

SYDNEY COMMUNITY COLLEGE

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you can





Annual Report 2016




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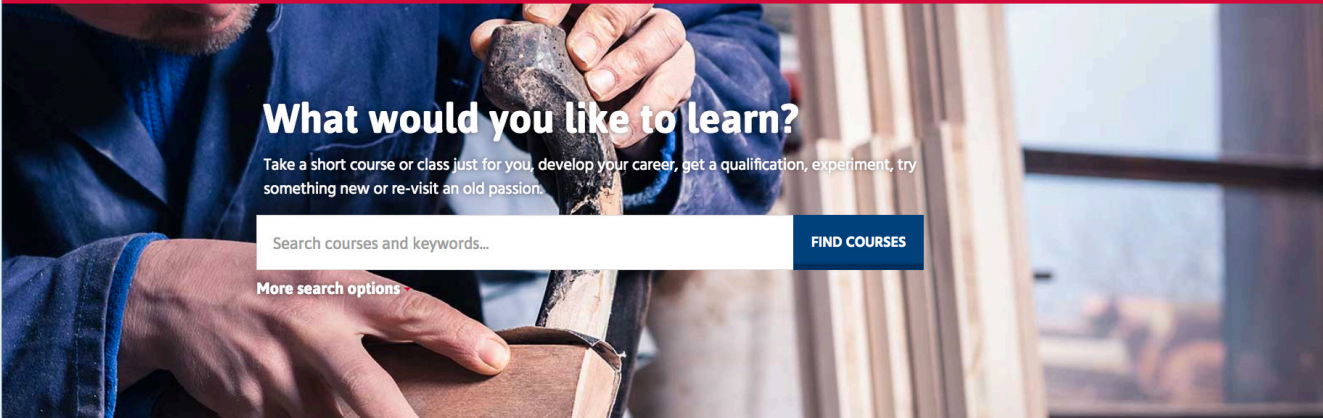
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Sydney Community College

Chairperson's Report

2016 has been a challenging year financially. Despite some revenue growth in 2015 and 2016, this was not enough to match the loss of an untied NSW Government grant in 2014. I regret the fact that NSW Governments are no longer committed to helping to maintain adult and community education but in the current neo-liberal environment it is unlikely that this will change.

The result of this new environment coupled with an increase in costs necessitated a significant reduction in our operating costs and as a consequence a reduction in staffing.

Given our difficult financial situation the Board made the decision to focus on its core business of delivering continuing adult education and vocational training. As part of this decision the Board explored options for the transfer of the lease for the Sydney Centre for Tennis in Camperdown. While the Centre has been the venue for the provision of a range of well patronised sport based courses and has been financially viable, the lack of money for further investment led to the decision to seek the transfer to another organisation that could continue to offer sports opportunities to the community. Negotiations are currently being finalised with a new operator likely to take over in mid 2017.

We also commenced negotiations with our landlords to undertake a rental review. We have appreciated the cooperation and understanding they have shown in this process.

On the revenue side the College has continued to develop expertise in digital marketing particularly through social media platforms. These have enabled us to reach and serve new sectors of the community. Moreover this has been undertaken in-house both to reduce costs and to ensure that staff are up to date with current developments in digital business. We also continue to evaluate and review courses to ensure they meet the needs of our clients.

Many of these developments are due to the leadership and expertise of our principal Garry Traynor who in 2016 marked 30 successful years in the role. Despite the difficult times his commitment to the college and its future development remains as strong as ever.

I would also like to thank the staff of the college for their dedication and commitment during the year.

Finally I would like to pay tribute to the previous chair of the Board Frances Howat for her work as chair between 2012 and 2015. Frances played a major role during that period in helping the college undertake the changes that were needed in the new environment.

The College will continue to face challenges in the short term, however I am confident that the changes that have been put in place during the last few years and an openness to possible new models of operating across the whole of the adult education sector will ensure that we have a bright future.

Andrew Gonczi
Chairperson

June 2017

Sydney Community College

Principal's Report

Acknowledgements

Without the focussed effort of all staff and tutors, the big job as described in the Activity Report could not have been achieved. I acknowledge and thank all concerned on a job very well done in a tough environment. I also pay tribute to the College Board, in particular Andrew Gonczi the Chair, for his thorough and considered guidance during difficult negotiations.

Financial Result

On the back of a disappointing result for 2015, the College has posted a loss of \$379,914 for the trading year of 2016. It must be noted that \$207,637 of this loss is represented by Depreciation, in particular leasehold improvements dating back to 2010, along with investments at the Sydney Centre for Tennis. That said, effectively the College traded at a loss of \$172,277. Largely, this loss brought about by increased costs including but not restricted to salaries and rents. With regard to salaries, the base rate of \$45/hour was lifted to \$50/hour inline with the reasonable expectation of the teaching staff. CPI adjustments were also applied to College administration staff.

Enrolment income fell by \$133K over the year. Unusually this occurred in the first half of the year prompting urgent action by management and College Board. Two actions were taken:

- the College met with representatives of the Catholic Church - our landlords at Rozelle and successfully negotiated terms for a new lease. These terms significantly lowered our rental costs exposure in 2017 but had no effect on 2016;
- the second action was to seek a buyer for our Tennis Centre business. Contracts for that sale were issued in 2016 and the likely finalisation of that sale will be June 2017.

The result of those actions and other marketing activities successfully implemented in 2016, will see the College convert some non current assets (leasehold improvements) into current assets (cash). This will place the College in a better position to trade in 2018.

College Sites

During 2015 the number of classes presented at the city continued to increase from 318 to 443. Rozelle classes declined slightly to 558 while the tennis centre classes remained stable. Unfortunately, the William Angliss site, where all of the College cooking programme was centred, became unavailable due to increases in their own programme.

Staffing

Staffing remained stable during 2016 and I pay tribute to all who re-doubled efforts to bring about change.

RTO

All RTO activity was related to the ACE CSO Funded programme and is reported separately. (See report). Three classes in the Certificate IV Workplace Training and Assessment were also conducted.

Changes to Funding

2016 marks the end of the College's 30th year. During that time, much has been achieved. Unlike the early days when we were supported and encouraged by Government, the College is now trading without any government policy underpinnings or financial assistance. This situation has created many challenges, however I am pleased to say that the actions of the College Board and the diligence of the College, staff place the College in the coming year in a more favourable position.

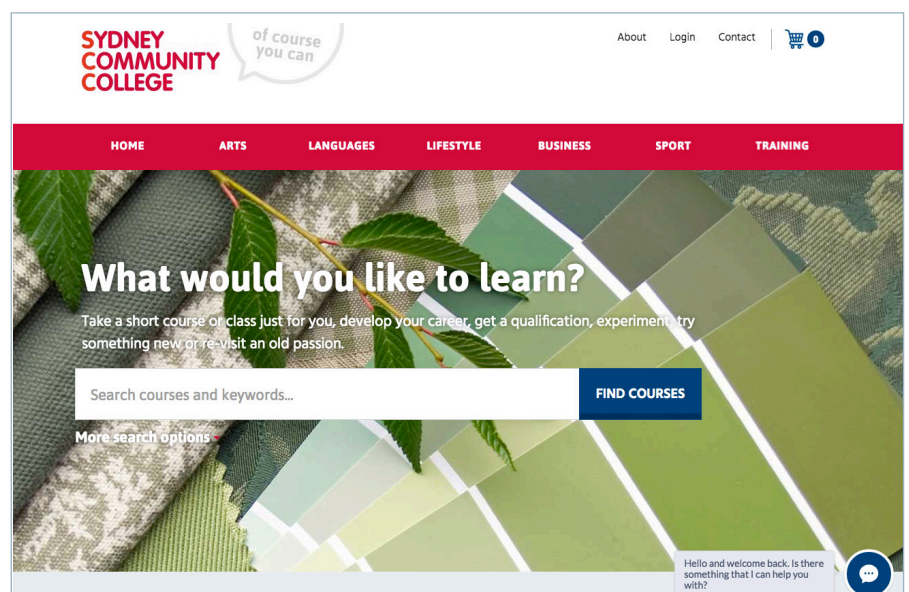
Garry John Traynor

Principal/CEO

June 2017

"2016 marks the end of the College's 30th year. During that time, much has been achieved. Unlike the early days... the College is now trading without any government policy underpinnings or financial assistance."

In 2016 the SCC website was completely redesigned, with user experience at the centre of the new approach



Minutes AGM Meeting 2016

AGENDA ANNUAL GENERAL MEETING 29 JUNE 2016

1) Welcome

Meeting declared open 6:30pm

The Chair, Frances Howat, welcomed all in attendance being:

Jenifer O'Conner, Anitra Morgana, Andrew Gonczi, Roger Morris,
Garry Traynor (minutes)

Apologies - Nil

2) Minutes of the previous meeting

AGM-Resolution: 2906161

It was moved that the minutes of the previous meeting be accepted as a true account:

Moved O'Conner/Gonczi - Carried

3) Reports

(i) Chairperson's Report

The Chair spoke to a written report as per page 3 of the Annual Reports 2015.

(ii) Principal's Report

The Principal tabled the report as per page 4 of the Annual Reports 2015.

(iii) Activity Reports

The Principal spoke to activity reports beginning page 9 of the Annual Reports 2015.

(iv) Director's Report

The Principal tabled the Director's reports beginning page 13 of the Annual Reports 2015.

(v) Finance Reports

The Principal tabled the financial audited reports beginning page 16 of the Annual Reports 2015.

AGM-Resolution:2906162

After due consideration it was moved that the reports as contained in the Annual Reports 2015 be accepted.

Moved: Morris/Howat - Carried

(vi) Election of Board Members:

It was noted by the meeting that three Board members had terms expiring at the meeting, they being, F. Howat, J. O'Connor and A. Morgana.

F. Howat informed the Board that she was not seeking re-election.

Three nominations were received:

- Joanna Maxwell
- Anitra Morgana
- Jenifer O'Connor.

The Chair declared that in accordance with the College Constitution, those indicated above were declared elected for a period of 3 years.

The Chair noted that she would now stand aside at the end of the meeting and that she expressed her thanks to both the Board and the staff at the College for what had been a rewarding and satisfying experience. Anitra Morgana then spoke warmly of Frances noting that her leadership and character during a period of difficult adjustment were of great benefit to the College. A small gift was then presented along with the Board's vote of thanks.

4) Any other matters

Nil

Meeting closed 6:50pm

Activity Report

Inclusive Community Education Programme (ICEP)

ICEP continued to grow in strength and popularity during 2016, offering over 20 courses across a 4 term programme to approximately 50 regular students with an intellectual disability.

The College hosted a very successful event on 24 November 2016 to screen and discuss students' work to a full house of friends and family at a new community venue – "Camperdown Commons"

The programme provided students with a varied and interesting array of creative and performing arts, health and fitness and life skills courses. Highlights from 2016 include:

- Production and screening of another very successful film by our film making students – in partnership with BUS STOP films - titled "Kill-Off". This project was financed by a one-off grant from the NSW Department of Family and Community Services. Students were involved in learning about all aspects of making a short film, with a focus on the "behind the scenes" roles and responsibilities. A highlight of this project was an overnight film shoot at Unanderra in the NSW Illawarra district in May 2016. The premiere of "Kill-Off" was a red-carpet event held at Fox Studios on 24 September 2017 and thanks go to Genevieve Clay-Smith and her BUS STOP team for a memorable evening.
- Community connections continue to grow for students enrolled in our regular Organic Gardening course. Our students are now members of two local community gardens – Wilkins Green in Marrickville and White's Creek in Lilyfield. The student group has also been granted a plot at the White's Creek Community Garden and use of this plot will be a focus for future courses.
- A new course – Digital Storytelling – was launched in 2016. Students learned how to develop visual stories using the iMovie application on their own devices. The College hosted a very successful event on 24 November 2016 to screen and discuss students' work to a full house of friends and family at a new community venue – "Camperdown Commons" – in the Camperdown Park precinct.
- The ICEP programme continues to offer a wide range of new experiences for students in the creative arts. In 2016, drawing on the experience and skills of College short course tutors, students were offered workshops in printmaking, jewellery and metal work, iphonography, mural/street art, cake decorating, drawing, painting and recycled craft. Students were invited to exhibit their work at the annual "Blooming Arts" exhibition, hosted by Inner West Council, where a number of them were successful in selling their artwork.
- ICEP hosts regular end of term events to celebrate student achievements, particularly those participating in dance/drama/music classes. We also partner with local theatre group RUCKUS to run workshops as part of our programme.

The College would like to thank the commitment and creativity of the staff involved in the ICEP programme. Tutors, the Programme Coordinator Kristen Fitzpatrick and all the support staff continue to ensure that students are exposed to new opportunities while at the College and also in the wider local community.

The focus for the College for 2017 will be preparing for the new way of funding disability supports as the roll out of the National Disability Insurance Scheme (NDIS) begins in the Sydney Region from July 2017. In preparation, the team has developed a new name for our disability support courses – "Access2Ed" – and will continue to present a range of courses and supports to ensure that people with a disability have choices available at the College to engage in life-long learning in an adult learning environment.

Our students are now members of two local community gardens – Wilkins Green in Marrickville and White's Creek in Lilyfield.

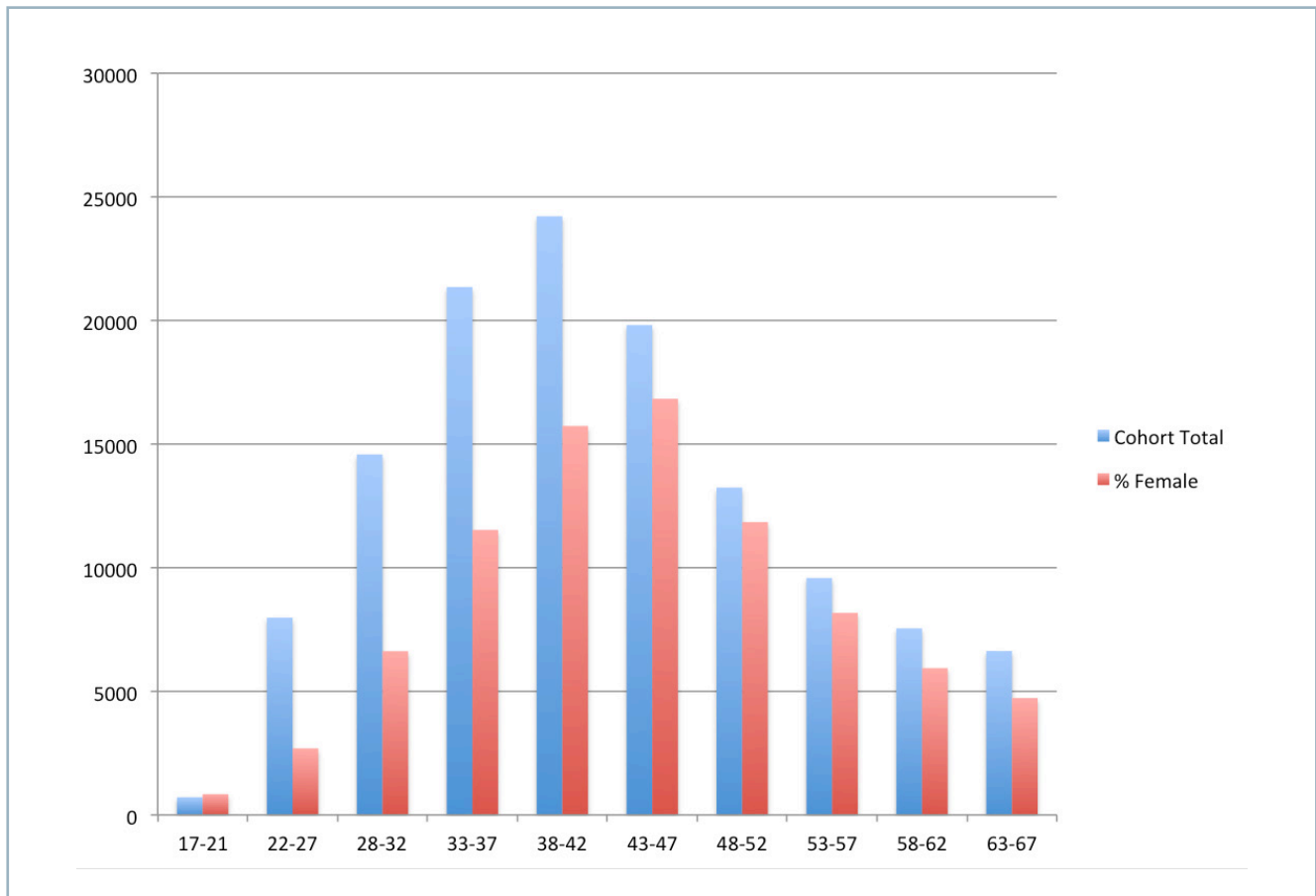


In 2016, drawing on the experience and skills of College short course tutors, students were offered workshops in printmaking, jewellery and metal work, iphonography, mural/street art, cake decorating, drawing, painting and recycled craft.

Activity Report

Short Courses Program

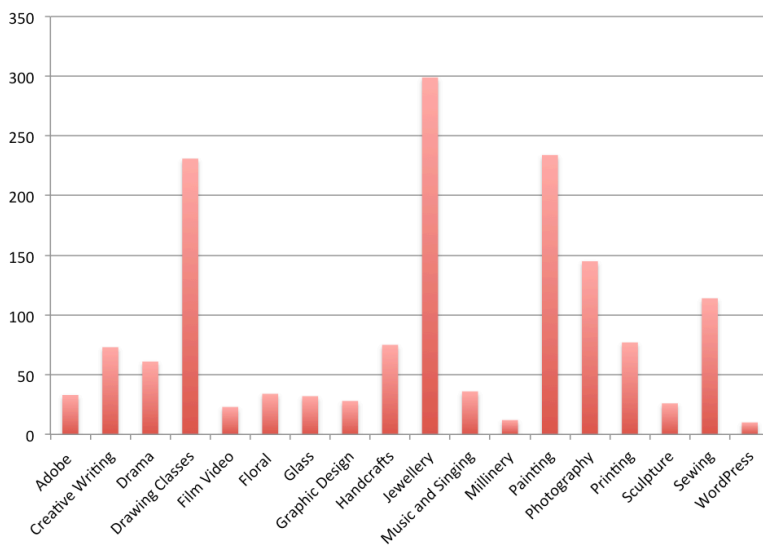
AGE COHORT - GENDER COHORTS



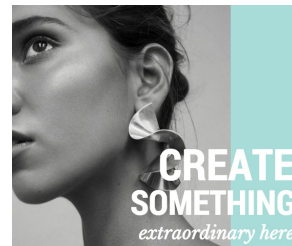
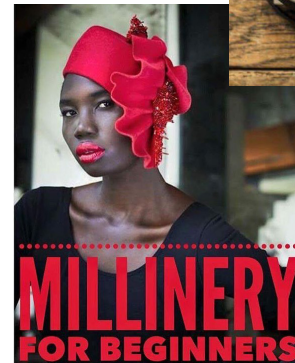
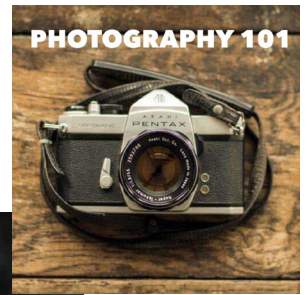
The College still attracts the vast majority of its students from the 28-48 year old age group. The majority, about 70% of those are women. The younger the student, the more likely they are to be female whereas this gap closes the older the student is.



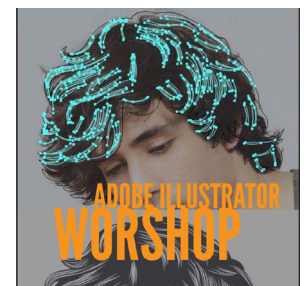
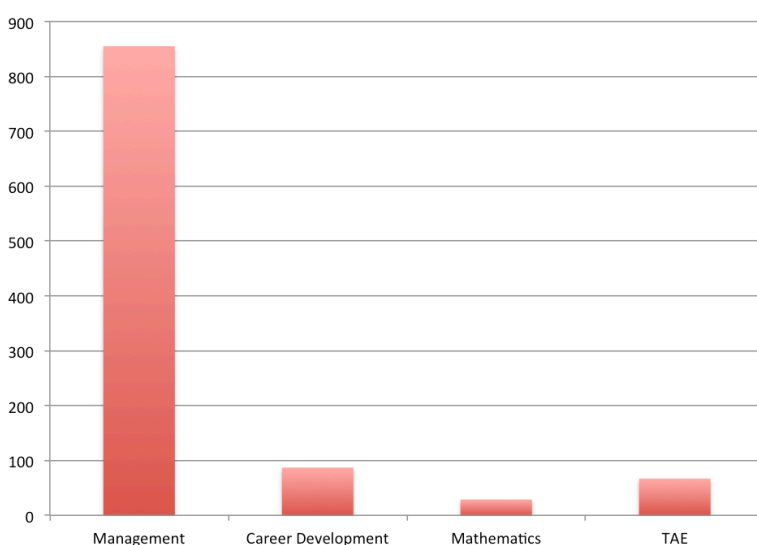
ARTS – NUMBER OF CLASSES



The above graph includes workshops which sometimes run for just a few hours. Therefore those subject areas that benefit from workshop style are over-represented. Arts is still the most popular category.



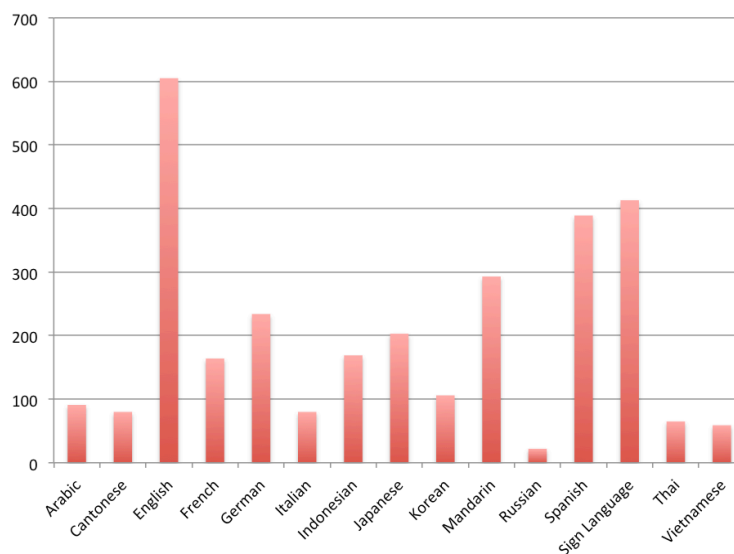
BUSINESS – ENROLMENTS



The College continues to successfully supply well subscribed courses such as How to Start a Business and many Adobe classes to a sophisticated market. Most Business classes are located in the CBD.



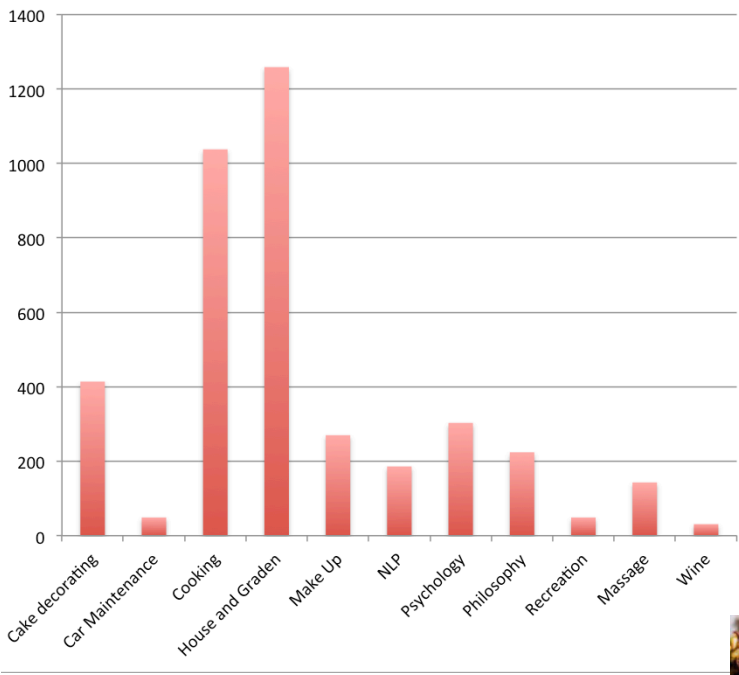
ENROLMENTS – LANGUAGES



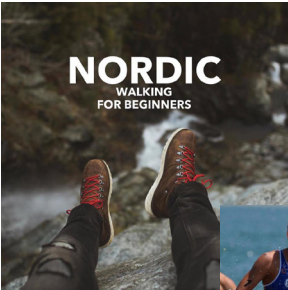
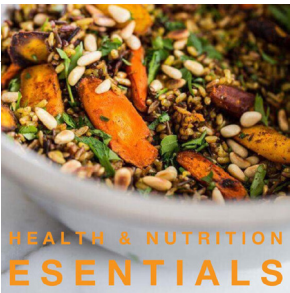
The development of online language learning programmes has created a competitive market place challenging enrolment numbers which have in the past been higher. Promoting the benefits of face-to-face learning will be a focus of College promotions during the coming year.



ENROLMENTS – LIFESTYLE

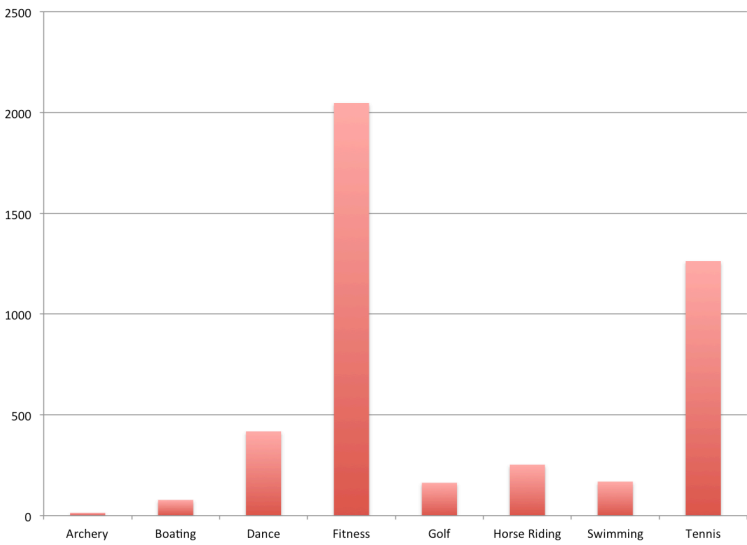


House and garden plus cooking classes are still in high demand.



The College is still expanding its Sports programme, and is always looking for new partnerships and interesting activities to offer.

ENROLMENTS – SPORT



Activity Report

Adult & Community Education Community Service Obligation

In 2016, the College received two additional rounds of funding under its tender to the Department of Industry's Training Services NSW to continue and expand its Adult and Community Education (ACE) Community Service Obligation (CSO) Targeted Communities Training Programme.

Our current ACE CSO Programme launched in 2015 and continued through 2016 to provide vocational training in the form of part qualifications – short introductory courses - to disadvantaged learners in the targeted communities of Bankstown and Cabramatta. The high demand courses are designed to support the student's language, literacy, numeracy (LLN) and vocational learning and to encourage students to finish their qualification and/or undertake more training through the Government's "Smart and Skilled" (S&S) programme through our associate S&S providers. The courses also provide access to paid and volunteer work opportunities. The College is pleased to have secured this niche role in helping to meet the training needs of Sydney's more disadvantaged communities in Western Sydney.

"In mid 2016, considerable effort was placed on hiring new trainers and assessors with both the VET and LLN qualifications required for successful ACE CSO delivery..."

Throughout 2016, we continued to work in partnership with CORE Community Services in the Cabramatta/Fairfield area and Canterbury City Community Centre (4cs) in the Bankstown/Lakemba area. CORE and 4cs provide community-based training facilities and links and to our student base. In addition, they provide marketing, outreach and student welfare support support, as well as volunteering and networking opportunities. The majority of learners continue to be migrants or refugees, comprising individuals with low LLN levels who are Commonwealth welfare recipients and un- or underemployed. Many also have unmet physical and mental health needs.

In April 2016, the College received funding for an additional 180 VET unit commencements to its 2015-16 targets which enabled the delivery of two additional short courses between June and December 2016. With this additional funding, the College continued to partner with an RTO and community organisation, 3Bridges Community, to deliver an "Introduction to Caring Careers" short course from July – October 2016 in Lakemba. In response to demand for a course for clients whose assessed English levels were better suited to a Certificate II level course, the team also worked with 3Bridges Community to design and deliver a short course combining VET units from the Certificate II in Community Services and Foundation Skills (FSK) units entitled "Introduction to Community Services." Both courses included non-accredited training to provide an overview of educational and career pathways and to help students access relevant volunteering opportunities within the community services delivered by our partners 4cs and CORE.

In June 2016, due to its success in meeting all targets for 2015-16 and extension targets, a new round of annual funding was awarded to the College for 656 unit commencements to be completed in the period July 2016-June 2017. For this round of funding, our ACE CSO team opted to hire all its own trainers and assessors rather than continue to deliver some of the units through 3Bridges Community. In mid 2016, considerable effort was placed on hiring new trainers and assessors with both the VET and LLN qualifications required for successful ACE CSO delivery in the target communities and on developing and refining our ACE CSO training program and training materials. The 2016-2017 funding has enabled the further strengthening of the College's RTO back office and compliance functions to better guide and support the growing ACE CSO program while also placing greater focus on the professional development of our staff particularly with regard to assessment, moderation, validation and FSK delivery.

"The College is pleased to have secured this niche role in helping to meet the training needs of Sydney's more disadvantaged communities in Western Sydney..."

In July 2016, a new training program and calendar was developed in consultation with the community partners. Changes in course offering continued to be made to better meet the FSK needs of our disadvantaged students. For example, to meet the needs of clients who were assessed to have low-levels of English and employability skills, two new short courses were designed and introduced – "Job Seeker Skill Up" and "English and Job Skills" - made up entirely of FSK units from the Certificate II Skills for Work and Vocational Pathways. The first of these courses ran from October to December 2016 and will continue to be offered in 2017.

In total, eight courses will be delivered under the ACE CSO programme in the financial year 2016-17. Three of these were underway in the second half of 2016. The programme is on target to deliver the contracted accredited and non-accredited unit commencements by 30 June 2017 and, at time of writing, achieving a good retention and completion rate with our high needs client base. The new trainer and assessor line-up has been commended by partners and students alike, indicating a successful transition to direct training delivery for all ACE CSO courses. The College awaits advice from the Department of Industry about the future of this project beyond June 2017.



ABOVE:
English and Job Skills
course in Lakemba, 2017,
with teacher Eva Elliott.



LEFT:
Introduction to Caring
Careers course in
Lakemba, July-October
2016. The teacher is
Carol Lynn from our
partner 3Bridges
Community

Sydney Community College Ltd

Financial Report for the Year Ended 31 December 2016

DIRECTORS' REPORT

The directors present this report on the company for the financial year ended 31st December 2016.

Directors

The names of each person who has been a director during the year and to the date of this report are:

- Roger Morris
- Jenifer O'Connor
- Garry Traynor
- Anita Morgana
- Andrew Gonczi
- Joanna Maxwell

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

Principal Activities

The principal activities of the company during the course of the year were Community College operation.

Short-term and Long-term Objectives

The entity's short-term objectives are:

- To be a premier and self-sustaining non-for-profit provider of innovative education and training.
- The entity's long-term objectives are:
- To enrich lives, to strengthen organisations and to build communities through innovative high quality education and training.

Strategies

- The planning, promotion and delivery of innovative short courses;
- The successful delivery of funded training

Key Performance Measures

- Average class sizes above 8;
- Delivery of 1200 plus classes per year;
- Successful tenders for the provision of training awarded.

Meetings of Directors

During the financial year 3 meetings of directors were held. Attendances by each director were as follows:

	Number eligible to attend	Number attended
Roger Morris		3
Jennifer OConnor		3
Garry Traynor		3
Anita Morgana		3
Andrew Gonczi		3
Joanna Maxwell		3

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 31 December 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$70 (2015 \$70).

Auditors Independence Declaration

The auditors' independence declaration for the year ended 31 December 2016 has been received and enclosed.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director: Garry John Traynor



Director: Andrew Gonczi

Dated this 30/05/2017



SYDNEY COMMUNITY COLLEGE LTD

ABN 53 136 500 313

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

SYDNEY COMMUNITY COLLEGE LIMITED

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

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SYDNEY COMMUNITY COLLEGE LTD

STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	2016 \$	2015 \$
Revenue from ordinary activities	2	2,717,183	2,554,477
Expenses			
Course expenses		(570,925)	(536,168)
Employee expenses		(1,900,293)	(1,668,768)
Depreciation and amortization expenses	4	(207,637)	(207,978)
Borrowing costs expenses		-	-
Other expenses from ordinary activities		<u>(418,243)</u>	<u>(347,955)</u>
Surplus before income tax expense		(379,914)	(260,390)
Income Tax Expense	5	<u>-</u>	<u>-</u>
Surplus after income tax expense for the year attributable to the members		<u><u>(379,914)</u></u>	<u><u>(260,390)</u></u>
Other comprehensive income for the year, net of tax:	3	<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the members	13	<u><u>(379,914)</u></u>	<u><u>(260,390)</u></u>

The accompanying notes form part of these financial statements. These financial statements have been subject to audit and should be read in conjunction with the attached Auditor's Report

SYDNEY COMMUNITY COLLEGE LTD

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	NOTE	2016 \$	2015 \$
Assets			
Current Assets			
Cash	6	(46,414)	(65,461)
Accounts Receivable	7	-	-
Other Current Assets	8	16,029	13,303
Total Current Assets		<u>(30,385)</u>	<u>(52,158)</u>
Non-current Assets			
Fixed Assets		100,379	99,620
Leasehold Improvements		723,897	907,441
Intangible Assets		33,925	33,925
Total Non-Current Assets	9	<u>858,201</u>	<u>1,040,986</u>
Total Assets		<u><u>827,817</u></u>	<u><u>988,828</u></u>
Liabilities			
Current Liabilities			
Current Payables	10	433,482	319,257
Taxation Clearing	11	61,706	10,602
Provision for Employee Entitlements - current	12	141,602	119,370
Total Current Liabilities		<u>636,790</u>	<u>449,228</u>
Non-current Liabilities			
Provision for Employee Entitlements - non current		-	-
Other Non-Current Liabilities		84,337	52,995
Total Non-current Liabilities		<u>84,337</u>	<u>52,995</u>
Total Liabilities		<u><u>721,127</u></u>	<u><u>502,223</u></u>
Net Assets		<u><u>106,690</u></u>	<u><u>486,605</u></u>
Equity			
Retained Profit		486,605	692,995
Current Surplus/(Deficit)		(379,914)	(206,390)
Total Equity	13	<u><u>106,690</u></u>	<u><u>486,605</u></u>

The accompanying notes form part of these financial statements. These financial statements have been subject to audit and should be read in conjunction with the attached Auditor's Report.

SYDNEY COMMUNITY COLLEGE LTD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	2016 \$	2015 \$
Cash Flow from Operating Activities			
Student Fees		1,989,066	2,122,910
Grants		654,547	386,754
Interest Received		695	1,794
Other Income		72,874	43,019
Payments to suppliers and employees		(2,713,067)	(2,498,696)
Net Cash provided by operating activities	14 (b)	<u>4,116</u>	<u>55,781</u>
Cash Flow from investing activities			
Fixed Asset purchases		(3,069)	(31,408)
Leasehold improvements		-	-
Net cash provided (used) by investing activities		<u>(3,069)</u>	<u>(31,408)</u>
Cash Flow from financing activities		-	(14,767)
Net cash from financing activities		-	-
Net increase/(decrease) in Cash Held		1,047	9,607
Cash at the beginning of the financial year		(65,461)	(75,068)
Cash at the end of the financial year		<u><u>(64,414)</u></u>	<u><u>(65,461)</u></u>

SYDNEY COMMUNITY COLLEGE LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	Retained Surpluses \$	Total Equity \$
Balance at 1 January 2015		692,995	692,995
Deficit after income tax expense for the year		(206,390)	(206,390)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(206,390)	(206,390)
Balance at 31 December 2015	13	<u>486,605</u>	<u>486,605</u>
Balance at 1 January 2016		486,605	486,605
Adjustment to the opening balance			-
Deficit after income tax expense for the year		(379,914)	(379,914)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>(379,914)</u>	<u>(379,914)</u>
Balance at 31 December 2016	13	<u>106,690</u>	<u>106,690</u>

SYDNEY COMMUNITY COLLEGE LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

The financial statements are for Sydney Community College Ltd as an individual entity incorporated and domiciled in Australia. Sydney Community College Ltd is a company limited by guarantee.

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Boards and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a) Income Tax

Sydney Community College is a public educational institution providing learning activities and educational needs in the local community and therefore is exempt from paying income tax under Division 50 of the Income Tax Assessment Act 1997.

b) Goods and Services Tax (GST)

Revenue, expenses and assets are recognized net of amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

c) Employee Entitlements

The amounts expected to be paid to employees for pro-rata entitlements for annual leave and long service leave are accrued annually at current pay rates and included under salaries and wages.

d) Cash

For the purposes of the Statement of Cash Flow, cash includes cash on hand, at bank and on deposit.

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

- Rendering of services

Where contracts can be reliably measured, control of a right to be compensated for services has been attained.

- Interest

Recognised as interest is paid.

- Grant

Revenue is recognised when control of the contribution or right to receive the contribution is obtained. For capital grant, it is recognised when the capital asset is ready for use.

f) Property, Plant and Equipment

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

- Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If such an indication exists and where the carrying value exceeds the recoverable amount the asset is written down to the recoverable amount.

- Depreciation

Depreciation is provided for on a Prime Cost basis against all depreciable assets at the following rates. The leasehold improvements are amortised over the term of the lease or managements' expected length of the future lease.

Computer Equipment	25%
Office Furniture and Equipment	20 - 27%
Motor Vehicles	12.50%
Leasehold Improvements	10-20%

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

g) Board Members Emoluments

Board members receive no fees for attending meetings and are not paid any other remuneration or benefits.

h) Financial Instruments

Recognition

Financial instruments are initially recognised at cost, being the fair value of the consideration given, including acquisition charges associated with the investment. Subsequent to initial recognition these instruments are measured as set out below:

Loan and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have mixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Income Statement

i) Lease

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the entity, are classified as finance leases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

j) Going Concern Basis of Accounting

The financial statements have been prepared on a going concern basis, which assume the company will be able to pay its debts as and when they become due and payable.

As at 31 December 2016, the current liabilities exceed current assets by \$667,174 with current ratio of 1:42. This is in breach of the "1:1" current ratio required by the Department of Education & Communities. The current year has a net loss of \$379,914.

The Directors acknowledge that uncertainty remains over its liability to meet the debts. In order to avoid liquidation of the company, the Board has resolved to sell the leasehold of the Tennis Centre as soon as possible. Negotiation with the Owner of the Rozelle campus to reduce the rent by \$100,000 annually is underway too. As of the date of this report, the sale contracts of the Tennis Centre have been exchanged (on 24 March 2017). The sale price is \$400,000.

k) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

Impairment

As at 31 December 2016, the directors have performed a directors' valuation on the non-current assets. The main non-current assets in the company are the leasehold improvements. As the amortisation terms are comparably short at 5-10 years, the directors believe the carrying value of the non-current assets reflects the fair value less cost to sell at 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE	2016 \$	2015 \$
2 REVENUE		
Operating activities		
- course fees	1,989,066	2,122,910
- grant administration	654,547	386,754
- other income	72,874	43,019
	<u>2,716,487</u>	<u>2,552,683</u>
Non-operating activities		
- interest received	695	1,794
- profit on sale of fixed asset	-	-
- administration fees	-	-
	<u>695</u>	<u>1,794</u>
TOTAL REVENUE	<u>2,717,183</u>	<u>2,554,477</u>
3 OTHER REVENUE		
Other comprehensive income for the year	-	-
	<u>-</u>	<u>-</u>
4 PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax expenses has been determined after:		
(a) Expenses		
Depreciation of property, plant and equipment	22,083	22,826
Amortisation of leasehold improvements	185,554	185,152
	<u>207,637</u>	<u>207,978</u>
Remuneration of auditors		
- audit or review services	8,436	8,563
- other services	-	-
Total Remuneration	<u>8,436</u>	<u>8,563</u>
5 INCOME TAX EXPENSES		
Exempted from paying income tax. Refer to Note 1 a).		
6 CASH		
Cash on Hand	354	200
Cash at Bank	(46,768)	(65,661)
	<u>(46,414)</u>	<u>(65,461)</u>

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE	2016 \$	2015 \$
7 RECEIVABLES		
Trade Debtors	<u>-</u>	<u>-</u>
8 OTHER ASSETS		
- prepayments	11,515	13,075
- security deposits	-	228
- CC Disputed Transactions	4,514	
	<u>16,029</u>	<u>13,303</u>
9 NON-CURRENT ASSETS		
- Office and Classroom furniture and equipment	350,289	350,289
- Less accumulated depreciation	<u>(323,531)</u>	<u>(310,940)</u>
	<u>26,758</u>	<u>39,349</u>
- Computer Equipment	136,708	135,928
- Less accumulated depreciation	<u>(131,344)</u>	<u>(129,392)</u>
	<u>5,364</u>	<u>6,536</u>
- Motor Vehicle	137,071	68,814
- Less accumulated depreciation	<u>(68,814)</u>	<u>(15,079)</u>
	<u>68,257</u>	<u>53,735</u>
- Leasehold improvements - Rozelle Campus (ITEC)	1,215,662	1,215,662
- Less accumulated amortisation	<u>(729,402)</u>	<u>(607,836)</u>
	<u>486,260</u>	<u>607,826</u>
- Leasehold improvements - Rozelle Campus	355,373	355,373
- Less accumulated amortisation	<u>(355,373)</u>	<u>(355,373)</u>
	<u>-</u>	<u>-</u>
- Leasehold improvements - Tennis Centre	610,896	608,886
- Less accumulated amortisation	<u>(373,259)</u>	<u>(309,271)</u>
	<u>237,637</u>	<u>299,615</u>
Trademark	33,925	33,925
Total non-current assets	<u>858,201</u>	<u>1,040,986</u>
10 PAYABLES		
CURRENT		
- Trade creditors and other accruals	39,633	38,563
- Deferred Grant	201,961	108,500
- Fees paid in advance	158,063	132,706
- Wages Payables		-
- Superannuation Payables	33,824	39,488
	<u>433,482</u>	<u>319,257</u>

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE	2016 \$	2015 \$
11 TAX LIABILITIES		
- GST	14,168	1,999
- Withholding tax	50,440	14,123
- FBT instalment	5,804	2,760
FBT payable	<u>(8,706)</u>	<u>(8,280)</u>
	<u>61,706</u>	<u>10,602</u>
12 PROVISIONS		
CURRENT		
- Provision for annual leave	49,105	34,361
- Provision for long service leave	92,497	85,009
	<u>141,602</u>	<u>119,370</u>
NON-CURRENT		
- Provision for annual leave	-	-
- Provision for long service leave	-	-
	<u>-</u>	<u>-</u>
Number of permanent employees at year end	<u>11</u>	<u>12</u>
13 RETAINED PROFITS		
- Retained profits at the beginning of financial year	486,605	692,995
- Adjustment to the opening balance		-
- net profit attributable to the company	(379,914)	(206,390)
- Retained profits at the end of the financial year	<u>106,690</u>	<u>486,605</u>
14 CASH FLOW INFORMATION		
a) Reconciliation of Cash		
Cash on Hand	354	200
Cash at Bank	(46,768)	(65,661)
	<u>(46,414)</u>	<u>(65,461)</u>

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
14 CASH FLOW INFORMATION		
b) Reconciliation of cash provided by operating activities:-		
Operating profit/(deficit)	(379,914)	(206,390)
Add back non-cash items in operating activity		
Depreciation	207,637	207,978
Trademark	-	(33,925)
	<u>(172,278)</u>	<u>(32,337)</u>
Changes in assets and liabilities:		
Decrease/Increase in prepayments	(2,726)	(602)
Increase/Decrease in Security Deposits	-	-
Decrease/Increase in Trade Debtors	19,047	16,247
Decrease/Increase in Payroll Clearing Account	22,232	490
Decrease/Increase in Creditors and Accruals	95,064	81,216
Increase/Decrease in deferred grant	-	-
Increase/Decrease in Taxation Clearing accounts	51,104	(6,608)
Decrease/Increase in Prepaid Fees	(36,878)	(2,624)
Increase/Decrease in Provisions		
Increase/Decrease in other non-current liabilities	31,342	-
Decrease/Increase in Fixed Assets	(2,790)	-
Decrease/Increase in Property Improvement		
	<u>176,394</u>	<u>88,119</u>
Net cash by operating activities	<u>4,116</u>	<u>55,782</u>

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2016

15 FINANCIAL INSTRUMENTS

a). Interest Rate Risk

The company's exposure to interest risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective average interest rates on those financial assets and financial liabilities is as follows:

	Weighted average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing			
	2016	2015	2016	2015	Within 1 Year		1 - 5 Years	
	%	%	\$	\$	2016	2015	2016	2015
					\$	\$	\$	\$
Financial Assets								
Cash	0.00%	0.00%	368	-	-	-	-	-
Investment	0.00%	0.00%	-	-	-	-	-	-
Total Financial Assets			368	-	-	-	-	-

b). Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognized financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The company does not have any material credit risk exposure to any single debtor.

c). Liquidity Risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average Effective Interest Rate	1 year or less	between 1 and 2 years	Remaining contractual maturities
<u>interest bearing</u>				
Bank overdraft	-12.89%	46,783	-	46,783
Credit card	-20.74%	7,553	-	7,553
Corporate charge card	-17.99%	4,828	-	4,828
Total financial liabilities		59,163	-	59,163

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

d). Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardized form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

16 SEGMENT REPORTING

The company operates predominantly one business and geographical segment, being in the community college operation providing training courses to the general public.

17 COMPANY'S DETAIL

The principal place of business of the company is:

Sydney Community College Ltd
2a Gordon Street
Rozelle NSW 2039

END OF FINANCIAL STATEMENTS

SYDNEY COMMUNITY COLLEGE LTD

DIRECTORS' DECLARATION

In the directors' opinion:

- The attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes thereto give a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

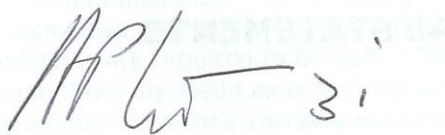
On behalf of the directors



Garry John Traynor -CEO/Principal

.....
Director

Dated: 31 May 2017



Andrew P Gonczi

.....
Director

Dated: 31 May 2017

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SYDNEY COMMUNITY COLLEGE LTD

In relation to our audit of the financial report of Sydney Community College for the financial year ended 31 December 2016, to the best of my knowledge and belief, there have be no contravention of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional of conduct.

North Shore Accountancy Pty Ltd



Brett Miller

Director

Registered Company Auditor

Incl May 2017

Suite 108, 460 Pacific Highway, St Leonards NSW 2065

SYDNEY COMMUNITY COLLEGE LIMITED
ACN 136 500 313
INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SYDNEY COMMUNITY COLLEGE LIMITED, which comprises the Statement of Financial Position as at 31 December 2016, the statement of Profit & Loss and Comprehensive Income, Statement of Cash Flows, and Statement of Changes in Equity and for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of SYDNEY COMMUNITY COLLEGE LIMITED, is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2016 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1(j) in the financial report which indicates that the entity incurred a net loss of \$379,914 during the year ended 31 December 2016 and as of that date, the current liabilities exceed current assets by \$667,174 with a current ratio of 1:42. If the entity were not to continue on as a going concern, then significant write-downs on the carrying value of the non-current assets would have to occur. These conditions, along with other matters, as set forth in note 1(j) may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

SYDNEY COMMUNITY COLLEGE LIMITED
ACN 136 500 313
INDEPENDENT AUDITOR'S REPORT

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2016, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The director's responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. We also:

- Identify and assesses the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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 Entity's internal control.





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