------------|--|----------------|
| 2023 | | | | | |
| Cost | | | | | |
| Balance at the beginning of the year | 251 | 265 | 10,212 | 269 | 10,997 |
| Additions | - | - | - | - | - |
| Transfers and other movements | - | - | - | - | - |
| Disposals/Write off | - | - | - | - | - |
| Balance at the end of the year | 251 | 265 | 10,212 | 269 | 10,997 |
| Accumulated amortisation/impairment | | | | | |
| Balance at the beginning of the year | (140) | (265) | (6,736) | (66) | (7,207) |
| Acquisition of subsidiary | - | - | - | - | - |
| Charge for the year | (42) | - | - | (9) | (51) |
| Transfers and other movements | - | - | - | - | - |
| Disposals/Write off | - | - | - | - | - |
| Balance at the end of the year | (182) | (265) | (6,736) | (75) | (7,258) |
| Net carrying amount | | | | | |
| At the beginning of the year | 111 | - | 3,476 | 203 | 3,790 |
| At the end of the year | 69 | - | 3,476 | 194 | 3,739 |

Key assumptions used for value-in-use calculation

The Company tests whether the goodwill shown above, which is attributed to a cash generating unit (CGU) containing all grouped childcare centres and originally recognised as part of a three-centre acquisition in 2016, has suffered any impairment on an annual basis. For the 2023 and 2022 reporting periods, the recoverable amount of the CGU was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and forecasts approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates.

The impairment model uses the following key attributes:

- Discount rate of 10.0% (2022: 10.0%)
- Revenue and expense growth during forecast period of 3.0% (2022: 3.0%)
- Terminal growth rate of 1.5% (2022: 1.5%)

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

8. Intangible assets (continued)

Impairment charge

After applying reasonable sensitivity analysis to the impairment model assumptions, management has determined that no impairment of goodwill was required as at 2023 year-end (2022: Nil).

ACCOUNTING POLICY

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

8. Intangible assets (continued)

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal, and the calculated value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Lease premiums and other rights

Separately acquired lease premiums and other rights are shown at historical cost. Lease premiums and other rights acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation of lease premiums is calculated using a straight-line basis to allocate costs over the period of the lease term.

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

9. Trade and other payables

| | 2023 | 2022 |
|-----------------------------|---------------|---------------|
| Current | | |
| Trade payables | 550 | 1,035 |
| Employee benefits | 8,722 | 9,358 |
| Other payables and accruals | 7,043 | 6,323 |
| | <u>16,315</u> | <u>16,716</u> |

ACCOUNTING POLICY

Trade and other payables

Trade and other payables represent the liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The carrying amount of the trade and other payables is deemed to reflect fair value.

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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Balances in note 9 include accrued salaries and wages, annual leave, and superannuation liabilities.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

The Crèche and Kindergarten Association Limited
ABN 59 150 737 849Notes to the Financial Statements (continued)
For the Year Ended 31 December 2023

| 10. Provisions | 2023 | | 2022 | | Total |
|--------------------------------------|--------------------------|----------------------------|--------------|--------------|---------------|
| | Current | Non-current | Current | Non-current | |
| Employee benefits | 5,085 | 2,664 | 4,575 | 2,777 | 7,352 |
| Make good costs | - | 2,720 | - | 1,877 | 1,877 |
| Total | 5,085 | 5,384 | 4,575 | 4,654 | 9,229 |
| Movements | | | | | |
| | Employee benefits | Make good provision | | | Total |
| 2023 | | | | | |
| Carrying amount at start of year | 7,352 | 1,877 | | | 9,229 |
| Charged/(credited) to profit or loss | | | | | |
| - additional provision recognised | 925 | 800 | | | 1,725 |
| - unwinding of discount | - | 73 | | | 73 |
| Amount used/reversed | (528) | (30) | | | (558) |
| Balance at the end of the year | <u>7,749</u> | <u>2,720</u> | | | <u>10,469</u> |

All figures in thousands of AUD, unless stated otherwise.

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

10. Provisions (continued)

Provisions

Provisions are made when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that an outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Provision for employee benefits

Provision for employee benefits represents amounts accrued for long service leave.

The current portion for this provision includes the total amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

10. Provisions (continued)

Make good provision

Provisions for make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

The Company is required to restore its leased premises at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements or to refurbish the areas in accordance with the lease agreement.

These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the term of the lease unless acquired as part of a business combination. If a provision is required to be recognised as part of a business combination, then it is included in goodwill on acquisition.

11. Capital commitments

| | 2023 | 2022 |
|--|-----------|------------|
| (a) Capital expenditure commitments | | |
| Payable | | |
| - not later than 1 year | <u>41</u> | <u>305</u> |

12. Contingencies

| | 2023 | 2022 |
|--|--------------|------------|
| Guarantees | | |
| Bank guarantees issued in support of rental agreements | <u>1,086</u> | <u>613</u> |

The Company did not have any other contingent liabilities or contingent assets as at 31 December 2023 (31 December 2022: Nil).

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

13. Leases

(a) Amounts recognised in the balance sheet

The following right-of-use assets have been capitalised:

| | 2023 | 2022 |
|----------------------------|---------------|---------------|
| Right-of-use assets | | |
| Buildings | 71,579 | 67,877 |
| Vehicles | 546 | 396 |
| Printers | - | 1 |
| | <u>72,125</u> | <u>68,274</u> |
| Lease liabilities | | |
| Current | 681 | 621 |
| Non-Current | 84,691 | 78,208 |
| | <u>85,372</u> | <u>78,829</u> |

Additions to the right-of-use assets during the 2023 year were \$6,989,563 (in whole dollars of AUD).

(b) Amounts recognised in the statement of profit or loss and other comprehensive income

The statement of profit or loss and other comprehensive income shows the following amounts related to leases:

| | 2023 | 2022 |
|--|----------------|----------------|
| Depreciation charge of right-of-use assets | | |
| Buildings | (2,909) | (2,800) |
| Vehicles | (227) | (183) |
| Printers | - | (4) |
| | <u>(3,136)</u> | <u>(2,987)</u> |
| Interest expense | (4,277) | (4,064) |
| Expense relating to short-term leases and low-value assets | (41) | (84) |
| | <u>(4,318)</u> | <u>(4,148)</u> |

(c) Future lease payments

Future lease payments in relation to lease liabilities as at period end are as follows:

| | 2023 | 2022 |
|--|----------------|----------------|
| Within one year | 5,732 | 4,473 |
| Later than one year but no later than five years | 24,104 | 18,416 |
| Later than five years | 146,937 | 135,489 |
| | <u>176,773</u> | <u>158,378</u> |

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

13. Leases (continued)

Finance Costs

The interest expense shown in note 13.(b) relating to right-of-use assets represents the total value of finance costs as reported in the Statement of profit or loss and other comprehensive income.

ACCOUNTING POLICY

The Company's leasing activities and how these are accounted for

The Company leases various childcare and kindergarten centre properties, offices, motor vehicles and equipment. Rental contracts are typically made for fixed periods of 3 to 30 years but may have extension options.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- a) fixed payments (including in-substance fixed payments), less any lease incentives receivable
- b) variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- c) amounts expected to be payable by the company under residual value guarantees
- d) payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under extension options are also included in the measurement of the liability unless it is certain that these options will not be exercised.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

- a) where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- b) uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by C&K, which does not have recent third-party financing, and
- c) makes adjustments specific to the lease, e.g. term and security

The company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

13. Leases (continued)

The value of right-of-use assets comprising the following:

- a) the amount of the initial measurement of lease liability;
- b) any lease payments made at or before the commencement date less any lease incentives received; and
- c) any initial direct costs.

Expected costs for restoration clauses where included in lease agreements are provided for separately to right-of-use assets in PP&E as 'Make Good Provision' (leasehold improvement) assets.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The company has chosen not to revalue the right-of-use buildings held by the company.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets (deemed to be less than AUD \$5,000) are recognised as incurred as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less, low-value assets comprise of IT equipment.

Peppercorn Leases

The Company operates 147 branch centres on properties leased under 'peppercorn' arrangements, with annual lease values ranging from AUD \$1 to \$300 dollars. None of these properties represents a material component of the branch portfolio but the Company's financial performance is supported by, and dependent on, access to these peppercorn lease terms. Due to the challenges for not-for-profits in determining fair value for specific purpose leases (e.g. community kindergartens), peppercorn leases are measured at cost and are therefore determined to be low-value for AASB 16 purposes.

14. Events after balance sheet date

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations or the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

15. Key management personnel compensation

Compensation for those having authority and responsibility for planning, directing and controlling the Company's activities, directly or indirectly (including directors, where applicable), is:

| | 2023 | 2022 |
|---------------------------------------|--------------|--------------|
| Key management personnel compensation | <u>1,479</u> | <u>1,304</u> |

The year-on-year increase above is primarily due to an additional board director eligible for Non-Executive Director Fees, and the full year impact of the introduction of a Chief People Officer who joined in September 2022.

16. Auditor's remuneration

| | 2023 | 2022 |
|-------------------------------|-----------|-----------|
| Audit of financial statements | <u>74</u> | <u>65</u> |
| | <u>74</u> | <u>65</u> |

No non-audit services were provided in the current or comparative period.

17. Financial risk management

The Company's financial instruments consist mainly of deposits with banks, short and long-term investments, accounts receivable and payable, and leases. Managed funds are used for long term investment purposes where a greater risk tolerance is accepted. The totals for each category, are as follows:

| | Notes | 2023 | | 2022 | |
|--|-------|---------------------|-------------------------------|---------------------|-------------------------------|
| | | Assets at FVPL | Assets at amortised cost | Assets at FVPL | Assets at amortised cost |
| Financial assets | | | | | |
| Cash and cash equivalents | 5 | - | 11,085 | - | 11,667 |
| Other financial assets | 5 | - | 36,086 | - | 30,613 |
| Trade and other receivables | | - | 3,003 | - | 1,370 |
| Managed funds at fair value through profit or loss | | <u>22,049</u> | <u>-</u> | <u>19,551</u> | <u>-</u> |
| Total financial assets | | <u>22,049</u> | <u>50,174</u> | <u>19,551</u> | <u>43,650</u> |
| | | Liabilities at FVPL | Liabilities at amortised cost | Liabilities at FVPL | Liabilities at amortised cost |
| Financial liabilities | | | | | |
| Trade and other payables | | <u>-</u> | <u>5,651</u> | <u>-</u> | <u>5,757</u> |

FVPL = Fair value through profit or loss.

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

18. Summary of other material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Reporting Entity and Basis of Preparation

The Creche and Kindergarten Association Limited (the Company) is a not-for-profit company limited by guarantee. It is domiciled in Australia and its registered office is at 257 Gympie Road, Kedron, QLD.

The financial statements for the Company are a Tier 2 general purpose financial report which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and as required by the Australian Charities and Not-for-profit Commission (ACNC) Act 2012.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

The financial statements were authorised for issue on 27 March 2024 by the Directors of the Company.

(b) New and amended standards adopted by the company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]

The AASB amended AASB 101 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The company has not elected to early-adopt any standard, amendment or interpretation which is not yet in effect.

(c) Income tax

The Company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. The Company as a charitable institution has access to charity concessions under the income tax, FBT and GST laws. A charitable institution is defined by the Australian Taxation Office (ATO).

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

18. Summary of other significant accounting policies (continued)

(d) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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

The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(e) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Comparative figures have also been reclassified when necessary to give a better presentation of financial statements.

Minor reclassifications of expenses grouped with 'Other expenses' in 'Note 4. Supplies and services' have occurred in 2023; the 2022 comparative figures have been reclassified to align with 2023.

(f) Critical accounting estimates and judgements

The Board evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Critical accounting estimates and judgements regarding impairment charges and provisions for impairment of receivables are disclosed in Note 6 and Note 8.

(g) Reserves policy

To ensure the long-term viability and sustainability of the organisation, the Company aims to achieve a minimum level of available financial reserves to protect the organisation, employees' entitlements, and other committed expenditure. The reserves policy, as set by the C&K Board, targets a minimum level of reserves of approximately four months of annual budgeted operational expenditure.

19. Economic dependence

The operations of all our early childhood services benefit from the continued support by the federal and state governments.

All figures in thousands of AUD, unless advised otherwise.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

20. Funding receipts and expenditure

Queensland Government Department of Education Office of Early Childhood and Care

This special purpose note is included to satisfy Queensland Government requirements to show state government funding received by C&K and related expenditure/disbursements applied in 2023.

Additional expenditure and/or funding disbursements related to the Queensland Kindergarten Funding 2023, the Kindergarten Learning Progression Tool, and Transitional Funding programs have been applied subsequent to the period reporting date and will be disclosed in the 2024 Funding receipts and expenditure note.

The opening balance of undisbursed funds as at 1 January 2023 has been corrected from the closing balance of undisbursed funds as at 31 December 2022. The correction does not impact current or prior year reported receipts or expenditure values.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

20. Funding receipts and expenditure (continued)

| Projects | Total | Central | Branch | Affiliate |
|---|-----------------|----------------|----------------|---------------|
| Balance of undisbursed funds as at 1 January 2023 | 4,268 | | | |
| Receipts | | | | |
| State Government Grants for 2023 | | | | |
| QKFS Funding Semester 2 2022 | 33 | - | 33 | - |
| QKF Funding Semester 1 2023 | 39,225 | - | 18,587 | 20,638 |
| QKF Funding Semester 2 2023 | 36,902 | - | 16,968 | 19,934 |
| QKF Funding in Long Day Care | 1,644 | - | 1,644 | - |
| Great Start to Kindy Semester 2 2023 | 1,409 | - | 606 | 803 |
| Free Access to Kindy Semester 1 2022 | 306 | - | 153 | 153 |
| Free Access to Kindy Semester 2 2022 | 518 | - | 269 | 249 |
| Kindy Uplift Program 2022 | 75 | 75 | - | - |
| Kindy Uplift Program 2023 | 9,247 | 1,809 | 3,437 | 4,001 |
| Transitional & Place Base Funding | 1,000 | - | 210 | 790 |
| Kindergarten Learning Progression Tool | 25 | - | 21 | 4 |
| Kindergarten Inclusion Support Scheme (KISS) | 5,397 | - | 2,699 | 2,698 |
| Mackay Children and Family Centre | 1,363 | - | 1,363 | - |
| Limited Hours Care Programs | 385 | - | 385 | - |
| CGB Assurance & Governance Funding | 3,004 | 3,004 | - | - |
| Interest Income | 129 | - | - | 129 |
| Total Receipts | 100,662 | 4,888 | 46,375 | 49,399 |
| Expenditure | | | | |
| QKFS Funding Semester 1 2022 | (3) | - | - | (3) |
| QKFS Funding Semester 2 2022 | 717 | - | - | 717 |
| QKF Funding Semester 1 2023 | 37,545 | - | 17,908 | 19,637 |
| QKF Funding Semester 2 2023 | 38,014 | - | 19,168 | 18,846 |
| QKFS Funding in Long Day Care | 14 | - | 14 | - |
| QKF Funding in Long Day Care | 1,600 | - | 1,600 | - |
| Great Start to Kindy Semester 2 2022 | 231 | 11 | - | 220 |
| Great Start to Kindy Semester 2 2023 | 242 | - | 104 | 138 |
| Kindy Uplift Program 2022 | 11 | - | 11 | - |
| Kindy Uplift Program 2023 | 8,075 | 1,748 | 2,701 | 3,626 |
| Transitional & Place Base Funding | 477 | - | 27 | 450 |
| Kindergarten I.T. Infrastructure Grant | 1,637 | 1,637 | - | - |
| Kindergarten Inclusion Support Scheme (KISS) | 5,419 | - | 2,665 | 2,754 |
| Mackay Children and Family Centre | 1,363 | - | 1,363 | - |
| Limited Hours Care Programs | 514 | - | 514 | - |
| CGB Assurance & Governance Funding | 3,004 | 3,004 | - | - |
| Administrative Expenditure | 10,029 | - | 10,029 | - |
| Volunteer Management Committee | 3,568 | - | - | 3,568 |
| Total Expenditure | 112,457 | 6,400 | 56,104 | 49,953 |
| Net grant expenditure for 2023 | (11,795) | (1,512) | (9,729) | (554) |
| Balance contributed by C&K for the year ended 31 December 2023 | 13,550 | | | |
| Balance of undisbursed funds as at 31 December 2023 | 6,023 | | | |

All figures in thousands of AUD, unless advised otherwise.

Directors' Declaration

For the year ended 31 December 2023

In accordance with a resolution of the directors of the Crèche and Kindergarten Association Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 56 to 86, are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and:
 - a. comply with Australian Accounting Standard - Simplified Disclosures and Australian Charities and Not-for-profits Commission Regulations 2013; and
 - b. give a true and fair view of the financial position of the Company as at 31 December 2023 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



Therese Mulherin, Chair of the Board of Directors
24 April 2024



Charles Strickland, Chair of the
Audit, Risk and Finance Committee
24 April 2024

Independent Auditor's Report



Independent auditor's report

To the members of The Creche and Kindergarten Association Limited

Our opinion

In our opinion:

The accompanying financial report of The Creche and Kindergarten Association Limited (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

What we have audited

The financial report comprises:

- the balance sheet as at 31 December 2023
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the directors' declaration.

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

Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

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Liability limited by a scheme approved under Professional Standards Legislation.

Independent Auditor's Report (continued)



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and the directors for the financial report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the 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, Management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

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Independent Auditor's Report (continued)



Auditor's responsibilities 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to be 'Andrew Weeden', written in a cursive style.

Andrew Weeden
Partner

Brisbane
24 April 2024

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