

Meadow Heights Learning Shop Inc.

Trading as

Meadow Heights Education Centre

ANNUAL REPORT

2019



CREATING OPPORTUNITIES, OPENING DOORS

Our Purpose

The Learning Shop aims to improve quality of life through adult education for the community, in a safe non-threatening environment, in the areas of education, recreation, leisure and children's services.

Our Aims and Objectives

- *Meet the needs of our culturally, linguistically and socio economically diverse community*
- *Provide accessible vocational education and training*
- *Provide youth, recreation and leisure programs*
- *Provide community development services and support*
- *Provide free services to those experiencing financial hardship or challenging circumstances*
- *Engage the local community in learning to develop fundraising and income raising activities*



Our Board of Management in 2019

Name	Position	Status
Mr Phillip Perroni	President	Active
Mr Michalis Michael	Vice President	Active
Mrs Lyda Dankha	Secretary/Public Officer	Active
Ms Salam Dankha	Assistant Secretary	Active
Mr Ray Benson	Treasurer	Active
Ms Helen Patsikatheodorou	Assistant Treasurer	Active
Mr Nader Hanna	Director	Active

The Board established the following Committee:

- **Finance Committee Members:**

Mr Ray Benson (Treasurer), Ms Helen Patsikatheodorou (Assistant Treasurer), Mr Phillip Perroni (President) and Mr Nader Hanna (Director)



NOTICE OF MEETING

The Annual General Meeting of the Meadow Heights Learning Shop Inc. will be held at 5.00pm on Thursday 30th July 2020 via a Zoom meeting

AGENDA

1. Welcome and Apologies

2. Minutes

The Minutes of the meeting held on *Tuesday 11th June 2019* are attached.

It is recommended:

That the minutes of the AGM held on Tuesday 11th June 2019 be confirmed as a true and correct record.

3. President's Report

Mr Phillip Perroni

4. Director's Report

Mr Nader Hanna

5. Treasurer's Report

Mr Ray Benson

6. Annual Report

It is recommended:

- a. That the AGM receive the 2019 Annual Report*
- b. That the Auditor, LDAssurance be reappointed for a further period of one year.*

7. Elections

Returning Officer,

8. Closure

All members and guests are invited to remain on Zoom after the meeting for comments, questions and answers

**Minutes of the 25th Annual General Meeting of Meadow Heights Learning Shop Inc.
held at 5.00pm on Tuesday 11th June 2019 in the Function Room of
Visy Cares Learning Centre**

MHEC acknowledges the Wurundjeri people of the Kulin nation who are the traditional custodians of this land and pays respect to their elders past, present and emerging

1. Welcome and Apologies

There were 62 attendees and 16 apologies

The manager welcomed everyone with a special welcome to Maria Vamvakinou, Federal Member of Parliament for Calwell. He also welcomed representatives from Melbourne Polytechnic, Bendigo-Kangan Institute, CommUnity West, Arabic Welfare and the Neighbourhood House Networker, Ms Judy Lazarus. He welcomed and thanked the members of the Board of Management; Mr Phillip Perroni, Ms Helen Patsikatheodorou, Ms Giovanna Citta, Ms Funda Kara, Ms Salam Dankha, Mr Charles Cilia and Mr Ray Benson as well as the previous managers of MHLS; Mr Charles Cilia, Mr Frank Devlin and Mr Michael Halls

2. Minutes

The Minutes of the meeting held on *25th May 2018* were confirmed as a true and correct record by:

Helen Patsikatheodorou and seconded by Charles Cilia.

3. Reports

Mr Phillip Perroni presented the President's report and commented on the success of MHLS in meeting the needs of the community. He also acknowledged the family of the late Ms Joy Smithers who was the driving force behind the establishment of the Learning Shop. Mr Perroni also mentioned that a scholarship will be setup to honour Joy's memory.

Ms Helen Patsikatheodorou presented the treasurer's report, welcomed and thanked the Federal Member of Parliament, Ms Maria Vamvakinou, and expressed how rewarding it is to be a member of an organisation that educates and upskills the vulnerable in our community and gives them that second chance. Ms Patsikatheodorou also highlighted how MHLS has performed well, judging by the student satisfaction surveys, and there's always room for improvement, and thanked the staff, volunteers and the board members for their hard work and dedication

AGM received the 2018 Annual Report

Moved: Phillip Perroni, Seconded: Charles Cilia, All in favour

The Auditor, LDAssurance is reappointed for a further period of one year

Moved: Charles Cilia, Seconded: Ray Benson, All in favour



4. Special Business

One of the requirements for registration as a Charity of sub-type PBI, Public Benevolent Institution, is that the Statement of Purpose in the constitution of Meadow Heights Learning Shop Inc. is amended to align with the Commissioner's Interpretation Statement of Public Benevolent Institutions and state that

"The main purpose of Meadow Heights Learning Shop Inc. is to provide benevolent relief in adult education, training and community development to people in need, such as refugees and recently arrived migrants, people with disabilities, disengaged youth and the long-term unemployed"

There are currently 25 members of the Association and 10% of the members are required to approve the change. There were 9 members of the Association present who unanimously agreed to adopt the above Statement of Purpose. The members are:

Anthony Cilia, Charles Cilia, Frank Devlin, Giovanna Citta, Helen Patsikatheodorou, Michael Halls, Salam Dankha, Phillip Perroni and Nader Hanna

5. Elections

Returning Officer, Linda Madden

The following nominations for membership of the Board of Management were received, seconded and accepted by the nominees:

Helen Patsikatheodorou, Salam Dankha, Phillip Perroni, Ray Benson, Lyda Dankha and Michalis Michael

It was resolved that:

The six nominated positions of the Board of Management are now occupied

Moved: Phillip Perroni, Seconded: Helen Patsikatheodorou, All in Favour

There was no further business.

CLOSURE

Nader Hanna thanked the past and current board members, staff, volunteers and members of the community for their ongoing support throughout the year.

Meeting closed at 5:40pm. All members and guests remained for light refreshments



PRESIDENT'S REPORT

2019 was, a year of good growth. We delivered English as a Second Language courses as well as Vocational Education and Training courses to a large number of people in the communities of Meadow Heights, Roxburgh Park and Craigieburn.

The enrolments have also meant a corresponding need for settlement services and information. Our teachers worked hard to tailor our settlement program to meet the considerable needs of our new students, and ensured that additional community information sessions such as Men's and women's health information sessions, mental health seminars and other settlement topics were covered and the information made available to everyone.

Volunteering continued to be an important part of MHEC during 2019, with the provision of volunteer placements for students of Childcare, Business Administration, Community Development, Youth/social work and Education Support studies. The remainder of our volunteers simply wanted to help out the members of their community in English classes or assist with the preparation for events such as Clean-up Australia Day.

By being true to the purpose of improving the quality of life for the community in the areas of education, recreation, leisure and children's services, MHEC has continued to make a difference in the local community, by

- Engaging the local community in the Education Centre
- Meeting the needs of our culturally and linguistically diverse and socio economically disadvantaged community
- Providing accessible further education and vocational education and training
- Providing youth, recreation and leisure programs
- Providing community services and development support
- Providing free services to those experiencing poverty or financial hardship

MHEC has successfully engaged learners from many different countries and cultures, with strong CALD participation rates in:

- Adult Migrant English Program (AMEP)
- Skills First Program
- Pre-accredited programs
- Education Support
- Beauty services and therapy
- Homework Club for school aged children and youth

Meadow Heights Education Centre has continued to deliver free community programs such as the Homework Club, Youth Job skills assistance, Roxy Happy Club for senior members engaging in social activities, senior men's group and the Sewing Café.

On behalf of the Meadow Heights Education Centre Board of Management, I would like to thank the staff as well as our wonderful community volunteers for all of their hard work and commitment in 2019. It has been a wonderful team effort – well done.

Phillip Perroni
President: Board of Management

Director's Report 2019

Meadow Heights Learning Shop (MHLS), trading as Meadow Heights Education Centre (MHEC) has continued to deliver services to the local community for the 26th year.

Over the last 26 years, Meadow Heights Learning Shop Inc. has not only survived but thrived and grown through a recession, global financial crisis and changes in governments and policies. Meadow Heights Education Centre has remained serving the communities of Meadow Heights and Craigieburn as well as all the surrounding suburbs. We grew from a humble Community Learning Centre in a shop front here in Meadow Heights into one of the largest Adult Community and Further Education (ACFE) Learn Local providers, a major provider of the Adult Migrant English Program (AMEP) and the Skills First program in the North Western Metropolitan Region. All of this was achieved because of the hard work and dedication of our staff and volunteers but we would not be here without the members of the local communities of all ages, ethnic and cultural backgrounds and varying abilities and their participation.

2019 was a year full of achievements and challenges. Visy Cares Learning Centre sustained considerable storm damage. Fortunately, the damage was repaired and did not cause major disruptions to our operations. Our computer servers were compromised by ransomware and our emails were inaccessible for some days forcing us to use our personal emails to maintain communication.

Over 80% of MHEC cohorts are newly arrived migrants/refugees, thus MHEC's activities primarily relate to meeting the learning and community-engagement needs of the residents of the Hume municipality and the surrounding areas. The organisation's target demographic is migrants, humanitarian entrants and any other culturally-diverse groups that may have language, literacy, numeracy and/or other skills deficiencies.

MHEC's activities are aimed at increasing the engagement and social inclusion of this population. Through MHEC's learning programs, it is intended that pre-existing education inequality that negatively impacts the ability of these groups to fully participate in our society can be addressed and that participants will develop the necessary skills that may then enable them to undertake further training, enhance their employability and/or simply better enable them to participate in the community. The community-engagement programs are aimed at social integration and inclusion.

MHEC's activities, consistent with its purpose, are aimed at improving the quality of life through the provision of accessible education in a safe, non-threatening community-based environment.

All the above could not be achieved without the support and good will of our Board of Directors, staff, volunteers and all the stake holders. I am grateful and proud of another productive year that proved to be beneficial to Hume and neighbouring communities.

Nader Hanna: Director
Meadow Heights Education Centre

YOUR LOCAL COMMUNITY COLLEGE...

Meadow Heights Learning Shop Inc is

- A registered and accredited ACFE Learn Local provider ID-2842
- A nationally accredited Registered Training Organisation (RTO) TOID-3940
- A listed Commonwealth TAFE institute for taxation purposes



Victorian Registration & Qualifications Authority



We deliver courses that are compliant and approved for Centrelink Benefits. ID-3P385

COMMUNITIES OF LEARNING, PARTNERSHIPS AND AFFILIATIONS

WORKING TOGETHER

The Community program continued over 2019

One of our objectives was to engage in a wider scope of cooperative partnerships with other Neighborhood Houses and Learning Centres. Our collaboration with these partners saw an increasing section of the community accessing education and training over a wider portion of the Hume Municipality.

All courses (Pre Accredited and Accredited) which we offer are of high quality and are focused on developing students' skills and knowledge to enter employment in their area of interest and to encourage a commitment to lifelong learning.

WORKING TOGETHER

Meadow Heights Primary School.

- Pre-accredited short courses
- Sewing Café
- Cooking Classes

Holy Child Primary School

- Pre-accredited EAL Programs.
- Food Handling Courses

Dallas Brooks Community Primary School and Hub

- Pre-accredited EAL Programs
- Certificate III in Education Support

Craigieburn South Primary School

- Pre-accredited EAL Programs

- Adult Migrant English Program (AMEP) - 28 Classes
- Certificate III in Education Support – 3 Classes
- Certificate III in Beauty Services – 1 Class
- Certificate III in Business Administration – 1 Class
- Pre-accredited Programs – 11 Programs
- Citizenship Course – 2 Classes
- Homework Club

Shop 24 continued to be a valuable learning environment for the residents of Meadow Heights. Programs delivered in this facility during the day and evening included the Homework/Computer Club which operated throughout the year and provided assistance to many of the Hume young residents with valued homework help.



EDUCATION AND TRAINING PROGRAM ENROLMENTS.

Approximately 80% of our education and training programs are Language, Literacy and Numeracy courses.

<i>Participation by each target group</i>	2015	2016	2017	2018	2019
Skills First, ACFE & Fee for Service	410	330	487	781	630
Adult Migrant English Program (AMEP)	247	386	413	622	381
	657	716	900	1,403	1,011

▪ Total Hours Delivered

Program	2017	2018	2019
Adult Migrant English Program (AMEP)	116,529	131,207	120,031
Skills for Education and Employment (SEE)	23,520	0	0

▪ Statistical Information on students (not including participants in the Computer Clubhouse)

ACFE Learn Local	Delivered Hours	2018	2019
Vocational		0	0
Adult, Literacy and Numeracy		21,060	16,050
Employment Skills		930	2,580
TOTAL		21,990	18,630

Skills First		
Foundation Skills	87,040	108,600
Skills Creation (Certificates I & II)	1,710	0
Skills Building (Certificates III & IV)	40,385	28,822
Skills Deepening (Diploma)	0	11,340
Literacy and Numeracy Support	0	0
TOTAL	129,135	148,762

Aggregate Total Skills First & ACFE Learn Local	151,125	167,392
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- During the year, **1,011** students enrolled in various courses, 90% were born overseas and 93% of all the students were holders of current concession cards.

Student Surveys
All students (Excluding AMEP students) Survey

Response	Strongly Disagree	Disagree	Agree	Strongly Agree	Positive Average response
Statement	%	%	%	%	%
I developed the skills expected from this training	0	0	82	18	100
I identified ways to build on my current knowledge and skills	0	0	79	21	100
The training focused on relevant skills	0	0	82	18	100
I developed the knowledge expected from this training	0	4	83	13	96
The training prepared me well for work	0	3	78	19	97
I set high standards for myself in this training	0	4.5	74.5	21	95.5
The training had a good mix of theory and practice	2	1	88	9	97
I looked for my own resources to help me learn	0	0	82	18	100
Overall, I am satisfied with the training	1	2	83	14	97
I would recommend the training organisation to others	1	1	95	3	98
Training organisation staff respected my background and needs	2	3	83	12	95
I pushed myself to understand things I found confusing	0	2.7	68	29.3	97.3
Trainers had an excellent knowledge of the subject content	0	0	69.6	30.4	100
I received useful feedback on my assessments	3	6	75	16	91
The way I was assessed was a fair test of my skills and knowledge	0	0	87	13	100
I learned to work with people	0	0	85	15	100
The training was at the right level of difficulty for me	0	1	78	21	99
The amount of work I had to do was reasonable	0	0	91	9	100
Assessments were based on realistic activities	0	12	80	8	88
It was always easy to know the standards expected	0	0	79	21	100
Training facilities and materials were in good condition	0	0	96	4	100
I usually had a clear idea of what was expected of me	2	5	81	12	93
Trainers explained things clearly	0	6	81	13	94
The training organisation had a range of services to support learners	0	0	81	19	100
I learned to plan and manage my work	0	0	98	2	100
The training used up-to-date equipment, facilities and materials	0	7	86	7	93
I approached trainers if I needed help	0	0	94	6	100
Trainers made the subject as interesting as possible	0	6	38	56	94
I would recommend the training to others	0	0	64	36	100
The training organisation gave appropriate recognition of existing knowledge and skills	0	0	87	13	100
Training resources were available when I needed them	0	7	62	31	93
I was given enough material to keep up my interest	0	0	69	31	100
The training was flexible enough to meet my needs	0	0	86	14	100
Trainers encouraged learners to ask questions	0	0	68	32	100
Trainers made it clear right from the start what they expected from me.	0	12	71	17	88

2019 AMEP Students.

120,031 hours of face-to-face teaching were delivered in the Adult Migrant English Program (AMEP) classes. 381 students attended classes in various locations. The students came from 24 different countries. Compared to 2018 (131,207 hours delivered) that is 11,176 less hours delivered representing a drop of 8.5%.

A highlight for all students was the end of year excursion to Maroondah Reservoir Park in Healesville. Six luxury coaches full of students and their teachers enjoyed the gardens, native and exotic trees, native animals and birds, walking tracks and took photos.

Qualifications Completed 2019

In 2019 we offered and delivered the following courses:

BSB30412	Certificate III in Business Administration.
SHB30115	Certificate III in Beauty Services
SHB50115	Diploma of Beauty Therapy
CHC30812	Certificate III in Education Support
10361NAT	Course in Preliminary Spoken and Written English
10362NAT	Certificate I in Spoken and Written English
10363NAT	Certificate II in Spoken and Written English
10364NAT	Certificate III in Spoken and Written English

These courses were delivered at 10 venues in Meadow Heights, Craigieburn and surrounding locations. In addition to classes being offered at Visy Cares Learning Centre, Meadow Heights Community Centre - Buchan Street, and Shop 24, Paringa Blvd, classes were also delivered at:-

- Craigieburn Plaza
- St Thomas' Uniting Church Craigieburn
- Craigieburn Tennis Club
- Craigieburn Youth Centre
- Meadow Heights Primary School.
- Dallas Brooks Community Hub
- Holy Child Primary School



Homework Club

Our Homework Club offers a safe and supportive out-of-school learning environment where primary and secondary students can participate in activities that develop their academic skills such as homework, numeracy and literacy exam preparation, and pathways to further education and careers with guidance and support from our dedicated volunteers. In 2019, the Clubhouse had 106 members and the Homework Club had 29 members.

90% of students said that attending the Homework Club has helped them in completing their homework and motivated them to achieve more at school. Some of our older youth also volunteer in helping students with homework and school assignments/ projects. School time management and organisational skills are also taught to our students to help them learn how to cope with school and school work load. There were 17 Primary Students and 7 Secondary Students participating.

In 2019, the following achievements were made:

Courses completed

- 6 people completed the Security course ACET
- 24 people completed the White card at VASS
- 5 people completed the Diploma of Building and Construction at Builders Academy
- 2 people completed the Diploma of Beauty Therapy at Elly Lucas
- 4 people completed Certificate III in Education Support at Meadow Heights Education Centre
- 1 person completed Certificate IV of Building and Construction at VIC Uni
- 3 people completed the Scissor Lift Course at Start Training
- 3 people completed the Elevated Work Platform Course at Start Training

Apprenticeship

- 1 person started an apprenticeship in Electrical
- 2 people started apprenticeships in Carpentry
- 1 person started an apprenticeship in Plumbing

Employment

- 17 people gained employment in Event security
- 2 people gained employment in Airport Security
- 3 people gained employment in Concreting
- 1 person gained a contract in Carpentry
- 1 person gained employment as a Railway worker
- 2 people gained employment as Sale Assistants



Community Report

Over 150 people participated in the following events held at three locations in Meadow Heights and four locations in Craigieburn. The events organised included:

- Clean Up Australia Day
- Refugee Week
- Drug Awareness Week
- Adult Learners' Week
- Gambling Harm Awareness Week

Community Programs:

- Sewing Café beginners program. Fabric and machines are supplied, participants learn how to use a sewing machine, how to select and mix & match fabrics, and how to make attractive practical items by following tried and tested simple patterns
- Sewing program called "Sewing without a Pattern", where participants learn to make bespoke clothes from their personal measurements
- Roxy Happy Club Seniors group. The group meet every week and conduct their activities at VISY Cares Learning Centre Building
- Men's Seniors group met at Buchan St Community Centre three days per week
- Public Access Computers – Free computer and internet use for the public

Grants

Homework Club Partnership Fund: \$20,000 for MHEC after school CALD homework program

Our after school program helps disadvantaged kids that have fallen behind and are at risk of never catching up. Whilst we do assist students in years 11 and 12, the main focus of our program is to assist children from 8 years to 16 years (Year 2 to Year 10) as these are critical years for children's development, knowledge and confidence. It is extremely important that children in this age group do not fall behind during any one of these years, as it can have a significant impact on their learning ability, self-belief and future employment prospects. The HCPF grant funding will be of great assistance in building capacity and sustainability in the program.

Volunteer program.

A total of 46 volunteers assisted the community in the areas of administration and reception, occasional care, community events and assisted students in the English as an Additional Language classes. All volunteers also enrolled in the Volunteering to Employment program

We would like to thank the following agencies and individuals for their generous grants, gifts, donations and support:

Meadow Heights Learning Shop Inc. is

A Deductible Gift Recipient Charity
A Neighbourhood House
An ACFE - Learn Local provider
A Registered Training Organisation
A Registered Occasional Care provider

Supported by
the Victorian
Government



Australian Government
Department of Home Affairs





The following community groups and several individuals used the Visy Cares Learning Centre, Shop 24 at Centro Meadow Heights Plaza, Buchan Street Community Centre and Shop 17-18 Craigieburn Plaza during the year:

- Ms Maria Vamvakinou MP, Member for Calwell, Victoria
- Melbourne Polytechnic, Volunteer Tutor training
- Arabic Welfare Inc.
- Australian Electoral Commission
- Victorian Responsible Gambling Foundation
- Australian Hearing
- Hume City Council
- Multicultural Centre for Women's Health
- Spectrum
- Roxy Happy Club
- Meadow Heights Occasional Care

Hume City Council services

Services at the Visy Cares Learning Centre include

- Maternal and Child Health
- Immunization
- Hume City Mobile Library

RELATIONSHIPS

To meet the needs of the community, Meadow Heights Education Centre works/operates in conjunction with a variety of community and business organisations. We acknowledge them for their ongoing assistance.

Neighbourhood House Networks

- NHACE, member
- NWNH Network
- Hume Houses Network, member
- Various Houses

Local Government

- Hume City Council, funding agency
- Hume Global Learning Village, member and service provider
- Hume City Council Neighbourhood Houses Working Group

Adult, Community and Further Education

- ACFE Learn Local NMR, provider
- Melbourne AMEP Provider
- Learn Local Quality Partnership
- Hume Learning Community



Government Departments

- Services Australia, training referrals
- DPCD, funding agency NHCP and ACFE learn Local.
- Department of Education and Training, funding agency, Skills First Program
- VMC, funding agency
- DEECD, funding agency
- DHHS

Community/Local Agency Networks

- Arabic Welfare Inc.
- Hume Whittlesea Local Learning and Employment Network, member
- Roxy Happy Club
- Spectrum Migrant Resource Centre
- Brotherhood of St Lawrence
- Victoria Police

Schools/Education Services

- Melbourne University: Student Teacher Placement
- Victoria University, student placements
- Kangan Institute, AMEP student placements.
- Meadow Heights Primary School
- Dallas Brooks Community Hub.
- Holy Child Primary School
- Craigieburn South Primary School

Business

- Australasian Association of Registered Training Organisations Inc, member
- Meadow Heights Shopping Centre
- Redall Business Communications, services
- Job Active Networks
- Melbourne Polytechnic, AMEP provider

PROGRAMS

Children's Services

The Meadow Heights Occasional Care Service is partially funded by the Department of Education and Early Childhood Development and the Adult Migrant English Program (AMEP). It is based at the Visy Cares Learning Centre, Meadow Heights.

Throughout, 2019, the program grew and it is anticipated that this growth will continue into the future.

OUR BUSINESS AND ADMINISTRATION

MEMBERS OF THE ASSOCIATION

We currently have 27 association members

Anthony Cilia	Geoffrey Hanlon	Margaret Woods	Richard Turnbull
Burhan Yigit	Giovanna Citta	Mari-Carmen Cruz	Salam Dankha
Chai Vue	Helen Patsikatheodorou	Michael Halls	Sharyn Stockdale
Charles Cilia	Joseph Curkovic	Nader Hanna	Veronica Jamison
David Mazzotta	Ken Thompson	Phillip Perroni	Vic Dougall
Frank Devlin	Michalis Michael	Wendy Kernan	

BOARD OF MANAGEMENT

The Board of Management continued to support all operations of Meadow Heights Learning Shop Inc. throughout 2019. Thanks to their dedicated efforts MHEC continued to grow and prosper and be in line with their aims and objectives. Names of Board members are listed on page 2.

MEMBERSHIPS

MHEC is a member of the following organisations and groups:-

- Adult Learning Australia Inc
- Association of Neighbourhood Houses and Learning Centres Inc
- Australasian Association of Registered Training Organisations
- Adult Community Education (Victoria) Inc
- Australian Council for Adult Literacy Inc
- Centre for Multicultural Youth Issues
- Community Childcare Association Inc
- Hume Global Learning Village
- Hume Learning Community
- Learn Local Quality Partnership



Deductible Gift Recipient

In January 1995 our Association applied for recognition of “gift deductibility” as it was then understood. In December 2003 we were granted DGR status as an entity in our own right. All donations of monetary value of two dollars or more are tax deductible. If you would like to make a donation, please contact the Office on

03 9301 9200.



Meadow Heights Learning Shop Inc. Staff Profile

BUSINESS AND ADMINISTRATION		
Abir	Zaza	AMEP Admin
Adrienne	Champness	Compliance
Ann	Jessop	Community Development Officer
Clara	Haroun	Admin Support, Craigieburn
Connie	Francione	Admin/Reception
Cristina	Thompson	Admin Support, Craigieburn
Linda	Madden	Finance Officer
Naci	Tekin	Admin/Reception
Nader	Hanna	Director
Nouhad	Dagher	AMEP Admin
Rebecca	Egan	Admin Officer
VOCATIONAL		
Adrienne	Champness	Tutor, Education Support
Anthony	Cilia	Tutor, Business
Elisa	Umana	Tutor, Education Support
Ishi	Venga	Tutor, Beauty Therapy
Kalliopi (Poppy)	Papamikroulis	Tutor, Beauty Therapy
LANGUAGE & LITERACY		
Angelica	Arriagada	Teacher TESOL
Anne	Oliver	Teacher TESOL
Arlene	Rankothge	Teacher TESOL
Fiona	Chen	Teacher TESOL
Houssam	Elsheikh	Tutor ESL
Ishrat	Hussaini	Teacher TESOL
Luke	Maselli	Teacher TESOL
Nicolas	Kolendrianos	Teacher TESOL
Nilofer	Jawaid	Tutor ESL
Paul	La Rosa	Teacher TESOL
Salvatore	Monaco	Teacher TESOL
Salwa	Al Deeb	Teacher TESOL
Sophia	Pane	Teacher TESOL
Stella	Maugeri	Teacher TESOL
Syed Muzaffer	Hussaini	Teacher TESOL
Timothy	O'Brien	Teacher TESOL
Vida	Kermani	Teacher TESOL
Wathsala	Alawathugoda	Teacher TESOL
OCCASSIONAL CHILD CARE		
Basima	Haddad	Childcare Educator
Teresa	Volpe	Childcare Educator

TREASURER'S REPORT

It is with great pleasure that I present to you the Meadow Heights Education Centre's financial report for the 2019 calendar year.

The Meadow Heights Education Centre is going from strength to strength as we deliver quality courses and programs for our community.

On behalf of the Board of Management, I would like to thank all our staff and volunteers for their hard work and dedication to deliver high level programs and services in 2019.

Funding Sources

Listed below are Meadow Heights Education Centre's, 2019 funding sources. We gratefully acknowledge the generosity of the Philanthropic agencies and thank the Government agencies, for their continued support of service delivery, to the citizens located in and around Meadow Heights and Craigieburn.

Victorian State Government – Department of Education and Training

- Skills First Program
- ACFE – Learn Local

Commonwealth Government – Department of Home Affairs

- Adult Migrant English Program – Melbourne AMEP - Melbourne Polytechnic

Local Government

- Hume City Council

Philanthropic Grants & Anonymous Donations

Other Revenue

Financial Condition

In line with our purpose, aims and objectives, I am pleased to inform you, that Meadow Heights Education Centre has continued its sound financial practice, by seeking revenue from a variety of sources in 2019 to avoid being reliant on limited sources, for growth and long term viability. The Skills First Program was popular with migrants and new arrivals that have completed their Adult and Migrant English Program (AMEP) entitlements; enabling students to continue to improve their position in the community, to seek employment or further education. Although the number of students enrolling in AMEP classes was reduced, the numbers enrolling in Skills First and Pre-accredited programs increased. This year's financial figures were down on last year; primarily due to the delay in registration of the new Certificates in Spoken and Written English. Income derived from these programs played a major role on MHEC's financial position.

The two top revenue performers were once again the Adult Migrant English Program (AMEP) and Skills First. In 2019, MHEC continued as a sub-contractor of Melbourne Polytechnic in the provision of the Adult Migrant English Program.

Meadow Heights Education Centre is constantly working towards the long term success of all educational programs to ensure that it remains one of the largest Registered Training Organisations in the Northern Region. All program funding is subject to the attainment and achievement of satisfactory outcomes for the key performance indicators, such as participation, which is strictly monitored throughout the year.

Over 17000 pre-accredited “ACFE - Learn Local” hours were delivered in pre-accredited programs. Pre-accredited classes provide a pathway to further education and employment. Throughout the year, MHEC continued to offer short courses funded by the State Government, Adult Community & Further Education (ACFE) Learn Local. These short courses have been very popular and are designed to allow participants a chance to try different career choices providing education pathways into Vocational Education and Training (VET), such as Certificate III in Beauty Services, Business Administration or Education Support just to name a few.

Hume City Council has continued to support MHEC, although funding is only 1% of operational funding, it remains in line with other Neighbourhood Houses in Hume.

Meadow Heights Education Centre uses the Student Data Management System, WiseNet, to record and maintain student data. WiseNet meets all obligations required by the State Government Funding bodies such as Skills First and ACFE Learn Local. WiseNet collaborates with the funding bodies obligations and customises changes as required.

MHEC remains vigilant in meeting compliance targets associated with the Victorian Registration and Qualifications Authority (VRQA) and other Governing bodies. MHEC prides itself on maintaining a quality service for all students and the community.

MHEC will continue to build partnerships with other community organisations, to improve the well-being of many of the residents in the Hume community. Working consistently within Government guidelines and in line with the mission statement; “to provide assistance for Youth” in Hume who are unemployed and seeking employment or further education. “To provide financial support”, to members of the community, who are experiencing financial hardship and are struggling to pay course fees.

As in previous years, MHEC continues to prudently make provisions for emerging and future liabilities such as staff entitlements. Programs have increased, as did expenditure.

Continued Free Programs included:

- Free Internet Access for all users of the different venues
- Free Internet Access for Seniors
- Free Internet for MHEC Students
- Roxy Happy Group. (Drop in Centre for residents in Hume)
- Senior Men’s Group. (Drop in Centre for residents in Hume)
- Community Garden.
- Settlement Program for Migrants and Refugees
- Sewing Café.
- Computer Homework program designed for children who have difficulty in meeting the requirements of the school curriculum. It has continued to be a very successful program and has been operating for 24 years, funded by MHEC for the community.

Meadow Heights Education Centre shows a high solvency ratio of 1:5 (The current assets as at 31/12/2019 were five times greater than the current liabilities). This indicates that at the end of the financial year, 31st December 2019 MHEC remained in a very favourable financial position and is more than capable of satisfying its liabilities.

I would like to thank the Finance Sub Committee for their assistance, leadership and direction. The support of the administration team has been exemplary.

Ray Benson
Treasurer

Tuesday 7th July 2020

Mr Stephen O'Kane
Partner
LDAssurance
Level 6, 250 Collins Street
MELBOURNE VIC 3000

Dear Mr O'Kane,

Financial report for the year ended 31 December 2019

This representation letter is provided in connection with your audit of the financial report of Meadow Heights Learning Shop Incorporated for the year ended 31 December 2019, for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and complies with the requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*.

We have fulfilled our responsibilities, as set out in the terms of the audit engagement, for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*.

We confirm, to the best of our knowledge and belief and, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves, the following representations made to you during your audit.

1. We have provided you with:
 - (a) access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters
 - (b) additional information that you have requested from us for the purpose of the audit
 - (c) unrestricted access to persons within the organisation from whom you have sought audit evidence
 - (d) details of any off-balance sheet agreements or instruments, or confirmation that no such agreements or instruments exist.
2. All transactions have been recorded in the accounting records and are reflected in the financial report.
3. Proper accounts and records of the transactions and affairs of the organisation and such other records as sufficiently explain the financial operations and financial position of the organisation have been kept.
4. We believe the effects of uncorrected financial report misstatements are immaterial, both individually and in the aggregate, to the financial report taken as a whole.



5. We have prepared the financial report in accordance with the designation as a not-for-profit entity for the purpose of reporting under Australian Accounting Standards.
6. We acknowledge responsibility for the design, implementation and maintenance of internal controls designed to prevent and detect fraud.
7. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
8. There:
 - (a) has been no fraud involving management or employees who have a significant role in the internal control structure
 - (b) has been no fraud that could have a material effect on the financial report
9. There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
10. We acknowledge responsibility for the design and implementation of internal control to prevent and detect error. We have established and maintained an adequate internal control structure to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. We have disclosed to you details of all deficiencies in internal control that we are aware of.
11. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
12. We consider the measurement methods, including related assumptions, used to determine fair values relating to assets and liabilities to be appropriate and consistently applied, and appropriately disclosed in the financial report.
13. We have considered the requirements of AASB 136 *Impairment of Assets* when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.
14. Asset useful lives have been reviewed and any resulting changes accounted for as a change in an accounting estimate.
15. The following have been properly recorded or disclosed in the financial report:
 - (a) arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements
 - (b) agreements to repurchase assets previously sold
 - (c) losses arising from the fulfilment of, or an inability to fulfil, any sale commitments or as a result of purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.
16. All known or suspected instances of non-compliance with laws or regulations whose effects should be considered for disclosure when preparing the financial report have been disclosed to the auditor.
17. All known actual or possible litigation and claims whose effects should be considered when preparing the financial report have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework, including:



- (a) material liabilities or contingent liabilities or assets including those arising under derivative financial instruments
 - (b) unasserted claims or assessments that our lawyer has advised us are probable of assertion.
18. The organisation has satisfactory title to all assets (excluding those assets held in the name of the Crown), and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.
19. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.
20. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
21. We are satisfied that the remuneration of the accountable officer and all executives has been properly reported in the financial report and includes all components of executive remuneration including wages and salaries, leave accruals, performance and other bonuses, superannuation, motor vehicles, any other allowances.
22. The identity of all known related parties (including controlled entities), related party relationships and transactions have been made known to the auditor. All related party relationships and transactions have been appropriately accounted for and disclosed in the financial report in accordance with the requirements of the accounting framework including revenue, purchases, loans, transfers, leasing arrangements and guarantees (written or verbal).
23. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report.
24. We believe that the significant assumptions used in making accounting estimates for inclusion in the financial report are reasonable.
25. With respect to publication of the financial report in hard copy, we will ensure that:
- (a) the financial report accurately reflects the audited financial report and
 - (b) the audit report has been reproduced accurately and in full.
26. With respect to publication of the financial report on our website:
- (a) we acknowledge that we are responsible for the electronic presentation of the financial report
 - (b) we will ensure that the electronic version of the audited financial report and the auditor's report on the website will be identical to the final signed hard copy version
 - (c) we will clearly differentiate between audited and unaudited information in the construction of the entity's website as we understand the risk of potential misrepresentation
 - (d) we have assessed the controls over the security and integrity of the data on the website and adequate procedures are in place to ensure the integrity of the information published and



MEADOW HEIGHTS
EDUCATION CENTRE
REGISTERED TRAINING ORGANISATION (R.T.O 3940)

3-13 Hudson Circuit
Meadow Heights Vic 3048
Telephone: 9301 9200
Fax: 9301 9299

Email: admin@mhec.vic.edu.au
Website: www.mhec.vic.edu.au/

- (e) we will not present the auditor's report on the full financial report with extracts only of the full financial report.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours sincerely

Nader Hanna

CEO

Dated: 7th July 2020

Meadow Heights Learning Shop

ABN : 31 721 175 099

Financial Statements

For the Year Ended 31 December 2019

Meadow Heights Learning Shop

ABN : 31 721 175 099

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For the Year Ended 31 December 2019

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Meadow Heights Learning Shop

ABN : 31 721 175 099

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2019

		2019	2018
	Note	\$	\$
Revenue	5	2,278,226	2,966,918
Finance income	6	70,685	36,154
Other income	5	2,857	6,260
Raw materials and consumables used		(22,056)	(23,149)
Employee benefits expense		(2,454,892)	(2,096,490)
Depreciation and amortisation expense		(111,619)	(42,837)
Other expenses		(351,477)	(389,158)
Finance expenses	6	(1,563)	(4,397)
Profit before income tax		(589,839)	453,301
Income tax expense		-	-
Profit from continuing operations		(589,839)	453,301
Profit for the year		(589,839)	453,301
Total comprehensive income for the year		(589,839)	453,301

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Meadow Heights Learning Shop

ABN : 31 721 175 099

Statement of Financial Position

As At 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,998,601	3,107,288
Trade and other receivables	8	67,197	388,185
Other assets	11	26,629	28,761
TOTAL CURRENT ASSETS		3,092,427	3,524,234
NON-CURRENT ASSETS			
Property, plant and equipment	9	59,698	88,933
Intangible assets	10	12,765	20,872
Right-of-use assets	12	162,599	-
TOTAL NON-CURRENT ASSETS		235,062	109,805
TOTAL ASSETS		3,327,489	3,634,039
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	120,254	91,209
Current tax liabilities	16	148,919	70,957
Lease liabilities	12	66,304	-
Short-term provisions		3,079	7,506
Employee benefits	15	281,090	258,279
Other financial liabilities	14	251	25,458
TOTAL CURRENT LIABILITIES		619,897	453,409
NON-CURRENT LIABILITIES			
Lease liabilities	12	96,351	-
Employee benefits		80,353	59,902
TOTAL NON-CURRENT LIABILITIES		176,704	59,902
TOTAL LIABILITIES		796,601	513,311
NET ASSETS		2,530,888	3,120,728
EQUITY			
Retained earnings		2,530,888	3,120,727
TOTAL EQUITY		2,530,888	3,120,727

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Meadow Heights Learning Shop

ABN : 31 721 175 099

Statement of Changes in Equity For the Year Ended 31 December 2019

2019

	Note	Retained Earnings \$	Total \$
Balance at 1 January 2019		3,120,727	3,120,727
Net comprehensive result		(589,839)	(589,839)
Balance at 31 December 2019		<u>2,530,888</u>	<u>2,530,888</u>

2018

	Note	Retained Earnings \$	Total \$
Balance at 1 January 2018		2,667,426	2,667,426
Net comprehensive result		453,301	453,301
Balance at 31 December 2018		<u>3,120,727</u>	<u>3,120,727</u>

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Meadow Heights Learning Shop

ABN : 31 721 175 099

Statement of Cash Flows For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		2,707,603	3,149,748
Payments to suppliers and employees		(2,812,753)	(2,433,929)
Interest received	6	70,685	36,154
Net cash provided by/(used in) operating activities	19	<u>(34,465)</u>	<u>751,973</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		<u>(9,226)</u>	<u>(20,097)</u>
Net cash provided by/(used in) investing activities		<u>(9,226)</u>	<u>(20,097)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of finance lease liabilities		<u>(64,995)</u>	<u>-</u>
Net cash provided by/(used in) financing activities		<u>(64,995)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held		(108,686)	731,876
Cash and cash equivalents at beginning of year		3,107,288	2,375,412
Cash and cash equivalents at end of financial year	7	<u>2,998,602</u>	<u>3,107,288</u>

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Notes to the Financial Statements

For the Year Ended 31 December 2019

The financial report covers Meadow Heights Learning Shop as an individual entity. Meadow Heights Learning Shop is a not-for-profit Association, registered and domiciled in Australia.

The principal activities of the Association for the year ended 31 December 2019 were to provide residents of the Hume Municipality with adult learning in the areas of education, recreation, leisure and children's services.

The functional and presentation currency of Meadow Heights Learning Shop is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the Responsible persons opinion the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Associations Incorporation Reform Act 2012 and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Association has adopted AASB 15 *Revenue from Contracts* with Customers and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 January 2019.

The Association has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations.

Leases - Adoption of AASB 16

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

3 Summary of Significant Accounting Policies

(a) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Revenue from contracts with customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

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

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

Specific revenue streams

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

Donations and grants

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement but may include management of education events, vaccinations, presentations at symposiums.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Specific revenue streams (continued)

Interest income

Interest revenue is recognised in respect of fixed-interest securities, and cash and cash equivalent balances. Interest revenue is recognised as it accrues.

Rendering of services

Revenue in relation to rendering of services is recognised when the counselling or education services are complete. Where there are a number of sessions to be provided then revenue is recognised in proportionate to the sessions completed.

Other income

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

(b) Income Tax

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

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies (continued)

(d) Property, plant and equipment (continued)

Depreciation (continued)

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	4 - 35%
Computer Equipment	20 - 35%
Leasehold improvements	10 - 25%

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

(e) Cash and cash equivalents

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

(f) Leases

For comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

For current year

At inception of a contract, the Association assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Association has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies (continued)

(f) Leases (continued)

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

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

(g) Employee benefits

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

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

(h) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies (continued)

(h) Provisions (continued)

market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

(i) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 31 December 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

4 Critical Accounting Estimates and Judgments

The Responsible persons make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

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

5 Revenue and Other Income

Revenue from continuing operations

	2019	2018
	\$	\$
- Centre Income	17,703	32,952
- Course Fees	64,588	95,793
- Funding and Grants	2,194,443	2,834,782
- Other operating revenue	1,492	3,390
Total Revenue	2,278,226	2,966,917
Other Income		
- Sundries income	2,857	6,260

Notes to the Financial Statements

For the Year Ended 31 December 2019

6 Finance Income and Expenses

Finance income

	2019	2018
	\$	\$
Interest income		
Interest on Term Deposits	70,685	36,154

Finance expenses

Bank Fees and Charges	1,563	4,397
-----------------------	-------	-------

7 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	178,216	867,288
Short-term deposits	2,820,385	2,240,000
	<u>2,998,601</u>	<u>3,107,288</u>

8 Trade and other receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	45,608	367,170
Provision for impairment	(2,800)	(2,800)
	<u>42,808</u>	<u>364,370</u>
Deposits	24,389	23,815
Total current trade and other receivables	<u>67,197</u>	<u>388,185</u>

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2019

9 Property, plant and equipment

PLANT AND EQUIPMENT

Furniture, fixtures and fittings

At cost

110,957 110,957

Accumulated depreciation

(90,683) (73,144)

Total furniture, fixtures and fittings

20,274 37,813

Computer equipment

At cost

114,627 105,401

Accumulated depreciation

(95,151) (78,008)

Total computer equipment

19,476 27,393

Leasehold Improvements

At fair value

33,542 33,542

Accumulated amortisation

(13,594) (9,815)

Total leasehold improvements

19,948 23,727

Total plant and equipment

59,698 88,933

Total property, plant and equipment

59,698 88,933

(a) Movements in carrying amounts of property, plant and equipment

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

	Furniture, Fixtures and Fittings \$	Computer Equipment \$	Leasehold Improvement s \$	Total \$
Year ended 31 December 2019				
Balance at the beginning of year	37,813	27,394	23,727	88,934
Additions	-	9,226	-	9,226
Depreciation expense	(17,539)	(17,144)	(3,779)	(38,462)
Balance at the end of the year	20,274	19,476	19,948	59,698

	Furniture, Fixtures and Fittings \$	Computer Equipment \$	Leasehold Improvement s \$	Total \$
Year ended 31 December 2018				
Balance at the beginning of year	52,305	45,404	27,850	125,559
Additions	1,914	-	-	1,914
Depreciation expense	(16,406)	(18,010)	(4,123)	(38,539)
Balance at the end of the year	37,813	27,394	23,727	88,934

Meadow Heights Learning Shop

ABN : 31 721 175 099

Notes to the Financial Statements For the Year Ended 31 December 2019

10 Intangible Assets

Software		
Cost	43,266	43,266
Accumulated amortisation	(30,501)	(22,394)
Total Intangibles	12,765	20,872

11 Other Assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	21,890	23,217
Accrued income	4,739	5,544
	26,629	28,761

12 Leases

The Association has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

Association as a lessee

The Association has leases over a couple of building assets.

The Association has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability.

Right-of-use assets

	Buildings	Total
	\$	\$
Year ended 31 December 2019		
Balance at beginning of year	325,254	325,254
Depreciation charge	(162,655)	(162,655)
Balance at end of year	162,599	162,599

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2019					
Lease liabilities	96,351	66,304	-	162,655	162,655

Notes to the Financial Statements

For the Year Ended 31 December 2019

13 Trade and Other Payables

	Note	2019 \$	2018 \$
CURRENT			
Trade payables		119,344	46,651
Employee benefits		268	(2,821)
Sundry payables and accrued expenses		-	46,737
Other payables		642	642
		<u>120,254</u>	<u>91,209</u>

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

14 Other Financial Liabilities

	2019 \$	2018 \$
CURRENT		
Government grants	251	25,458

15 Employee Benefits

	2019 \$	2018 \$
Current liabilities		
Long service leave	177,732	172,262
Provision for Annual Leave	103,358	86,017
	<u>281,090</u>	<u>258,279</u>
Non-current liabilities		
Long service leave	80,353	59,902
	<u>80,353</u>	<u>59,902</u>

16 Tax assets and liabilities

	2019 \$	2018 \$
GST	58,953	4,225
PAYG	89,966	66,732
Current tax liabilities	<u>148,919</u>	<u>70,957</u>

17 Auditors' Remuneration

	2019 \$	2018 \$
Remuneration of the auditor		
LD Assurance		
- auditing the financial statements	6,000	5,900

Notes to the Financial Statements

For the Year Ended 31 December 2019

18 Contingencies

In the opinion of the Responsible persons, the Association did not have any contingencies at 31 December 2019 (31 December 2018: None).

19 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Profit for the year	(589,839)	453,302
Non-cash flows in profit:		
- amortisation	8,106	4,298
- depreciation	103,513	38,540
- impairment of receivables	-	2,774
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	321,563	106,166
- (increase)/decrease in prepayments	1,557	(6,288)
- increase/(decrease) in trade and other payables	81,799	49,022
- increase/(decrease) in provisions	38,836	104,160
Cashflows from operations	<u>(34,465)</u>	<u>751,974</u>

20 Events Occurring After the Reporting Date

The financial report was authorised for issue on 30 June 2020 by the board of directors.

Since the end of the financial year, the outbreak of COVID-19 has occurred, and this is expected to have an impact on the business operations and cashflows of the Association in the current financial year. The extent of this impact cannot yet be determined.

21 Statutory Information

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

Meadow Heights Learning Shop
3-13 Hudson Circuit
Meadow Heights Vic 3048

Meadow Heights Learning Shop

ABN : 31 721 175 099

Directors' Declaration

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

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

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

Responsible person



Responsible person



Dated

Monday 13th July 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEADOW HEIGHTS LEARNING SHOP

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report of Meadow Heights Learning Shop ('the Association'), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and responsible person's declaration.

In our opinion, the accompanying financial report of Meadow Heights Learning Shop, has been prepared in accordance with the *Associations Incorporation Reform Act 2012* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the Association's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- ii. complying with Division 60 of the *Australian Charities and Not for profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with Division 60 of the *Australian Charities and Not for profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to for the purpose of fulfilling the Association financial reporting requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not for profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Board for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Accounting Standards, the *Associations Incorporation Reform Act 2012* and Division 60 of the *Australian Charities and Not for profits Commission Act 2012*. The Board's responsibility also includes such internal control as it determines 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.

Responsibilities of the Board for the Financial Report (Continued)

In preparing the financial report, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

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

LDAssurance
Chartered Accountants



Stephen O'Kane
Partner

Dated this 14th day of July 2020





MEADOW HEIGHTS EDUCATION CENTRE

REGISTERED TRAINING ORGANISATION (R.T.O 3940)

