

**SYDNEY
COMMUNITY
COLLEGE**



Annual Report **2015**

www.sydneycommunitycollege.edu.au

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Sydney Community College

Chairperson's Report

It is with pleasure I introduce the 2015 Annual Report of Sydney Community College Limited, which will be my last in the Chair at the College.

The financial results for the year continue to reflect the efforts of our diligent and committed management, customer relations, programme and tutoring staff. They also reflect the challenges for social businesses such as the College which – though not for profit – raise the bulk of their income in the marketplace.

A relatively new concept in Australia, social businesses are those that operate commercially for the purpose of a public or community benefit. The College has embraced this concept and has continued to respond to the public need and demand for continuing education short courses in inner Sydney and the CBD with pleasing results in growth in enrolments in 2015. At the same time, the College has needed to adjust its operating model away from the expectation of government funding of adult education, and in what is now a highly competitive training market.

For the future ahead, I am sure the College will meet these on-going challenges and to adjust to allow it to do so.

As 2016 is the 30th anniversary of the College's establishment, I wish to record the gratitude of all to the Foundation Principal, Garry Traynor. Garry has made a significant and profound contribution to the development and fostering of adult, continuing and community education in Australia over a 30 year career, as well as a major impact - nationally and internationally – on the leadership and debate of the issue. I wish him well for the future.

I would also like to thank various College Board members who have supported me over the years in my role including Roger Morris, Jenifer O'Connor and Anitra Morgana. Thanks also to Andrew Gonczi, who joined the Board in 2015, for his on-going commitment to the work and the future of Sydney Community College.

Also, to the public who continue to take advantage of the educational opportunities which the College provides, I commend your desire to continue to learn.

Frances Howat – Chairperson



A relatively new concept in Australia, social businesses are those that operate commercially for the purpose of a public or community benefit.

Sydney Community College

Principal's Report

Acknowledgements

Without the very focused effort of all staff and tutors, the very big job as described in the Activity Report could not have been done. I acknowledge and thank all concerned on a job very well done in a tough environment. I also pay tribute to the College Board and in particular out-going President, Ms Frances Howat who was a great support to the College operational team in a period of transition.

Financial Result

The break even financial result was disappointing given the early gains the College had in 2015. It was a year that was always going to be challenging, however the sudden down-turn in the final quarter was not expected.

College Sites

During 2015 we almost doubled the number of classes presented at the City site increasing from 178 to 318. Rozelle classes declined slightly and Tennis Centre classes declined in favour of court hire. Classes at William Angliss improved from 11 to 54 classes.

Staffing

During 2015, the College lost both its highly motivated and experienced Programme Manager and its Deputy Principal, perhaps resulting in the less than planned result for the last quarter (see below.)

RTO

Apart from running the Certificate IV in Workplace Training and Assessment, all RTO activity was related to the ACE CSO Funded programme and is reported there.

Changes to Funding

2015 marks the end of the College's 29 year. During those years, the College has achieved many things. Proudly, we have supported governments' social and educational policy strategies. As highlighted in last years' report, 2015 was also the first year in which the College received no government general organisational support funding. This change has proved very difficult to adjust to. The small amount of support funding was used to supplement rental costs and general running costs. These cost now need to be raised through student fees. Therefore the average fee in 2015 of \$229 was \$16 per enrolment above that of the \$213/14 figure. Needless to say that although the course fees appear low, short courses are discretionary and therefore more likely to be subject to price resistance factors. 2015 enrolments



The future of the College for 2016 and beyond will rely on an organisational approach that is outwardly focused constantly reviewing its relevance to the market.



tracked solidly regardless of the fees until the last quarter.

Summary

The future of the College for 2016 and beyond will rely on an organisational approach that is outwardly focused constantly reviewing its relevance to the market. Most importantly the focus on quality teaching and learning must remain preeminent. There remains challenging and difficult adjustments to be made, however I feel sure that despite those challenges the College will again adjust to its new trading environment.

Garry John Traynor,
College Principal and CEO

Minutes AGM Meeting 2015

Welcome -

Meeting declared open 6:20pm

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

Jenifer O'Conner, Anitra Morgana, Andrew Gonczi, Roger Morris, Tony Brown, Garry Traynor (minutes), Jean Janah and Jenny Waldie.

Apologies -

Nil

Minutes of the previous meeting

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

Moved O'Conner/Gonczi - Carried

Reports -

(i) Chairperson's Report:

The Chair spoke to a written report as per page 4 of the Annual Reports 2014.

(ii) Principal's Report:

The Principal tabled the report as per page 5 of the Annual Reports 2014.

(iii) Activity Reports:

The Principal spoke to activity reports beginning page 7 of the Annual Reports 2014.

(iv) Finance Reports:

The Principal tabled the financial audited reports beginning page 16 of the Annual Reports 2014.

After due consideration it was moved that the reports as contained in the Annual Reports 2014 be accepted.

Moved: Morris/Morgana - Carried

(v) Election of Board Members:

It was noted by the meeting that two Board members had terms expiring at the meeting, they being, R. Morris and T. Brown. One nomination had been received, that of R.Morris, nominated by G Traynor. The Chair declared that in accordance with the College Constitution, Roger Keith Jemome Morris was elected for a period of 3 years.



The Chair noted that Tony Brown, after serving as a Committee and then Board Member, was not seeking re-election due mainly to his re-location to Canberra. The Chair noted that Tony had loyally served on the Board/Committee for 12 years and that his expertise alongside his dedication to community education had assisted the College through both its growth and recent structural adjustment period. A small gift was then presented along with the Board's vote of thanks.

(vi) Any other matters:

The Board noted the passing of Alan Duncan OAM, Foundation Chair of the College Council of Sydney Community College who had been recognised as an early leader of adult education in Australia .

Meeting closed 7:45pm



Lifestyle

"In 2015 the College successfully presented 234 classes in Lifestyle enrolling some 2332 students."



Activity Reports

Inclusive Community Education Programme (ICEP)

The College continues to provide high standard education opportunities for qualifying students living with a disability under its Inclusive Community Education Programme (ICEP). ICEP is funded by the NSW Government's Family and Community Services (FACS) Department, through its Ageing, Disability and Home Care Division. The College defines the purpose of its programme as aiming to assist the student meet his or her educational, social and life goals.

Thanks to Programme Coordinator, Kristen Fitzpatrick, ICEP continues to provide an innovative and varied program of specifically designed short courses in creative arts and health and fitness, drawing on the experience and expertise of specialist tutors. Tutors are supported to deliver courses by the ICEP team of dedicated and experienced support staff, allowing for individual students to maximise their learning outcomes in a group setting. In the year in review, drama, dance, music, visual arts, film, sports and sustainable living courses were provided to our 60+ regularly enrolled students. All courses were filled to capacity and high rates of attendance were achieved.

A major focus for the ICEP team in 2015 was on developing strong community links, creating partnerships with local community organisations and participating in community events. This included:

- involvement of students in Leichhardt Council's annual Blooming Arts Festival - celebrating International Day of People with a Disability - at which two students were awarded a prize for their work. ICEP students were then asked to participate in Leichhardt Open Studio Trail (LOST) in March 2016;
- participation in the inaugural Arts and Disability expo in September 2015 sponsored by NSW Accessible Arts. At this event, students performed a dance piece and the film 'Heartbreak and Beauty' (the most recent product of the ICEP film making workshops) was screened. Screening was followed by a Q&A panel discussion in which students fielded questions about their experience of being involved in the planning and making of the film;
- partnering with community gardens in Marrickville and Lilyfield for the delivery of the Organic Gardening course. Some students have gone on to be active members of the gardens.

The Filmmaking course, conducted in conjunction with Bus Stop Films, continues to attract a strong following, providing as it does the opportunity for students to learn from industry mentors about the key roles within a film crew and use this learning to work collaboratively



the prime focus of the programme is to assist individuals in need of English literacy, language and/or numeracy (LLN) training,

in making a film. The College has again been successful in gaining a grant from FACS to finance the production of another short film to be the product of the current student intake. This film is scheduled for public release in September 2016.

As the roll out of the National Disability Insurance Scheme (NDIS) becomes a reality for people living with a disability, the College and its ICEP staff will support students and their carers for the smooth transition over to this new design of service delivery and funding. This will require the College to adapt and prepare for big changes and will be a focus for the team when students begin to transition across to the NDIS from July 2017.

The College would like to acknowledge and thank the commitment, consistency and professionalism of the ICEP team - Kristen Fitzpatrick, ICEP Programme Coordinator, Monica Power, Senior Support Worker and the Support staff Sarah McCarthy, Susan Trent, Linden Braye and Sarah Johnson.

Adult and Community Education Community Service Obligation Funding (ACE CSO)

After a competitive bidding process, in June 2015 the College received funding from the Department of Industry's Training Services NSW to launch a new Adult and Community Education (ACE) Community Service Obligation (CSO) programme. The College has been an ACE CSO provider since the launch of the Migrant Women's Micro Business Programme in 2012 and ran for three years.

The College's new ACE CSO programme, titled 'Pathways to Entitlement', provides vocational training to disadvantaged learners in the Western Sydney areas of Bankstown and Cabramatta. To deliver, the College works in partnership with CORE Community Services (formally Cabramatta Community Centre) in the Cabramatta/Fairfield area and is continuing its partnership with Canterbury City Community Centre (4cs) in Bankstown/Lakemba. Both partner organisations provide locally-based training facilities and marketing outreach, as well as broad-based student support to those undertaking training. As the prime focus of the programme is to assist individuals in need of English literacy, language and/or numeracy (LLN) training, the majority of students are migrants or refugees. Other eligibility criteria are also designed to support the disadvantaged learner. At time of writing, six 'Pathways to Entitlement' short courses have been delivered (between July 2015 and June 2016), four 'Pathways to Caring Careers' and two 'Pathways to Starting a Micro Business'.

Delivery structure of the courses comprises 12 days of face-to-face training in units of competency from a VET qualification and units of competency from foundation skills (FSK) qualifications. The 'Caring Careers' course has proved very popular with the target

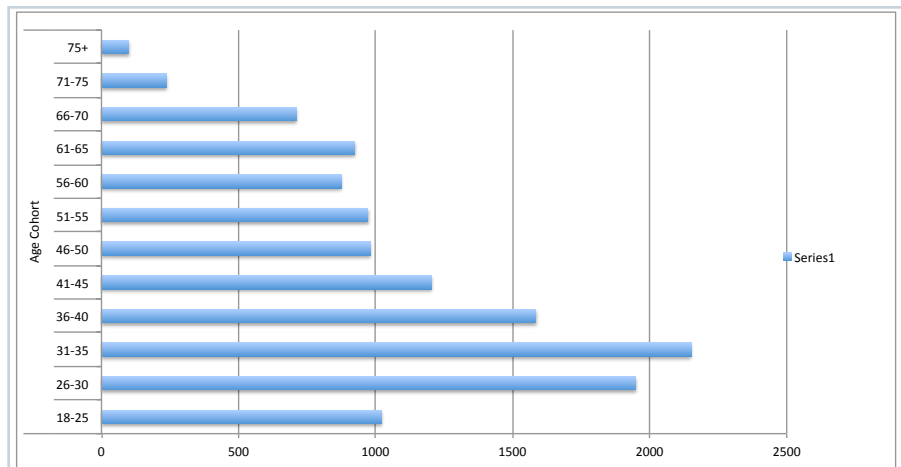
groups, combining as it does units of competency from the recently released Certificate III in Individual Support with units from the FSK Certificate II Skills for Work and Vocational Pathways. The learning in this short course is designed to prepare people for work in sectors such as aged care, disability and home and community care. It also includes non-accredited training to provide an overview of training, volunteering and career pathways. To build employability, students have access to related volunteering opportunities through a range of community services provided by our partners 4cs and CORE. The 'Pathways to Starting a Micro business' course has the same structure and combines units of competency from the Certificate III in Micro Business Operations and from the FSK Certificate II Skills for Work and Vocational Pathways.

Total enrolment in the programme at time of writing has serviced over 100 students with a pleasingly high level of retention and completion rate, especially given there are many from this particular client base for whom class-based group training can be a challenge. As such, the College was awarded extension funding in April 2016 to continue to deliver two more short courses between June and December 2016.

The College extends its gratitude for the success of this initiative to the ACE CSO Programme Manager, Tonya Cook-Pedersen, our trainers and assessors, our LLN specialists, and our community partners.

Jennifer Aldred,

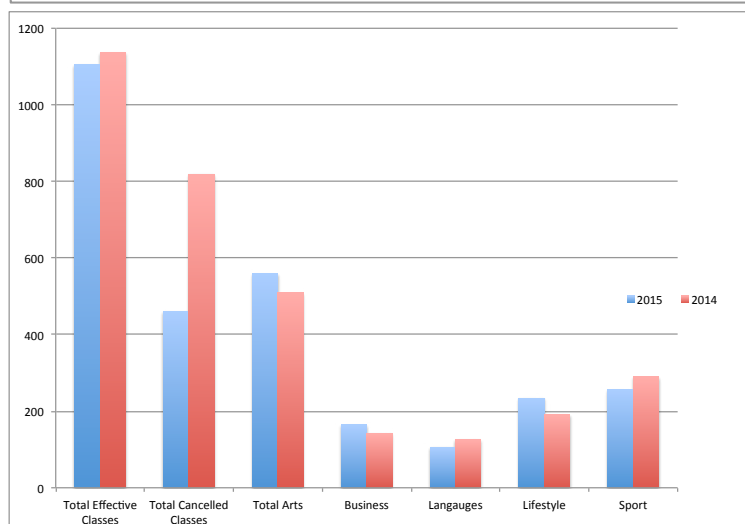
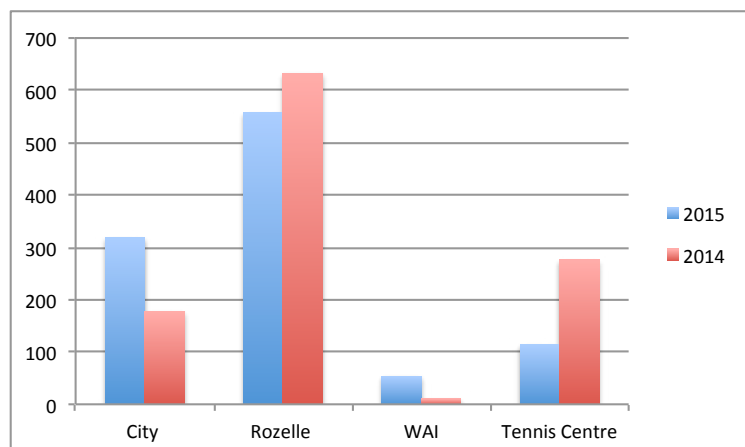
Senior Manager - Funded Programmes and Finance



Enrolment Overview

2014-15

Total effective enrolments for 2015 were 11301 compared with 11283 in 2014. Total effective classes 1106 compared with 1136 meaning that the average class size for 2015 was slightly higher. There has been a very strong growth in classes offered at the city location and at William Angliss Institute (WAI).



Directors Report for the Financial the Year Ended 31 December 2015

SYDNEY COMMUNITY COLLEGE LIMITED

ACN 136 500 313

The directors present this report on the company for the financial year ended 31st December 2015.

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

Roger Morris - Frances Howat - Jenifer O'Connor - Garry Traynor - Anita Morgana - Andrew Gonczi.

Review of Operations

The loss for the company for the year amounted to \$206,390. It should also be noted that the Depreciation and Amortisation including any loss on sale of assets amounts to \$207,978. This continuing "on paper loss" results from the previous expenditure of the federal grant of \$1.3million. The depreciation and amortisation amounts will continue to skew the profit/loss figure until written down to zero. .

Other Notes:

- Income of \$2.55 million represents very little growth over the previous year.
- Expenses of \$2.76 million is flat against 2014.

During 2015, the company continued to build on earlier structural adjustments and business processes.

Principal Activities

The principal activities of the company during the course of the year were the operation of the Community College short course programme, the delivery of funded

programmes, the delivery of nationally accredited courses through the College registered training organisation and the operation and management of the Sydney Centre for Tennis.

College Philosophy

Our Vision

To be a premier, self-sustaining not-for-profit provider of innovative short courses, continuing education and training.

Our Mission

To enrich lives, to strengthen organisations and to build communities through innovative high quality continuing education and training.

Strategies for 2015 were:

- The supply of appropriately positioned, effectively marketed and priced quality short courses;
- The effective management of the Sydney Centre for Tennis;
- The delivery of government funded programmes;
- Contracting RTO activity to two qualifications.

Key Performance Measures:

- Enrolment growth was flat;
- Income growth was under target;
- The maintenance of government contracts;
- Bookings growth of 5% at the Sydney Centre for Tennis.

Meetings of Directors

During the financial year 2014, 2 formal meetings of directors were held. A quarterly update was also distributed. Attendances by each director were as follows:

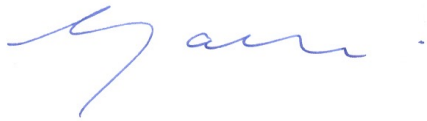
Director	Number eligible to attend	Number attended
Roger Morris	3	3
Frances Howat	3	3
Jenifer O'Connor	3	3
Garry Traynor	3	3
Anitra Morgana	3	2
Andrew Gonczi	3	3

Declaration of Auditor's Independence

The auditor's independence declaration for the year ended 31 December 2015 has been received and enclosed.

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

Garry John Traynor, Chief Executive Officer/Principal

A handwritten signature in blue ink, appearing to read 'Garry John Traynor', with a stylized 'G' and 'J'.

Director

--



Our ref: BJM:JHJ

16 June 2016

The Management
Sydney Community College Ltd.
2A Gordon Street,
Rozelle NSW 2039

Dear Sirs,

**RE: SYDNEY COMMUNITY COLLEGE LTD
2015 Audit**

We have finalised the audit on Sydney Community College Ltd's financial statements for the year ended 31 December 2015. Please find attached the full set of Audit Accounts. We will release the signed Audit Report on receipt of the signed Directors Declaration and Directors Report.

There are following issues that we have identified which we would like to bring to the Management's attention:

1. Directors Report:
We recommend that you prepare the Directors Report according to Corporations Act 2001 – Sect 300B; however, the Directors Report is not within the scope of audit.
2. Payment procedure:
Some of the invoices for testing only have one signature or no signature, whereas according to the payment procedure, there should be two. Please rectify the situation immediately.

Should you have any queries, please do not hesitate to contact me on 02 9318 6400.

Yours faithfully

A handwritten signature in black ink, appearing to be "Brett Miller", written over a light blue horizontal line.

Brett Miller
Director
Surry Partners Accountants Pty Ltd

Level 1 483 Riley Street Surry Hills NSW 2010 Australia **TEL** +61 2 9318 6400 **FAX** +61 2 9318 6401 admin@surrypartners.com.au

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SYDNEY COMMUNITY COLLEGE LTD
A.B.N 51 136 500 313

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2015



**The Institute of
Chartered Accountants
in Australia**

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SYDNEY COMMUNITY COLLEGE LIMITED

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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SYDNEY COMMUNITY COLLEGE LTD
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	2015 \$	2014 \$
Revenue from ordinary activities	2	2,554,478	2,520,292
Expenses			
Course expenses		(536,168)	(514,450)
Employee expenses		(1,668,768)	(1,653,588)
Depreciation and amortization expenses	4	(207,978)	(212,788)
Borrowing costs expenses		-	-
Other expenses from ordinary activities		<u>(347,955)</u>	<u>(355,901)</u>
Surplus before income tax expense		(206,390)	(216,435)
Income Tax Expense	5	<u>-</u>	<u>-</u>
Surplus after income tax expense for the year attributable to the members		<u>(206,390)</u>	<u>(216,435)</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>(206,390)</u>	<u>(216,435)</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

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SYDNEY COMMUNITY COLLEGE LTD.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	NOTE	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash	6	(65,461)	(75,068)
Accounts Receivable	7	-	16,247
Other Current Assets	8	13,303	12,701
TOTAL CURRENT ASSETS		<u>(52,158)</u>	<u>(46,120)</u>
NON-CURRENT ASSETS			
Fixed Assets		99,620	103,693
Leasehold Improvements		907,441	1,079,938
Intangible Assets		33,925	
TOTAL NON-CURRENT ASSETS	9	<u>1,040,986</u>	<u>1,183,631</u>
TOTAL ASSETS		<u>988,828</u>	<u>1,137,511</u>
LIABILITIES			
CURRENT LIABILITIES			
Current Payables	10	319,257	247,664
Taxation Clearing	11	10,602	17,210
Provision for Employee Entitlements - current	12	119,370	111,880
TOTAL CURRENT LIABILITIES		<u>449,228</u>	<u>376,754</u>
NON-CURRENT LIABILITIES			
Provision for Employee Entitlements - non current		-	-
Other Non-Current Liabilities		52,995	67,761
TOTAL NON-CURRENT LIABILITIES		<u>52,995</u>	<u>67,761</u>
TOTAL LIABILITIES		<u>502,223</u>	<u>444,515</u>
NET ASSETS		<u>486,605</u>	<u>692,995</u>
EQUITY			
Retained Profit		692,995	909,429
Current Surplus/(Deficit)		(206,390)	(216,435)
TOTAL EQUITY	13	<u>486,605</u>	<u>692,995</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.

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SYDNEY COMMUNITY COLLEGE LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
Cash Flow from Operating Activities			
Student Fees		2,122,910	2,085,495
Grants		386,754	573,390
Interest Received		1,794	2,680
Other Income		43,019	57,530
Payments to suppliers and employees		(2,498,696)	(2,779,449)
Net Cash provided by operating activities	14 (b)	<u>55,782</u>	<u>(60,355)</u>
Cash Flow from investing activities			
Fixed Asset purchases		(31,408)	(23,355)
Leasehold improvements		-	-
Net cash provided (used) by investing activities		<u>(31,408)</u>	<u>(23,355)</u>
Cash Flow from financing activities		(14,767)	(13,536)
Net cash from financing activities		-	-
Net increase/(decrease) in Cash Held		9,607	(97,246)
Cash at the beginning of the financial year		(75,068)	22,178
Cash at the end of the financial year		<u>(65,461)</u>	<u>(75,068)</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

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SYDNEY COMMUNITY COLLEGE LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	Retained Surpluses \$	Total Equity \$
Balance at 1 January 2014		909,429	909,429
Deficit after income tax expense for the year		(216,435)	(216,435)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(216,435)	(216,435)
Balance at 31 December 2014	13	<u>692,995</u>	<u>692,995</u>
Balance at 1 January 2015		692,995	692,995
Adjustment to the opening balance		-	-
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		<u>(206,390)</u>	<u>(206,390)</u>
Balance at 31 December 2015	13	<u>486,605</u>	<u>486,605</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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015

e) Revenue

Revenue is recognized 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 recognized.

- Rendering of services

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

- Interest

Recognized as interest is paid.

- Grant

Revenue is recognized 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 2015

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 2015, the current liabilities exceed current assets by \$501,386 with current ratio of 1:38. 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 \$206,390.

The management acknowledge that uncertainty remains over its liability to meet the debts. However, the management has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. If for any reason the company is unable to continue as a going concern, it would impact on the company's ability to realise assets at their recognised values, in particular the lease hold improvements and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements.

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 2015, 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 2015.



SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE	2015 \$	2014 \$
2 REVENUE		
Operating activities		
- course fees	2,122,910	1,886,692
- grant administration	386,754	573,390
- other income	43,019	57,530
	<u>2,552,684</u>	<u>2,517,612</u>
Non-operating activities		
- interest received	1,794	2,680
- profit on sale of fixed asset	-	-
- administration fees	-	-
	<u>1,794</u>	<u>2,680</u>
TOTAL REVENUE	<u><u>2,554,478</u></u>	<u><u>2,520,292</u></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	22,826	27,676
Amortization of leasehold improvements	<u>185,152</u>	<u>185,112</u>
	<u>207,978</u>	<u>212,788</u>
Remuneration of auditors		
- audit or review services	8,563	8,318
- other services	-	-
Total Remuneration	<u>8,563</u>	<u>8,318</u>
5 INCOME TAX EXPENSES		
Exempted from paying income tax. Refer to Note 1 a).		
6 CASH		
Cash on Hand	200	947
Cash at Bank	(65,661)	(76,015)
	<u>(65,461)</u>	<u>(75,068)</u>

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE	2015 \$	2014 \$
7 RECEIVABLES		
Trade Debtors	<u>-</u>	<u>16,247</u>
8 OTHER ASSETS		
- prepayments	13,075	11,569
- security deposits	228	1,132
	<u>13,303</u>	<u>12,701</u>
9 NON-CURRENT ASSETS		
- Office and Classroom furniture and equipment	350,289	338,286
- Less accumulated depreciation	<u>(310,940)</u>	<u>(298,983)</u>
	<u>39,349</u>	<u>39,303</u>
- Computer Equipment	135,928	129,178
- Less accumulated depreciation	<u>(129,392)</u>	<u>(126,062)</u>
	<u>6,536</u>	<u>3,116</u>
- Motor Vehicle	68,814	68,814
- Less accumulated depreciation	<u>(15,079)</u>	<u>(7,540)</u>
	<u>53,735</u>	<u>61,275</u>
- Leasehold improvements - Rozelle Campus (ITEC)	1,215,662	1,215,662
- Less accumulated amortization	<u>(607,836)</u>	<u>(486,270)</u>
	<u>607,826</u>	<u>729,392</u>
- Leasehold improvements - Rozelle Campus	355,373	355,373
- Less accumulated amortization	<u>(355,373)</u>	<u>(355,373)</u>
	<u>-</u>	<u>-</u>
- Leasehold improvements - Tennis Centre	608,886	596,231
- Less accumulated amortization	<u>(309,271)</u>	<u>(245,685)</u>
	<u>299,615</u>	<u>350,546</u>
Trademark	33,925	
Total non-current assets	<u>1,040,986</u>	<u>1,183,631</u>
10 PAYABLES		
CURRENT		
- Trade creditors and other accruals	38,563	148,114
- Deferred Grant	108,500	
- Fees paid in advance	132,706	135,330
- Wages Payables	-	-
- Superannuation Payables	39,488	31,982
	<u>319,257</u>	<u>315,426</u>



SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
14 CASH FLOW INFORMATION		
b) Reconciliation of cash provided by operating activities:-		
Operating profit/(deficit)	(206,390)	(216,435)
Add back non-cash items in operating activity		
Depreciation	207,978	212,788
Trademark	-33,925	
	<u>(32,337)</u>	<u>(3,647)</u>
Changes in assets and liabilities:		
Decrease/Increase in prepayments	(602)	(11,534)
Increase/Decrease in Security Deposits	-	-
Decrease/Increase in Trade Debtors	16,247	2,729
Decrease/Increase in Payroll Clearing Account	7,490	4,137
Decrease/Increase in Creditors and Accruals	74,217	(5,264)
Increase/Decrease in deferred grant	-	-
Increase/Decrease in Taxation Clearing accounts	(6,608)	(51,463)
Decrease/Increase in Prepaid Fees	(2,624)	551
Increase/Decrease in Provisions		4,137
	<u>88,119</u>	<u>(56,708)</u>
Net cash by operating activities	<u>55,782</u>	<u>(60,355)</u>

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
14 CASH FLOW INFORMATION		
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SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2015

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			
					Within 1 Year		1 - 5 Years	
	2015 %	2014 %	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Financial Assets								
Cash	0.00%	0.00%	-	38	-	-	-	-
Investment	0.00%	0.00%	-	-	-	-	-	-
Total Financial Assets			-	38	-	-	-	-

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 1 year or less Effective Interest Rate		between 1 and 2 years		Remaining contractual maturities
Interest bearing					
Bank overdraft	-12.89%	65,661	-	-	65,661
Credit card	-20.74%	9,723			9,723
Corporate charge card	-17.99%	201			201
Total financial liabilities		75,585	-	-	75,585

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 2015 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

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Garry Traynor
Director

Dated: _____ 2016

Annual Report **2015**

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