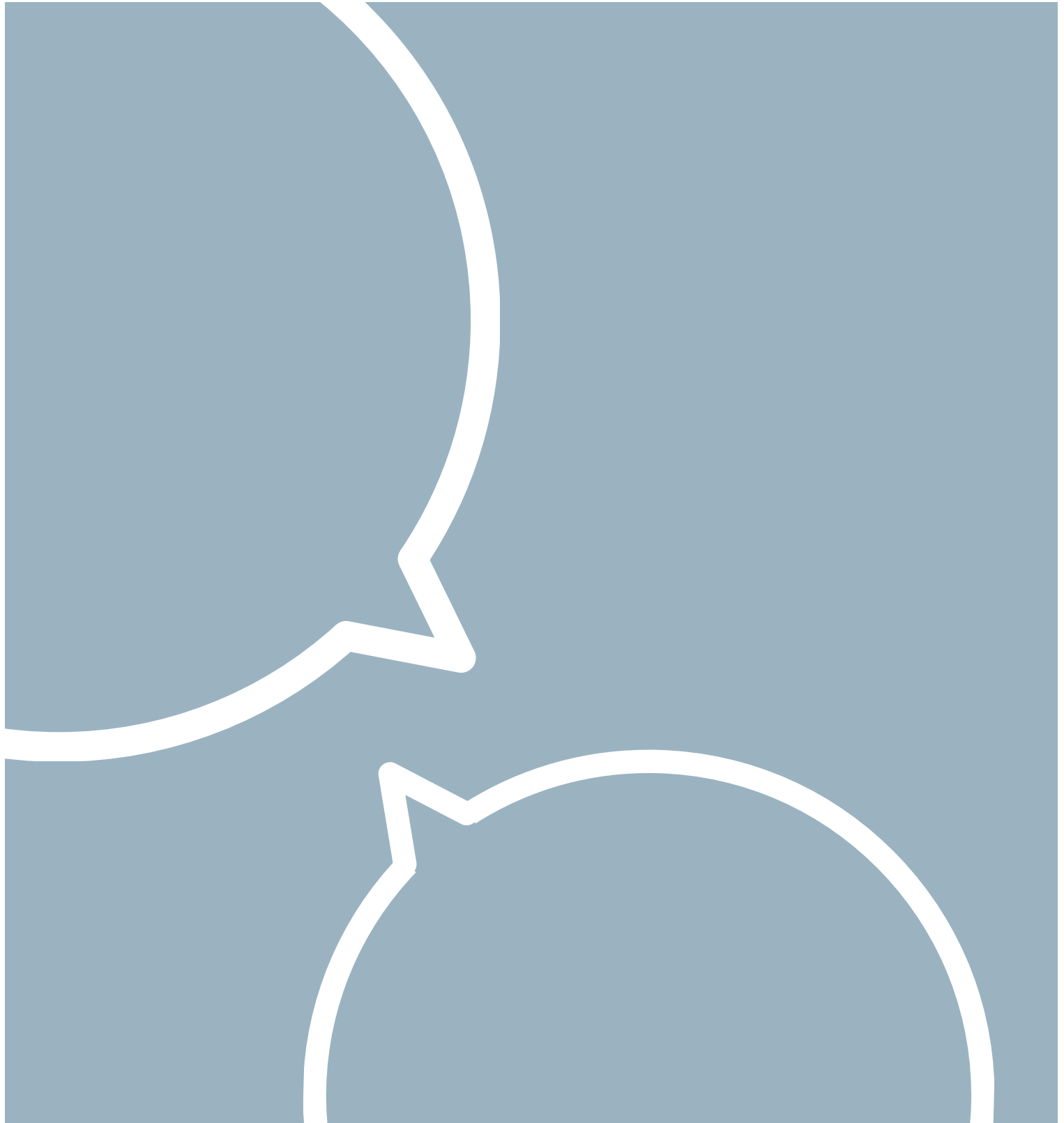


**SYDNEY  
COMMUNITY  
COLLEGE**

of course  
you can

*Annual Report* **2017**





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# Chairperson's Report

As indicated in my report in 2016, the Board made a decision to focus on the College's core business of delivering continuing adult education and vocational training. As part of this decision, 2017 saw the transfer of the College's lease of its tennis centre in Camperdown. While the centre was the venue for the provision of a range of well patronised sports-based courses, the ever-present commitment of funds for its upkeep led to a decision to seek the transfer of the lease to a specialist sports provider well placed to continue to operate the centre and offer sports opportunities to the community. Negotiations were finalised and I am pleased to advise that the new operator took over the site in July 2017.

The 2017 year has seen growth in revenue from the non-accredited short courses, as well as from NSW Government funding under Adult and Community Education (ACE) Community Services Obligations (CSO) vocational training programmes.

Short course revenue growth was due to the strengthened analytic expertise within the College in digital marketing. This, coupled with pleasing and well written marketing material, has driven increasing interest to the website and movement into courses. That said, course choice and programming are also significant factors in retaining and attracting students and this ongoing work by staff is essential to the success of the College and is not overlooked when explaining enrolment growth.

The Board continues to focus on the financial performance of the College and there have been some improvements; but challenges persist and we need to continue to mitigate risks to the College's sustainable future. The Board also sees collaboration with other ACE providers – Community Colleges in particular – as essential to the future of the sector and I am pleased to advise that, in 2017, the College formally partnered with Macquarie Community College in programmes and activities that complement each other's business operations. The appointment of the College's Senior Manager, Finance, Funded Programmes and Registered

Training Organisation, Jennifer Aldred, to the Board of Community Colleges Australia is another valuable step in this direction.

I welcome to the Board of the College Sara Pantzer who was appointed to a casual vacancy in December 2017. Sara brings to the Board, amongst other things, strong Governance knowledge and skills. She has had an extensive career in both the Government and corporate sectors, holds qualifications in economics, law and dispute resolution and is a Graduate of the Australian Institute of Company Directors.

She joins a team of dedicated and engaged Board Members and my thanks go to Anitra Morgana, Roger Morris, Joanna Maxwell and Jenifer O'Connor for their ongoing leadership, openness and capacity to respond to new challenges and change to ensure a viable future for the College and its stakeholders.

I would like to record thanks to Garry Traynor for his hard work during the year, both as Principal and as a Member of the Board. Garry's 32 year history in adult education and training was formally recognised in 2017 with his nomination for an award in the General Division of the Order of Australia. His investiture will take place in May 2018.

Of course, the College could not operate as effectively as it has done during the year without the commitment and industriousness of its programming, RTO, finance, customer service and site operations staff and I thank them all for their efforts for the year 2017.

**Andrew Gonczi**

Chairperson, Sydney Community College

June 2018

# Principal's Report

## Acknowledgements

Sydney Community College is a small team of dedicated people doing a large job. We are privileged to be guided by a skilled and professional Board of Directors who work in an honorary capacity. I extend my thanks to all when reporting on a year which has seen improved financial performance for the College. I also extend my deep appreciation to the many tutors who deliver our classes in a highly professional manner.

*The liquidation of the tennis centre lease along with a better trading year has seen the College post a modest surplus.*

## Financial result

As advised in the Chairperson's Report, last year I noted that the College had posted a large deficit and it was taking action to protect its future. In particular, the College negotiated the transfer of its remaining leasehold at the tennis centre in Camperdown. This negotiation was protracted and complicated. I acknowledge the work of Andrew Gonczi, Jennifer Aldred and our College solicitors – Surry Partners – who together achieved a favourable outcome. The liquidation of the tennis centre lease along with a better trading year has seen the College post a modest surplus.

The College's involvement in the tennis centre was very positive and I believe that the work done by the College in the development of what was a public sporting facility in the Inner West has been passed to good hands. The operators of the tennis centre, Canterbury Hurlstone Park RSL, have now integrated the tennis centre into the Camperdown Commons, thus enlarging its community capacity and access.

I would also like to pay tribute to the Catholic Archdiocese, the owners of the College site at Rozelle, without whose generosity and support with rental assistance in 2017, it would have been necessary to vacate the site after nearly 20 years.

## College Sites

During 2017, and with our withdrawal from the tennis centre, the College continued to build its course offering using two major sites. We also increased the number of courses offered at minor sites from 18 to 41.

## Staffing

Staffing remained stable during 2017 and I pay tribute to all who remained flexible, energetic and imaginative and redoubled efforts to bring about change.

## Registered Training Organisation (RTO)

Thanks to the work of Jennifer Aldred Kath Densham, Tonya Cook-Pedersen, James Saowadee and Cherril Amphlett, the College was successful in its Australian Skills Quality Authority (ASQA) audit process. The College was re-registered as an RTO with a self-managed scope for a period of seven years. All RTO activity has now been focused on Government funded programmes.

**Garry John Traynor, OAM**  
Principal/CEO Sydney Community College

June 2018

# Directors' Report

## SYDNEY COMMUNITY COLLEGE LIMITED

Financial Report for the Year Ended 31 December 2017

The directors present this report on the company for the financial year ended 31st December 2017.

### 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
- Sara Pantzer (Dec 2017)

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:

	ELIGIBLE TO ATTEND	ATTENDED
Roger Morris	3	3
Jenifer OConnor	3	3
Garry Traynor	3	3
Anita Morgana	3	3
Andrew Gonczi	3	3
Joanna Maxwell	3	3
Sara Pantzer	1	1

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.

**Garry John Traynor**  
Director

**Andrew Gonczi**  
Director

Dated 3/05/2018

# Minutes

## Sydney Community College AGM, May 30 2017

**Venue:** Sydney Community College, 2A Gordon Street, Rozelle

**Time:** 6pm

---

### 1. WELCOME

The Chair, Andrew Gonczi welcomed all to the meeting and declared the meeting open at 6pm.

### 2. APOLOGIES

Jennifer Aldred  
Jenifer O'Connor  
Anitra Morgana.

### 3. PRESENT

Jean Janah (Management Accountant)  
Garry Traynor (CEO/Principal - Board Secretary)  
Joanna Maxwell  
Andrew Gonczi  
Roger Morris

### 4. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting were declared a true account - Moved Maxwell/Morris Carried

### 5. REPORTS

#### (i) Chairperson's Report:

The Chairman spoke to a written report as tabled in the Annual Reports

#### (ii) Principal's Report:

The Principal spoke to a written report as tabled in the Annual Reports

#### (iii) Activity Reports:

The Principal spoke to the written reports as tabled in the Annual Reports

#### (iv) Director's Report:

The Director's report was tabled in the Annual Reports

#### (v) Finance Reports:

The Management Accountant spoke to the audited reports as tabled in the Annual Reports

AGM-Resolution:1-300517

That the reports be accepted.  
Moved Gonczi/Maxwell - Carried

#### (vi) Appointment of Auditor:

AGM-Resolution:2-300517

That North Shore Accounting P/L be appointed the College Auditors for 2017-18.  
Moved Maxwell/Morris - Carried

#### (vi) Election of Board Members:

The Board Secretary informed the meeting that no nominations for Board positions had been received and that as no Board Members terms were expiring, no elections were required.

### 6. ANY OTHER MATTERS

Nil - Meeting declared closed. 6:30pm

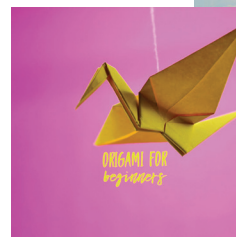
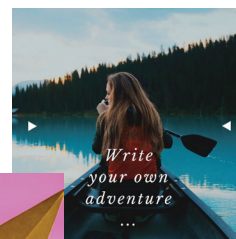
# Activity Reports

## Short Course Programme

### ENROLMENTS AND INCOME

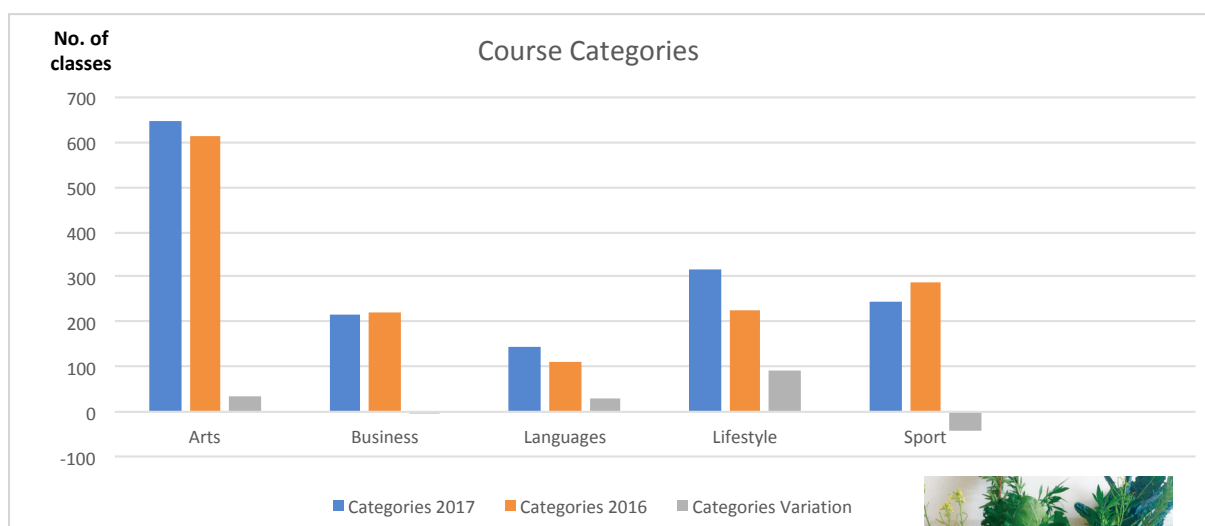
The programme grew by just over 15% in enrolments and 16.8% in income. Generally, all of the critical numbers were positive.

	2016	2017	Difference	Percentage
Enrolments	9189	10570	1381	15.03%
Classes	1214	1287	73	6.01%
Average Class Size	7.57	8.21	0.64	8.50%
Total Income	\$1,723,477	\$2,013,048	\$289,571	16.80%
Average Class Income	\$1,420	\$1,564	\$144	10.18%
Rozelle Classes	560	626	66	11.79%
City Classes	442	444	2	0.45%
Other Locations	18	41	23	127.78%



### COURSE CATEGORIES

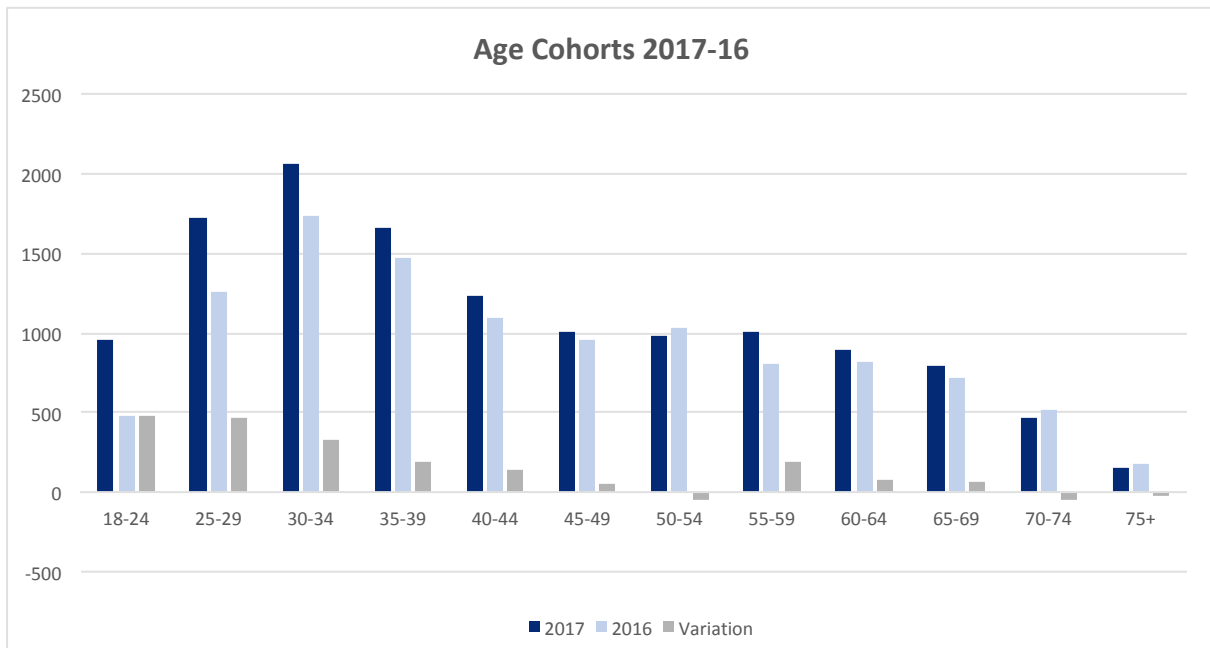
Three categories grew while one remained static and sport fell, largely due to the sale of the Tennis Centre. Lifestyle classes grew due mainly to the number of one day workshops.





## ENROLMENTS BY AGE COHORT

Nearly all categories grew with significant growth by way of percentage in the 18-24 and 25-29 groups. The participation profile is similar to 2016, with an increase in the younger cohorts being apparent.

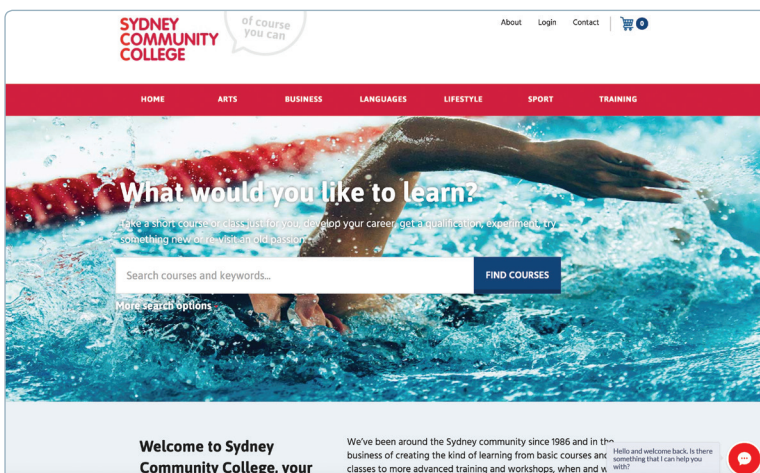


## MARKETING STRATEGY

The College has long relied on a digital only strategy. Most of the effort in marketing has been placed in two areas. They are:

- The College website
- Email marketing.

As stated in the Chairperson's Report, in 2017 we added Search Engine Optimisation (SEO) and Google AdWords campaigns. This strategy resulted in a significant increase in website traffic. In 2016, there were 1,393,110 page views, while in 2017 the number became 2,882,587, an increase of 1,489,477.

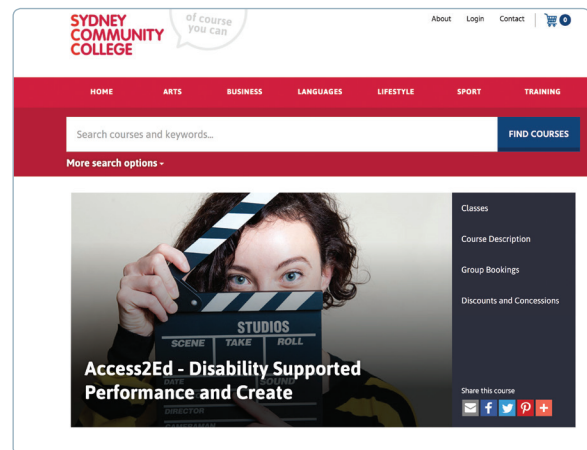


## Disability Supported Programme – formerly Inclusive Community Education Programme (ICEP)

With the move to the federally funded National Disability Insurance Scheme (NDIS), the College has been transitioning the NSW Government funded ICEP courses to its fee for service disability supported courses (now named Access2Ed). As a major social reform, the NDIS has posed challenges for many organisations, including the College, and for those in the disability community. NDIS, however, does offer more choice for the consumer with the change in arrangements to directly fund the purchaser of the service, rather than the provider of the service.

NSW Government funding for the ICEP finished in December 2017 and 2018 will see the move to the fee for service offering – the Access2Ed programme. At time of writing, the College has also announced its partnership with a specialist disability service provider – Studio ARTES ([www.studioartes.org.au](http://www.studioartes.org.au)) – for the joint delivery of the Access2Ed programme.

As Studio ARTES is a registered NDIS provider, this means those who have their packages managed by the NDIS can apply through Studio ARTES to enrol in Access2Ed. As the College is not an NDIS registered provider, it is only able to enrol those who self-manage all of their NDIS package or self-manage that part of their package which covers Access2Ed fees.



The partnership will also see development of the educational, vocational and social opportunities on offer through Access2Ed and will ensure our former students, who have their funds managed by through the NDIS, can continue to participate in College activities. Through Studio ARTES, this initiative will also open up the opportunity for more students across Sydney to enrol.

The College would like to thank all former ICEP staff for their major contribution to the programme over many years, in particular Kristen Fitzpatrick, Monica Power and Sarah McCarthy. Access2Ed welcomes new staff, including the Studio ARTES Inner West Studio Manager, to its team.



*Access2Ed dance class (and friends) at the BigDance 2018 event in Sydney, which saw teams from around the world join to perform the same routine.*

## NSW Government Funding – Adult and Community Education

### Tech Savvy for Small Business (TSB)

In mid 2017, the College received a small amount of funding from the State Government to 'promote access and increase vocational education and training outcomes for small business owners and their staff'. As with all Government funded programmes, there are eligibility criteria for those wishing to enrol in this fully subsidised course. For the purpose of the funding, a small business is defined as having 1-20 employees OR having an annual turnover of less than \$2million.

The College chose to develop and offer a social media marketing course. As small business moves into the next quarter of the 21st century, traditional marketing and advertising platforms are changing at a rapid rate. Older platforms such as print media, radio and television advertising are struggling to maintain a foothold in the new order. The growth also of the sharing economy has put within reach of small business marketing services once only available at an agency level. The rise of social media – the domination of Google and other search engines – has re-shaped the way new/small businesses need to connect with potential customers. The challenge and the opportunities for small business in their start up or establishment stage remains how to effectively incorporate the new platforms into their marketing strategies.

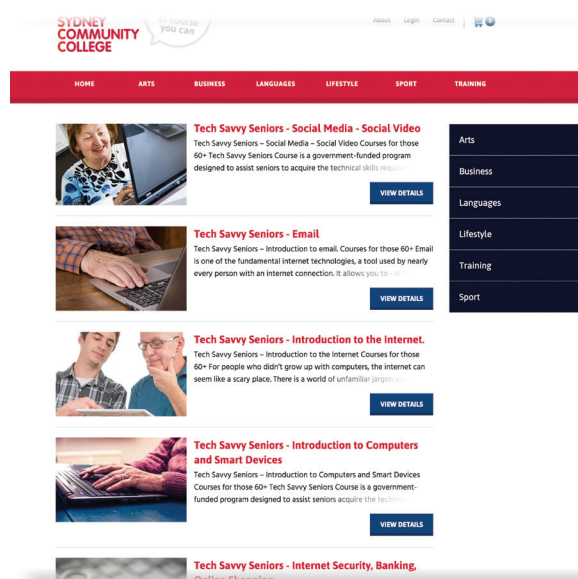
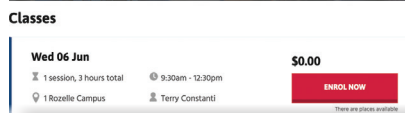
The course is designed to assist small business to develop strategies and skills to effectively leverage from the new order. Developing the course material in line with vocational education and training units of competency required investment in VET skilled individuals and resources. As such, the two courses on offer will run in early 2018.

### Tech Savvy Seniors (TSS)

The College receives a small amount of funding for the purpose of assisting older residents to adapt to the digital age. In doing so we have developed and delivered a suite of free 3-hour classes. They are:

- Tech Savvy Seniors - Introduction to Computers and Smart Devices
- Tech Savvy Seniors - Introduction to the Internet.
- Tech Savvy Seniors - Social Media - Social Video
- Tech Savvy Seniors – Email
- Tech Savvy Seniors - Internet Security, Banking, Online Shopping

The classes may be taken as stand-alone or a complete suite.





## Community Service Obligations for Disadvantaged Students (CSD) – Western Sydney Project

The College continued to deliver in 2017 training opportunities for disadvantaged individuals in Western Sydney. This programme funds the College to deliver partial accredited vocational education and training (VET) qualifications – or short courses – in the Bankstown/Lakemba and Cabramatta/Fairfield areas.

After successfully meeting our 2016-2017 financial year target, the College received a new round of funding in June 2017 for 706 VET unit commencements to be completed in the 2017-2018 financial year. This new CSD target is being met through the delivery of nine 12-week short courses, five in the Cabramatta/Fairfield area and four in the Lakemba/Bankstown area. Delivery in these target communities is made possible through partnerships with two community organisations: CORE Community Services (CORE) and Canterbury City Community Centre (4cs). CORE and 4cs provide access to local training facilities and facilitate our linkage to adult learners with significant barriers to accessing training opportunities. Contributing to the success of our programme, our community partners also provide important marketing, outreach, and student welfare support, as well as volunteering and networking opportunities.



The majority of learners in the CSD short courses continue to be migrant, refugee, asylum seeker and other vulnerable clients, most of whom have low literacy, language and/or numeracy (LLN) levels. The short courses combine units of competency from selected VET qualifications with Foundation Skills (FSK) units of competency to improve English language skill development.

*“The programme has created the opportunity for a number of learners to move into volunteer roles and entry level casual positions with our community partners.”*

To better meet the needs of clients with low-levels of English and employability skills, we have increased the delivery of two FSK-only short courses: ‘Job Seeker Skill Up’ and ‘Skill Up: Basic English and Job Skills’. These two courses consist entirely of Certificate I and II units from the Foundation Skills Training Package. The College also continued to deliver the popular ‘Introduction to Community Services’, ‘Introduction to Children’s Services’ and ‘Introduction to Caring Careers’ short courses. These three courses provide training in the higher-level qualifications of Certificate III in Early Childhood Education and Care and Certificate III in Individual Support (Aged Care or Disability Services) equipping students for employment in these growing sectors.



All of the CSD short courses delivered in 2017 included a non-accredited unit of study focussed on creating volunteering, study and work pathways for our learners. The programme has created the opportunity for a number of learners to move into volunteer roles and, in some cases, entry level casual positions with our community partners. We continue to work to increase the uptake of volunteering opportunities created by the CSD programme. We have also joined with other Registered Training Organisations (RTOs), such as TAFE and Macquarie Community College, for the recognition of those units completed through the College and transfer of our learners to these RTO for completion of their full qualification under the NSW Government 'Smart and Skilled' training programme.

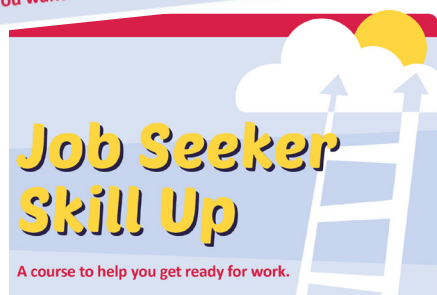
The 2017 year also saw hiring of new trainers, assessors and other VET specialists to deliver all our ACE CSO programmes, including CSD, strengthening and building capacity within the RTO area of the College's activities.

## Registered Training Organisation (RTO)

The College's RTO licence was re-registered in early 2018 by the regulator (the Australian Skills Quality Authority, ASQA) for a period of 7 years, expiring in 2025. This is a pleasing outcome for the College, especially as an RTO with delegated authority under the National Vocational Education and Training Regulator Act 2011 to, amongst other things, manage its own Scope of Registration – that is, to decide for itself the training services and products it is registered to provide.

The re-registration audit was something prepared for over the length of 2017. A number of people contributed to this success, and to the quality operations of our RTO generally, and the Board extends its gratitude to Jennifer Aldred, Kath Densham, Cherril Amphlett, James Saowadee and Tonya Cook-Pedersen for their high-grade contribution to what is a great result.

Since 2016, the College has concentrated on the delivery of Government funded training within its RTO, though the re-introduction of a student fee for service offering is planned for 2018.



# Sydney Community College Ltd

ABN 53 136 500 313

## Financial Report for the year ended 31 December 2017

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# SYDNEY COMMUNITY COLLEGE LTD

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTE	2017 \$	2016 \$
<b>Revenue from ordinary activities</b>	2	2,922,816	2,717,183
<b>Expenses</b>			
Course expenses		(473,075)	(570,925)
Employee expenses		(1,898,837)	(1,900,293)
Depreciation and amortization expenses	4	(177,803)	(207,637)
Borrowing costs expenses		-	-
Other expenses from ordinary activities		<u>(398,235)</u>	<u>(418,243)</u>
<b>Surplus before income tax expense</b>		(25,134)	(379,915)
Income Tax Expense	5	<u>-</u>	<u>-</u>
<b>Surplus after income tax expense for the year attributable to the members</b>		<u>(25,134)</u>	<u>(379,915)</u>
Other comprehensive income for the year, net of tax:			
	3	<u>163,042</u>	<u>-</u>
<b>Total comprehensive income for the year attributable to the members</b>	13	<u>137,908</u>	<u>(379,915)</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 2017

	NOTE	2017 \$	2016 \$
<b>Assets</b>			
Current Assets			
Cash	6	436,783	(46,414)
Accounts Receivable	7	-	-
Other Current Assets	8	10,325	16,029
Total Current Assets		<u>447,108</u>	<u>(30,386)</u>
Non-current Assets			
Fixed Assets		93,138	100,379
Leasehold Improvements		364,694	723,897
Intangible Assets		42,115	33,925
Total Non-Current Assets	9	<u>499,947</u>	<u>858,201</u>
<b>Total Assets</b>		<u><u>947,055</u></u>	<u><u>827,816</u></u>
<b>Liabilities</b>			
Current Liabilities			
Current Payables	10	440,062	433,481
Taxation Clearing	11	15,249	61,706
Provision for Employee Entitlements - current	12	58,763	49,105
Total Current Liabilities		<u>514,074</u>	<u>544,292</u>
Non-current Liabilities			
Provision for Employee Entitlements - non current		119,439	92,497
Other Non-Current Liabilities		68,944	84,337
Total Non-current Liabilities		<u>188,383</u>	<u>176,834</u>
<b>Total Liabilities</b>		<u><u>702,457</u></u>	<u><u>721,126</u></u>
<b>Net Assets</b>		<u><u>244,598</u></u>	<u><u>106,690</u></u>
<b>Equity</b>			
Retained Profit		106,690	486,605
Current Surplus/(Deficit)		137,908	(379,915)
<b>Total Equity</b>	13	<u><u>244,598</u></u>	<u><u>106,690</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 2017

	NOTE	2017 \$	2016 \$
<b>Cash Flow from Operating Activities</b>			
Student Fees		2,468,477	2,187,973
Grants		642,948	654,547
Interest Received		834	695
Other Income		38,461	80,161
Payments to suppliers and employees		(3,030,445)	(2,901,260)
<b>Net Cash provided by operating activities</b>	14 (b)	<u>120,275</u>	<u>22,116</u>
<b>Cash Flow from investing activities</b>			
Fixed Asset purchases		(18,384)	(3,069)
Sale of Fixed Assets		396,697	-
<b>Net cash provided (used) by investing activities</b>		<u>378,313</u>	<u>(3,069)</u>
<b>Cash Flow from financing activities</b>		(15,392)	-
<b>Net cash from financing activities</b>		<u>(15,392)</u>	<u>-</u>
<b>Net increase/(decrease) in Cash Held</b>		483,196	19,047
<b>Cash at the beginning of the financial year</b>		(46,414)	(65,461)
<b>Cash at the end of the financial year</b>		<u><u>436,782</u></u>	<u><u>(46,414)</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 CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTE	Retained Surpluses \$	Total Equity \$
<b>Balance at 1 January 2016</b>		486,605	486,605
Deficit after income tax expense for the year		(379,915)	(379,915)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		(379,915)	(379,915)
<b>Balance at 31 December 2016</b>	13	<u>106,690</u>	<u>106,690</u>
<b>Balance at 1 January 2017</b>		106,690	106,690
Adjustment to the opening balance		-	-
Deficit after income tax expense for the year		(25,134)	(25,134)
Other comprehensive income for the year, net of tax		163,042	163,042
<b>Total comprehensive income for the year</b>		<u>137,908</u>	<u>137,908</u>
<b>Balance at 31 December 2017</b>	13	<u>244,598</u>	<u>244,598</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 CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017

#### 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 2017

### **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.

# SYDNEY COMMUNITY COLLEGE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017, the current liabilities exceed current assets by \$66,966 with current ratio of 1:1.14. This is in breach of the "1:1" current ratio required by the NSW Government.

### **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 2017, 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 2017.

# SYDNEY COMMUNITY COLLEGE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE	2017 \$	2016 \$
<b>2 REVENUE</b>		
Operating activities		
- course fees	2,244,070	1,989,066
- grant administration *	642,948	654,547
- other income	34,964	72,874
	<u>2,921,982</u>	<u>2,716,487</u>
* The grant includes \$3,500 from the NSW Department of Industry as supplementary funding under the Adult and Community Education (ACE) Community Service Obligation (CSO) Program. The funding is to assist the College in the technology improvement.		
Non-operating activities		
- interest received	834	695
- profit on sale of fixed asset	-	-
- administration fees	-	-
	<u>834</u>	<u>695</u>
TOTAL REVENUE	<u>2,922,816</u>	<u>2,717,183</u>
<b>3 OTHER REVENUE</b>		
Profit on sale of asset	163,042	-
	<u>163,042</u>	<u>-</u>
<b>4 PROFIT FROM ORDINARY ACTIVITIES</b>		
Profit from ordinary activities before income tax expenses has been determined after:		
<b>(a) Expenses</b>		
Depreciation of property, plant and equipment	24,243	22,083
Amortisation of leasehold improvements	153,560	185,554
	<u>177,803</u>	<u>207,637</u>
Remuneration of auditors		
- audit or review services	8,127	
- other services		
Total Remuneration	<u>8,127</u>	<u>-</u>
<b>5 INCOME TAX EXPENSES</b>		
Exempted from paying income tax. Refer to Note 1 a).		
<b>6 CASH</b>		
Cash on Hand	143	354
Cash at Bank	436,640	(46,768)
	<u>436,783</u>	<u>(46,414)</u>

# SYDNEY COMMUNITY COLLEGE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE	2017 \$	2016 \$
<b>7 RECEIVABLES</b>		
Trade Debtors	-	-
<b>8 OTHER ASSETS</b>		
- prepayments	10,325	11,515
- security deposits	-	-
- CC Disputed Transactions	-	4,514
	<u>10,325</u>	<u>16,029</u>
<b>9 NON-CURRENT ASSETS</b>		
- Office and Classroom furniture and equipment	367,290	350,289
- Less accumulated depreciation	<u>(337,400)</u>	<u>(323,531)</u>
	<u>29,890</u>	<u>26,758</u>
- Computer Equipment	136,708	136,708
- Less accumulated depreciation	<u>(133,701)</u>	<u>(131,344)</u>
	<u>3,007</u>	<u>5,364</u>
- Motor Vehicle	68,257	137,071
- Less accumulated depreciation	<u>(8,017)</u>	<u>(68,814)</u>
	<u>60,240</u>	<u>68,257</u>
- Leasehold improvements - Rozelle Campus (ITEC)	1,215,662	1,215,662
- Less accumulated amortisation	<u>(850,968)</u>	<u>(729,402)</u>
	<u>364,694</u>	<u>486,260</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	610,896
- Less accumulated amortisation	<u>(610,896)</u>	<u>(373,259)</u>
	<u>-</u>	<u>237,637</u>
Trademark	42,115	33,925
Total non-current assets	<u>499,947</u>	<u>858,201</u>
<b>10 PAYABLES</b>		
CURRENT		
- Trade creditors and other accruals	39,811	39,633
- Deferred Grant	150,427	201,961
- Fees paid in advance	211,366	158,063
- Wages Payables	-	-
- Superannuation Payables	38,458	33,824
	<u>440,062</u>	<u>433,481</u>



# SYDNEY COMMUNITY COLLEGE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE	2017 \$	2016 \$
<b>11 TAX LIABILITIES</b>		
- GST	3,092	14,168
- Withholding tax	17,739	50,440
- FBT instalment	2,791	5,804
FBT payable	(8,373)	(8,706)
	<u>15,249</u>	<u>61,706</u>
<b>12 PROVISIONS</b>		
CURRENT		
- Provision for annual leave	58,763	49,105
- Provision for long service leave	-	-
	<u>58,763</u>	<u>49,105</u>
NON-CURRENT		
- Provision for annual leave	-	-
- Provision for long service leave	119,439	92,497
	<u>119,439</u>	<u>92,497</u>
Number of permanent employees at year end	<u>20</u>	<u>11</u>
<b>13 RETAINED PROFITS</b>		
- Retained profits at the beginning of financial year	106,690	486,605
- Adjustment to the opening balance		-
- net profit attributable to the company	137,908	(379,915)
- Retained profits at the end of the financial year	<u>244,598</u>	<u>106,690</u>
<b>14 CASH FLOW INFORMATION</b>		
a) Reconciliation of Cash		
Cash on Hand	143	354
Cash at Bank	436,640	(46,768)
	<u>436,783</u>	<u>(46,414)</u>

# SYDNEY COMMUNITY COLLEGE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
<b>14 CASH FLOW INFORMATION</b>		
b) Reconciliation of cash provided by operating activities:-		
Operating profit/(deficit)	(25,134)	(379,914)
Add back non-cash items in operating activity		
Depreciation	177,803	207,637
	<u>152,669</u>	<u>(172,277)</u>
Changes in assets and liabilities:		
Decrease/Increase in prepayments	5,704	(2,726)
Increase/Decrease in Security Deposits	-	-
Decrease/Increase in Trade Debtors	-	-
Decrease/Increase in Payroll Clearing Account	4,635	(5,664)
Decrease/Increase in Creditors and Accruals	177	1,070
Increase/Decrease in deferred grant	(51,535)	93,461
Increase/Decrease in Taxation Clearing accounts	(46,457)	51,104
Decrease/Increase in Prepaid Fees	53,302	25,357
Increase/Decrease in Provisions	34,173	22,232
Increase/Decrease in other non-current liabilities	(15,392)	12,349
Decrease/Increase in Fixed Assets	(17,001)	(2,790)
Decrease/Increase in Property Improvement	<u>(32,394)</u>	<u>194,393</u>
<b>Net cash by operating activities</b>	<u><u>120,275</u></u>	<u><u>22,116</u></u>

# SYDNEY COMMUNITY COLLEGE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2017

### 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 1 - 5 Years		
	2017 %	2016 %	2017 \$	2016 \$	2016 \$	2017 \$	2016 \$
Financial Assets							
Cash	1.15%	0.00%	186,782	368	-	-	-
Investment	0.00%	0.00%	-	-	-	-	-
Total Financial Assets			186,782	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 * (facility of \$150,000 overdraft limit available from CBA )			-
Credit card	-20.74%	18,660	18,660
Corporate charge card		-	-
Total financial liabilities		18,660	- 18,660

# SYDNEY COMMUNITY COLLEGE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### **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 2017 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

.....  
Director

Dated: 29/06 2018



Andrew P Gonczi

.....  
Director

Dated: 29/06 2018

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 2017, 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**

26 | 06 | 2018

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

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**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 2017, 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 2017 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 operating loss of \$25,134 during the year ended 31 December 2017 and as of that date, the current liabilities exceed current assets by \$66,966 with a current ratio of 1:1.14. 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

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**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 2017, 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.



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

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or condition may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

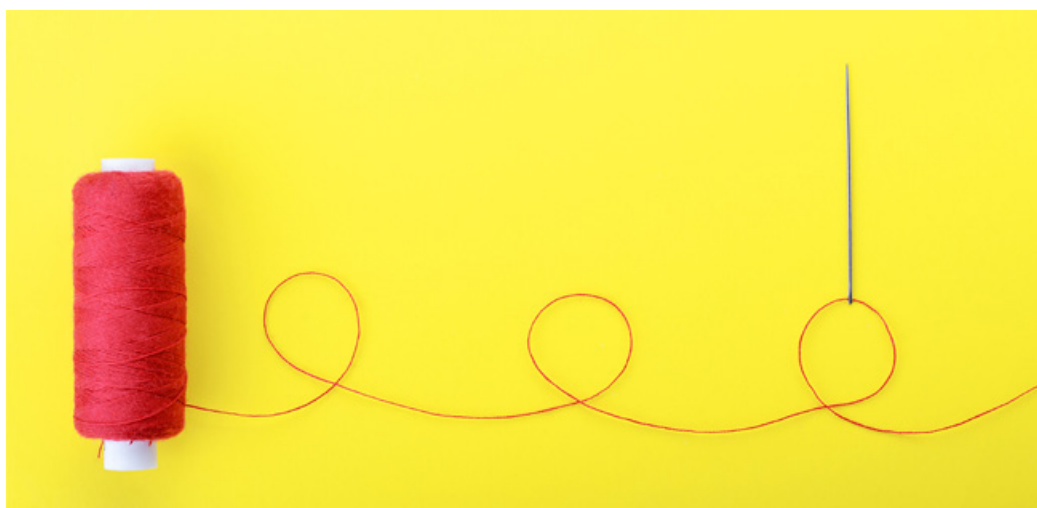
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

North Shore Accountancy Pty Ltd  
Brett J Miller



Suite 108, 460 Pacific Hwy, St Leonards NSW 2065

Dated: 30 | 06 | 2018



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