

ecms ANNUAL REPORT 2010



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OUR VISION

We share a vision of a community where every child has the opportunity to be their best and where every parent, family and community is enriched by the experience of their child's learning.



The results we seek to achieve:

For Children: The children in our services are safe, they are learning, making friends and playing in an environment that encourages joy, curiosity and results in optimal development. Our children entering primary school are school-ready.

For Parents and Families: Our families are proud of their choice and enriched by the experience of their child's learning. They are affirmed as their child's primary model and teacher, they have the opportunity to be involved and they know what is happening every day. Our families have a sense of belonging and inclusion and a great professional relationship with dedicated, engaging, friendly and caring staff – there is a partnership based on trust and respect.

For Communities: Local communities are proud of their service, they have a trusted partner delivering safe, secure, stable, quality education services. Our communities see a service that is responsive to their local needs and connected to the local services system. We are a valued partner, contributing to well-planned services in the communities in which we work.

For Resources: Our services are sustainable and we are accountable and transparent in managing the resources we are entrusted with.

[02]

A MESSAGE FROM JO, OUR BOARD CHAIR

[03]

2010 has been another busy and successful year for ECMS where we have continued to enrich the lives of children, families and communities. The Board has maintained its focus on ensuring sound governance practices are in place. We reviewed and refocused our strategic direction, ensuring that our work continues to focus on delivering clear outcomes. We believe our strategic plan will see us well-placed to continue shaping the way ECMS partners with and empowers communities in the delivery of innovative, contemporary services that enrich the lives of children.

We were particularly pleased to see the Susan Alberti Bulldogs Community Children's Centre opened during 2010 – a project which took a number of years to come to fruition and has been warmly welcomed and supported by the community. I believe that the Bulldogs centre illustrates ECMS' focus, dedication and capacity to deliver results by working in partnership with communities and key stakeholders.

During 2010 we appointed Bernie Nott to the role of CEO. The Board believes that ECMS will continue to grow under Bernie's insightful and capable leadership. This year's business performance has tracked well and enabled us to generate a small surplus, which we can use to grow and extend the support we offer to communities.

We look forward to the coming year with anticipation. Our dedicated and talented team of early childhood professionals will continue to deliver high quality early years education and care to approximately 5000 children entrusted to us by their families each day. Our leadership and support teams will focus on keeping ECMS well placed to deliver on our strategic plans, by working in partnership with our communities to deliver innovative, responsive services.



Jo Murray
Jo Murray, Board Chair

GOVERNING FROM THE POSITION OF OWNERSHIP

[04]

Thanks to the drive and professionalism of our governing Board, ECMS ended 2010 with an invigorated vision and 5 year strategic direction. The Board is united in its central focus on enriching children's lives, always mindful of its accountability to our community members. The Board adopted a Policy Governance approach during 2009 and in 2010 was able to clearly define the specific results and outcomes it wishes to achieve for the children, families and communities we work with.



Joanne Murray – Board Chair
Jo believes positive, accepting and engaging experiences in the early years are the basis of a life-long love of learning and the realising of individual potential, and wants to contribute to ECMS making this happen as innovatively and effectively as possible.



Trent Cummings – Treasurer
Trent joined the Board in the hope that his accounting skills could be applied to provide sound financial governance and stability, so that ECMS can continue to contribute to the community, especially for young families.



Karen Symes – Public Officer/Secretary
Grateful and inspired by the specialist support that her family received from an ECMS service, Karen wanted to be more involved in ECMS providing children with a better start in life and in creating a trusted support network for parents.



Theo Panay – Member
Theo is interested in helping to shape ECMS for long term financial sustainability and ongoing provision of quality early learning environments.



Andrew Nguyen – Member
Andrew joined the ECMS Board to utilise his business skills in an organisation that contributes to the wider community, and to help unlock the organisation's potential.



Lara Mossman – Member
Lara is inspired by the people in our organisation and that they never lose sight of the fact that children come first. She aims to listen to the community and to ensure that their voice is heard at the Board table.



John Fasso – Member
John firmly believes that high quality early education and care is the foundation for ensuring children fulfil their potential. He is excited by the possibility that ECMS has to sustainably deliver good quality foundations to many Victorian children and their families.



Campbell Rose – Member
Cam firmly believes that the future of our country resides in education, and this cannot start early enough through the creation and continual re-enforcement of the need to have the right educational environments for all people, regardless of background.

Board Members that also served on the ECMS Board in 2010 include Liz Rouse, Karen Hew, Ann Crook and Christine Davie.



A MESSAGE FROM BERNIE, OUR CEO

[05]

In the midst of change it is important to know what should stay the same

Rarely will you pick up an Annual Report these days and not read about change. Change is constant and the year 2010 was no exception. However in the midst of all that it is changing, it is important to remember what must stay the same.

Throughout 2010, ECMS programs reached out to almost 5000 children and their families across all four corners of multicultural Melbourne. Across these communities the winds of change continue to blow strong. In Melton, Wyndham and Whittlesea, our services supported those communities dealing with increasing demand driven by high population growth. In Maribyrnong, Brimbank and Hobsons Bay, our work seeks to turn the curve for communities where children are likely to be more developmentally vulnerable. Across all communities we continue to witness social change challenging our services to evolve and adapt to a world where families are smaller and more culturally diverse, parenting is more stressful, children have fewer opportunities for play and community environments are less child-friendly.

On a political front, in 2010 we witnessed change in leadership across both Federal and State Governments. ECMS is pleased to see the continued commitment of our government leaders to the reform agenda across the early years. Clearly there is more work to do, as highlighted by the 2010 UNICEF report 'The Children Left Behind' which showed how Australia is letting our most disadvantaged children fall further behind than most other rich countries. This report serves as a valuable tool to enlighten key people in our society and attract further attention and investment in the early childhood sector.

During periods of constant change, there are often key times that prompt a moment of reflection and review. Changes in leadership at a Board and CEO

level during 2010 provided that impetus, so that in the latter half of the year ECMS reviewed its work and is now focused on a set of new Strategic Directions for 2011- 2015.

This review highlighted our need to continue to adapt to the changing expectations of our community. It also highlighted that which stays the same – our true North Star principles. Our passion for early childhood education and our values of inclusion, responsiveness, learning, connectedness, trust and respect remain constant. In this Annual Report you can read about how ECMS has lived out these values in our work in 2010 through the stories of Owen, Melissa, Jenny, Colleen and Magda.

Finally I wish to acknowledge all who contributed to enriching a child's life in the past year. To the staff team at ECMS, our voluntary Board, service partners, partners in Government and the committed parents and families who have contributed in many varied ways – only together can we make the positive difference that we do.



Bernie Nott
Bernie Nott, CEO



[06]



OWEN'S STORY

[08]

Owen is a very special boy who is adored by all who encounter him, children and adults alike. He loves cuddles, playing with his friends, splashing about in water and watching television. The only difference between Owen and his friends at the Susan Alberti Bulldogs Community Children's Centre is that Owen has cerebral palsy, a complicated condition that includes a myriad of physical and neurological challenges.

Owen has various special needs and requires constant attention and care. He has special equipment to support his quadriplegia and is on a strict medical diet, monitored by a neurologist.

When Owen's mother Clare came to the 'Bulldogs' Centre, she immediately felt welcome and could see that Owen would be included. Clare says "The experience has been really positive for all of us. The first thing I noticed when Owen started coming here was the level of feedback I was getting, especially compared to our previous experience of day care. It was reassuring to know how his day was, what he'd been doing, what he did with the group. I feel I can really trust the team here to care for him. Everyone is so loving, it's almost over the top!"



Steve, Clare and Owen at play

Clare also has a one year old son Ned, and the opportunity to have trusted, quality care for Owen twice a week and Ned once a week means that she can enjoy quality individual time with each of her sons. It also gives her the much-needed opportunity to catch up on household tasks, prepare all of Owen's food according to his special diet and occasionally take some time to connect with friends.

Clare says that the attention from all of the staff has been fantastic, with all of the centre staff interested in Owen and understanding of his needs. "Everyone here knows how to use his equipment. Since we've been coming here we've also seen improvements in his sleeping patterns and behavioural issues at home. I believe that these improvements are a result of the stimulation, socialisation and support that he's getting at the centre."

Clare and the 'Bulldogs' team have partnered with Specialist Children's Services and Vision Australia to enhance Owen's care at the centre. "Katrina Russel from Specialist Children's Services, Geraldine Ryan from Vision Australia and all of the staff here have been fantastic. Owen loves his case worker Huong, they have formed a very special bond. We are very lucky."

BUILDING A TEAM OF SUPPORTED, EMPOWERED PEOPLE

[09]

Diversity of culture, ability, ideas, talents or personalities is not only celebrated amongst the children we care for and educate, but also in our staff team. Our team represents an enormous collective strength of influences, ideas and experience. Networking and professional development is an essential focus area for ECMS as we attempt to develop, share and grow with this diverse collective. In 2010 we continued to improve our connectivity between staff, centres and with our partners. The 'ECMS Staff Conference 2010 – Connected to our World' brought 407 members of our community together on August 19 2010 to learn and exchange ideas, with a particular focus on climate change, sustainability and the Early Years Learning Framework.



The Department of Education and Early Childhood Development recognised ECMS in August 2010 with a Kindergarten Cluster Management Best Practice Award in the Professional Development and Career Pathways category, awarding \$10,000 for investment into further staff training. Regular professional development days, Occupational Health and Safety representative elections and training, supported research projects, ongoing work of the ECMS Policy Committee, external training and our partnership with NMIT continued to help shape the professional growth and career pathways for our many and varied team members.

MELISSA'S STORY

[11]

When Melissa McLeod first joined ECMS as a Cook at the Empire Early Learning Centre in West Footscray, she would never have imagined that in ten years time she would be running a brand new purpose-built children's centre in partnership with the local AFL team. Now, as she reflects on her journey towards becoming the Coordinator of the new Susan Alberti Bulldogs Community Children's Centre, Melissa credits the supportive environment and the opportunities provided by ECMS as a key reason for her success.

"ECMS has encouraged me over the years to upgrade my skills. I have found the organisation to be very supportive, and my time with ECMS has been rewarding and enjoyable. I've developed some great professional relationships. It's a great organisation to work for – we have access to plenty of opportunities for professional development throughout the year, including the annual Conference which provides us with great networking and new ideas."

Melissa always wanted to work in early childhood and has held various roles during her time with ECMS, working at Empire ELC, Maribyrnong River Children's Centre, ECMS Head Office and now the 'Bulldogs' centre which opened in February 2010. With support from ECMS, in 2005 Melissa completed her Diploma in Children's Services and has continued to grow and prosper in her work with children. "The opportunity to contribute to the set up of the 'Bulldogs' and to move up to coordinating the centre has been a fantastic learning experience for me. I look forward to continuing to build relationships with families and providing a service that is connected to the needs of the community, particularly our young children."



DELIVERING QUALITY SERVICES THAT ARE CONNECTED TO THE COMMUNITY

[12]

Providing parents, families and communities with access to resources and opportunities so that they can focus on connectedness, learning and enrichment.

There are many interesting transitions during the early years of a child's life, and for some these moments can be challenging. Transitioning from home to more formalised care or education, or from kindergarten to school, can prove to be difficult for both the child, parent and family. We recognise the significance of these changes and have invested in supporting children, families and communities through these times. Whether it is their first time orientating at long day care, entering a family day care service, moving on to kindergarten or starting school, we aim to support everyone through the process.

JENNY'S STORY

Life is full of transitions, and for Jenny, 2010 represented a milestone in her transition from a Kindergarten Teacher of 30 years to an Early Years Coordinator with the ECMS team. Jenny has embraced the change and is enjoying the opportunity to draw on her wisdom and experience to coach, mentor and guide our team of educators as they support children in the transitions they encounter in their important foundation years. It was a passion for understanding transitions from a child's perspective that led Jenny to develop the 'Transition: The Child's Perspective' program. The program, based on the Early Years Learning Framework, includes clearly identified goals, practices and opportunities to help children acquire the confidence and experience needed to cope with major transitions, situations and changes in their lives.

"Transition is a long and complex process and by strengthening partnerships across a range of differing educational settings, we can help support the child's capacity to successfully adjust to the move from home to kindergarten and from kindergarten to school," explains Jenny. Jenny is delighted to see that many ECMS services have worked hard throughout 2010 to build strong relationships with families and local primary schools, sharing visits both during the kindergarten year and in the child's first year of school.

Positive reciprocal relationships between children, parents and educators, based on mutual respect and trust, are vital to success. Jenny believes "Transition plans should develop from a common understanding that children are the most important consideration and should be 'visible' in their ongoing transition process. We must consult children about their understandings, feelings and knowledge."

"Giving children a voice supports the child's sense of belonging and inclusion and acknowledges them as capable learners and active participants in all components of the transition process. Listening to the child's perspective acknowledges the right for their views and experiences to be taken seriously and allows us to demonstrate how children can contribute to the educational setting. Involving parents as well validates the important role they play in sharing the knowledge they have about their child from the context of the family, and endorses their vital role as equal partners in their child's transition," says Jenny.

"I have already seen and heard many success stories in our services and I look forward to continuing to work with our teams to ensure children and their families experience these important transitions with confidence."



We are constantly seeking input, evaluating current services, planning for the future and responding to growing and changing demand. 2010 saw many developments in this area, as we sought out innovative ways to respond to community needs and provide families with choice. This included partnering with the Wyndham City Council to prepare for the 2011 introduction of 3+ Activity Groups at Point Cook and Arndell Park Community Learning Centres. We worked with local communities and government to access funding and support to improve and develop our services, with major upgrades at Kealba Kindergarten, Mossfiel Children's Centre and Malvern Memorial. Macleod Preschool also successfully obtained a \$200,000 Capital Works Grant from DEECD which will see construction take place in 2011.



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ENRICHING



INCLUSIVE



RESPECTFUL



LEARNING



CONNECTED



RESPONSIVE



TRUSTED

COLLEEN'S STORY [14]

Macleod Preschool offers a very popular three year old kindergarten program, and when the new legislation was introduced to build the number of four year old kindergarten hours to 15 hours week by 2013, the parent committee led by President Colleen Goulding had concerns about how this would impact their capacity to continue to offer the three year old program.



With 100 three year old applications each year and only 50 places currently available, the committee decided to work especially hard to respond to the needs of the community and applied for funding to extend and improve the preschool facility. During 2010, Macleod Preschool successful obtained a \$200,000 Capital Grant from the Department of Education and Early Childhood Development to upgrade the centre and add an additional room and play area, allowing them to accommodate the demand for three year old services in the future. As part of the redevelopment, the new room will also be accessible as a community room for interest groups and special events.

Colleen Goulding, President of Macleod Preschool Committee, explains "We're very excited. It has been a long process – our initial application for funding was very extensive but unsuccessful. We persisted and with support from ECMS, we reapplied and were successful the second time. We are working very closely with Banyule Council to project manage the development and are keen to see the upgrades in place so that we can offer more services in 2012."

"Having access to the knowledge about regulations and processes and advice from ECMS has been really helpful. Whenever we asked for help, it was always very forthcoming. It's great to know that we have support when we need it."

Macleod Parent Survey comment:
"The first half of this year unbeknown to me my daughter was a bit reclusive and not her normally bubbly self at kinder. The staff brought this to my attention and discussed strategies to help her along. This term she is a totally different child at kinder, and has really changed a lot at home as well. If it wasn't for the staff noticing this I am sure my daughter wouldn't have come along so well. Very happy with Macleod Preschool."

LISTENING AND RESPONDING TO OUR COMMUNITY [15]

We are constantly looking and listening to ensure that ECMS is best positioned to respond to the changing needs of the community. We evaluate how we are performing annually with our Parent Survey, and 2010 results indicated that our services continue to be performing exceptionally well. Our overall performance and overall satisfaction scores were outstanding, scoring an average of 4.40 out of 5.

- 90% of parents surveyed in 2010 rated ECMS' performance as **Good** or **Very Good**.
- 89% of our parents are **Satisfied** or **Very Satisfied**.
- Our passionate and dedicated staff rated highly in all areas, with average scores of **4.43 out of 5**.
- Parents voted the best features of our kindergartens and childcare centres as **happy children, great staff, and good locations**.
- 70% of our kindergarten parents agree that **our staff are the best feature of our service**.
- 84.8% of Kindergarten parents and 79.9% of Childcare parents say the best feature of our service is that **their child is happy**.

Parent Survey Comments:

"I am a first time mum and I can honestly say from the moment I have dealt with all the staff at QV I have never been worried about my son's welfare, which has been a blessing. The staff are professional and their nature is fantastic."

QV Children's Centre

"My wife and I are very satisfied with the care that our child receives at Watts Street Children's Centre. They are not merely a childcare centre but also a centre where children may learn about themselves and begin to explore their environment. Our child thrives at Watts Street and we have the staff and management to thank for his ongoing development at the Centre."

Watts Street Children's Centre

"I am very happy with Darley Kinder. Nicolas is always happy and exhausted after having a great day. I have had four other children go through Darley Kinder and they loved coming here."

Lerderderg (Darley) Preschool

"We were very anxious about putting our precious daughter in childcare. However we are absolutely delighted with the care we all receive, the staff greatly aided the transition and Cate loves going. She has settled in well and clearly enjoys childcare and has developed great relationships with staff and other children. Thank you!"

St Vincent's Early Learning Centre

"Altona kindergarten is run by two fantastic ladies who genuinely care about the children and their interests. I have never seen so many incursions organised and so many children settle in so quickly. This is the best kinder we have ever attended. My son loves it."

Altona Kindergarten

"My child has grown significantly in maturity and confidence this year. I have every confidence that his ability to cope at school next year will be a good part the result of his year at Caulfield Primary Kindergarten, his teachers and the environment they have provided for him to grow and flourish as a young boy."

Caulfield Primary Early Childhood Centre



MAGDA'S STORY [17]

The Department of Human Services asserts that vulnerable families are underrepresented in early years services. It is believed that some of the barriers to accessing early learning services include challenging enrolment systems, cost, transport and cultural sensitivity. ECMS recognises that this a real challenge for the communities of Melton and Brimbank, where many of our services operate.

The Centre of Excellence for Child and Family Welfare has acknowledged the work of one particular service as truly valuing diversity and turning the curve for these vulnerable families. Magda Koutsivos and her team at St Albans West Kindergarten experienced full enrolments during 2010 thanks to an innovative approach and flexible program that encouraged potentially vulnerable families to actively participate in kindergarten. "I'm always very humbled to receive recognition like this, as I see that it's just part of what I do every day," says Magda.

Magda acknowledges her biggest challenges are communicating with such a diverse audience and involving the parents in the program and kindergarten activities. Of the families enrolled at St Albans West in 2010, 98% had English as a second language and 80% migrated to Australia in the last 5 years. "Many have large families with 4 or 5 children and almost all of them are in financial hardship with limited support – just physically getting to kinder can be difficult. But once the children are in the door, they feel a strong sense of belonging and they learn to love kinder. Their parents see that so they keep bringing the children back every day."

Magda is also sharing her knowledge and experience through a pilot mentoring program with Gowrie Victoria, demonstrating how to practically apply the theory of the Early Years Learning Framework: 'Belonging, Being and Becoming'.

The opportunities that Magda and her team provide at St Albans West Kindergarten offer a real potential for these young children to put the odds in their favour. "We play an important role in helping to protect children and families in our community from further vulnerability. We try to involve the families, to always make them feel welcome and encourage them to participate without too much pressure. It can be difficult at times, but many small changes to our approach have made a big difference for families in our service, and that is really rewarding."



ECMS BEHAVES IN A MANNER THAT IS SUSTAINABLE AND VIABLE TREASURER'S REPORT [19]

Summary
The summarised accounts presented with this report are for the financial year 1 January 2010 to 31 December 2010.

Statement of Comprehensive Income
Overall, ECMS recorded a surplus of \$444,188 for the 31 December 2010 year compared to a surplus of \$456,077 for the 31 December 2009 year.

- 13.7% of this surplus, \$61,035 was attributable to our investment portfolio, for the 31 December 2009 the investment portfolio yielded \$168,550 or 36.9% of the overall surplus.
- Our operational arm contributed 86.3% of the overall surplus or \$383,153, an improvement on the previous year where the operations contributed \$287,527, 63% of the overall surplus.

A number of factors contributed to the consistent year on year financial performance.

Statement of Financial Position at 31 December 2010

	2010	2009
CURRENT ASSETS		
Cash and cash equivalents	1,983,276	1,085,439
Trade and other receivables	270,704	543,630
Financial assets	2,096,984	1,926,151
Other assets	94,042	192,319
Total current assets	4,445,006	3,747,539
NON-CURRENT ASSETS		
Property, plant and equipment	864,421	779,229
Intangible assets	68,071	96,784
Total non-current assets	932,492	876,013
TOTAL ASSETS	5,377,498	4,623,552
CURRENT LIABILITIES		
Trade and other payables	740,267	703,257
Interest-bearing liabilities	27,545	31,096
Employee benefits liabilities	1,110,745	933,442
Other liabilities	194,664	150,918
Total current liabilities	2,073,221	1,818,713
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	20,110	23,128
Employee benefits liabilities	158,329	100,061
Total non-current liabilities	178,439	123,189
Total liabilities	2,251,660	1,941,902
NET ASSETS	3,125,838	2,681,650
EQUITY		
Reserves	1,861,802	1,860,875
Accumulated surplus/(deficit)	1,264,036	820,775
TOTAL EQUITY	3,125,838	2,681,650

Statement of Financial Position
Total equity in the ECMS Statement of Financial Position, as at 31 December 2010, is \$3,125,838.

Overall ECMS Childcare Centres experienced higher utilisation in 2010. The Susan Alberti Bulldogs Community Children's Centre exceeded expectations in its first year of operation and there were improvements in the financial performance of the Empire Street Early Learning Centre, QV and Mossfiel Children's Centres and Werribee West Family Centre.

Significant reforms and change in the early childhood education sector continue to challenge the Kindergarten portfolio. The increasing cost of service delivery driven by increased compliance and staffing costs is balanced against the need to deliver affordable and accessible services that are ready to embrace the onset of Universal Access and the National Quality Framework. The kindergarten portfolio experienced a \$109,439 deficit in 2010. As the largest early learning service provider in Victoria, we have an important role to play in advocating the voice of families and in providing the government with insight into the realities of policy and regulatory change.

Statement of Comprehensive Income for the year ended 31 December 2010

	2010	2009
REVENUE		
Childcare fees	8,549,971	6,798,386
Kindergarten fees	3,021,896	2,771,034
Family Day Care fees	1,672,100	1,496,529
Management fees	156,153	142,789
Consulting fees	3,542	25,526
Grants	5,521,716	5,264,876
Interest	63,917	22,371
Rent	4,291	13,434
Project income	62,001	36,995
Other income	75,753	76,338
TOTAL REVENUE	19,131,940	16,648,278
Other income	73,168	199,291
TOTAL INCOME	19,204,508	16,847,569
EXPENSES		
Administration expenses	1,364,208	1,339,405
Depreciation and amortisation expenses	163,556	145,308
Employee benefits expenses	15,104,231	13,189,742
Occupancy expenses	974,194	869,313
Other expenses	1,148,794	838,550
Finance Costs	5,337	9,174
TOTAL EXPENSES	18,760,320	16,391,492
Net Surplus / (Deficit)	444,188	456,077

We have audited the accompanying financial report, being a special purpose financial report of Early Childhood Management Services Inc ("the Association"), which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the Board of Management ("the Board").

The Board's Responsibility for the Financial Report

The Board of the Association is responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporation Act 1981 and is appropriate to meet the needs of the members.

The Board's responsibility also includes such internal control as the Board determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

Our audit did not involve an analysis of the prudence of business decisions made by the Board or management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Opinion

In our opinion the financial report of Early Childhood Management Services Inc is in accordance with the Associations Incorporation Act 1981, including:

- giving a true and fair view of the Association's financial position as at 31 December 2010 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards to the extent described in Note 1.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board's financial reporting responsibilities under the Associations Incorporation Act 1981. As a result, the financial report may not be suitable for another purpose.