

**COMMUNITY COLLEGE GIPPSLAND LTD**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**COMMUNITY COLLEGE GIPPSLAND LTD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,920,812	1,430,057
Trade and other receivables	4	150,111	201,338
<b>TOTAL CURRENT ASSETS</b>		<u>2,070,923</u>	<u>1,631,395</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	2,094,844	2,242,446
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2,094,844</u>	<u>2,242,446</u>
<b>TOTAL ASSETS</b>		<u>4,165,767</u>	<u>3,873,841</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	247,609	253,849
Provisions	7	376,617	316,935
<b>TOTAL CURRENT LIABILITIES</b>		<u>624,226</u>	<u>570,784</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	6	155,000	275,000
Provisions	7	60,333	82,762
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>215,333</u>	<u>357,762</u>
<b>TOTAL LIABILITIES</b>		<u>839,559</u>	<u>928,546</u>
<b>NET ASSETS</b>		<u>3,326,208</u>	<u>2,945,295</u>
<b>EQUITY</b>			
Accumulated surplus		3,326,208	2,945,295
<b>TOTAL EQUITY</b>		<u>3,326,208</u>	<u>2,945,295</u>

The accompanying notes form part of this financial report.

**COMMUNITY COLLEGE GIPPSLAND LTD  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
Revenue	2	5,320,794	5,420,607
Other income	2	2,118	(1,272)
		<u>5,322,912</u>	<u>5,419,335</u>
Depreciation expense		(159,899)	(159,252)
Employee benefits expense		(3,653,441)	(3,614,269)
Lease expenses		(91,984)	(112,639)
Car & travel expenses		(119,083)	(132,306)
Property expenses		(199,784)	(190,574)
Professional fees expenses		(175,768)	(148,676)
Other expenses		(542,040)	(457,437)
		<u>(4,941,999)</u>	<u>(4,815,153)</u>
<b>Surplus/ (deficit) before income tax</b>		380,913	604,182
Income tax expense		-	-
<b>Total comprehensive income</b>		<u><u>380,913</u></u>	<u><u>604,182</u></u>

The accompanying notes form part of this financial report.

**COMMUNITY COLLEGE GIPPSLAND LTD  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>Accumulated Surplus \$</b>	<b>Total \$</b>
Balance at 1 January 2016	2,341,113	2,341,113
Surplus/ (deficit) for the year	604,182	604,182
<b>Balance at 31 December 2016</b>	<u>2,945,295</u>	<u>2,945,295</u>
Surplus/ (deficit) for the year	380,913	380,913
<b>Balance at 31 December 2017</b>	<u>3,326,208</u>	<u>3,326,208</u>

The accompanying notes form part of this financial report.

**COMMUNITY COLLEGE GIPPSLAND LTD  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from operations		5,829,044	5,883,647
Payments to suppliers and employees		(5,232,944)	(5,148,091)
Interest received		24,834	15,244
Net cash provided by/ (used in) operating activities	8	<u>620,934</u>	<u>750,800</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		10,268	21,646
Payment for property, plant and equipment		(20,447)	(148,284)
Net cash provided by/ (used in) investing activities		<u>(10,179)</u>	<u>(126,638)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of DEECD advance		(120,000)	(120,000)
Net cash provided by/ (used in) financing activities		<u>(120,000)</u>	<u>(120,000)</u>
Net increase/ (decrease) in cash held		490,755	504,162
Cash and cash equivalents at beginning of financial year		1,430,057	925,895
Cash and cash equivalents at end of financial year	8	<u>1,920,812</u>	<u>1,430,057</u>

The accompanying notes form part of this financial report.

**COMMUNITY COLLEGE GIPPSLAND LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**Note 1: Summary of Significant Accounting Policies**

These financial statements cover Community College Gippsland Ltd as an individual company. Community College Gippsland Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

**Basis of Preparation**

The 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 Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not for profit company for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

**(a) Income Tax**

The company is exempt from tax for income tax purposes.

**(b) Property, Plant and Equipment**

**Property, plant and equipment**

Property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of property, plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present. The recoverable amount is assessed as the depreciated replacement cost of an asset.

**Depreciation**

The depreciable amount of all fixed assets are depreciated on a diminishing value basis over their useful lives from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Buildings	2.5%
Plant & equipment	10-20%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss in the period in which they occur.

**COMMUNITY COLLEGE GIPPSLAND LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**(c) Leases**

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

**(d) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest* method.

The *effective interest* method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

**(i) Loans 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 subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**(ii) Financial liabilities**

Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**COMMUNITY COLLEGE GIPPSLAND LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") that has occurred, which has an impact on the estimated future cash flows of the financial asset(s). Impairment losses are recognised in the statement of comprehensive income.

**Derecognition**

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(e) Impairment of Assets**

At the end of each reporting period, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

**(f) Employee Provisions**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year of the end of the reporting period have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and related on-costs and the probability that the employee may not satisfy any vesting requirements. The estimated cash outflows are discounted using market yields on national government bonds with maturity terms that match the expected timing of cash outflows.

Obligations for long term employee benefits are classified as non-current except where there is no unconditional right to defer payment, in which case they are presented as current.

**(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.



**COMMUNITY COLLEGE GIPPSLAND LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**(h) Trade and Other Receivables**

Accounts receivable and other debtors include amounts due from customers for events, services, and goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially measured at fair value and subsequently measured at amortised cost, less any provision for impairment.

**(i) Revenue and other income**

Non-reciprocal grant revenue is recognised in the profit and loss when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount can be measured reliably.

Revenue from the sale of goods and rendering of a service is recognised upon the delivery of the goods or service to the customer.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

**(j) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Receivables and payables in the statement of financial position are shown inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(k) Accounts Payable and Other Payables**

Accounts payable and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the company during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(l) Critical Accounting Estimates and Judgments**

The company evaluates estimates and judgments incorporated into the financial report 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.

**COMMUNITY COLLEGE GIPPSLAND LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**(m) Economic Dependence**

The company is dependent of the State and Commonwealth governments for the majority of its revenue used to operate the business. As at the date of this report, the Board of Directors has no reason to believe that the governments will not continue to support the company.

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Note 2: Revenue</b>		
Government grants	3,995,521	3,865,260
Student fees	606,088	772,609
Other revenue	719,185	782,738
Total revenue	5,320,794	5,420,607
Included above in revenue is the following funding received from the Adult, Community and Further Education Board (ACFE)		
ACFE grant	219,459	190,206
ACFE capacity & innovation	-	5,600
ACFE equipment	-	5,000
	219,459	200,806
<b>Other income</b>		
Profit/ (loss) on sale of property, plant & equipment	2,118	(1,272)

**Note 3: Cash and Cash Equivalents**

Cash at bank and on hand	715,130	974,340
Term deposits	1,205,682	455,717
	1,920,812	1,430,057

**Note 4: Trade and Other Receivables**

**CURRENT**

Unsecured:

Trade receivables	135,891	193,477
Less provision for doubtful debts	(6,398)	(8,890)
	129,493	184,587
Prepayments	20,618	16,751
	150,111	201,338

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

**COMMUNITY COLLEGE GIPPSLAND LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
<b>Note 5: Property, Plant and Equipment</b>		
Buildings at cost	2,479,259	2,469,229
Less accumulated depreciation	<u>(533,122)</u>	<u>(471,182)</u>
	<u>1,946,137</u>	<u>1,998,047</u>
Plant and equipment at cost	1,464,332	1,462,065
Less accumulated depreciation	<u>(1,315,625)</u>	<u>(1,217,666)</u>
	<u>148,707</u>	<u>244,399</u>
Total property, plant and equipment	<u><u>2,094,844</u></u>	<u><u>2,242,446</u></u>

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

	Buildings	Plant & Equipment	Total
	\$	\$	\$
Balance at the beginning of the year	1,998,047	244,399	2,242,446
Additions	10,030	10,417	20,447
Depreciation expense	(61,940)	(97,959)	(159,899)
Disposals	-	(8,150)	(8,150)
Balance at the end of the year	<u>1,946,137</u>	<u>148,707</u>	<u>2,094,844</u>

**Note 6: Trade and Other Payables**

**CURRENT**

Unsecured liabilities:

Trade creditors	42,819	22,014
Accruals	84,790	111,835
DEECD advance	<u>120,000</u>	<u>120,000</u>
	<u>247,609</u>	<u>253,849</u>

**NON-CURRENT**

Unsecured liabilities:

DEECD advance	<u>155,000</u>	<u>275,000</u>
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**Note 7: Provisions**

**CURRENT**

Annual leave	171,520	152,954
Long service leave	<u>205,097</u>	<u>163,981</u>
	<u>376,617</u>	<u>316,935</u>

**NON-CURRENT**

Long service leave	<u>60,333</u>	<u>82,762</u>
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**COMMUNITY COLLEGE GIPPSLAND LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
<b>Note 8: Cash Flow Information</b>		
<b>Cash in the statement of cash flows is reconciled to the statement of financial position</b>		
Cash and cash equivalents	1,920,812	1,430,057
<b>Reconciliation of cash flows from operating activities</b>		
Surplus/ (deficit) after income tax	380,913	604,182
Loss on sale of non-current assets	(2,118)	1,272
Depreciation and amortisation	159,899	159,252
Decrease/ (increase) in trade and other receivables	51,227	(2,881)
Increase/ (decrease) in trade and other payables	(6,240)	(8,870)
Increase/ (decrease) in provisions	37,253	(2,155)
Net cash provided by/ (used in) operating activities	620,934	750,800

**Note 9: Capital and Leasing Commitments**

**Operating lease commitments**

Payable - minimum lease payments		
Not later than 12 months	100,524	143,893
Between 12 months and 5 years	137,990	99,566
Later than 5 years	-	-
Minimum lease payments	238,514	243,459

**Note 10: Contingent Assets and Contingent Liabilities**

There are no contingent assets or contingent liabilities at balance date.

**Note 11: Events After the Reporting Period**

There have been no events after the reporting period requiring disclosure.

**Note 12: Key Management Personnel Compensation**

Any person having the authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including committee members, is considered key management personnel.

The totals of remuneration paid to key management personnel of the company during the year are as follows:

Key management personnel compensation	582,833	525,989
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The increase in key management personnel is due to the appointment of an additional role part way through 2016, with a full year of remuneration in 2017.

**COMMUNITY COLLEGE GIPPSLAND LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**Note 13: Other Related Party Transactions**

There are no related party transactions

**Note 14: Financial Risk Management**

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The carrying amounts for each category of financial instruments are as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	1,920,812	1,430,057
Loans and receivables	129,493	184,587
Total financial assets	<u>2,050,305</u>	<u>1,614,644</u>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost:		
Trade and other payables	<u>402,609</u>	<u>528,849</u>
Total financial liabilities	<u>402,609</u>	<u>528,849</u>

**Note 15: company Details**

The registered office and principal place of business of the company is:  
71 Korumburra-Warragul Road  
Warragul Vic 3820

**COMMUNITY COLLEGE GIPPSLAND LTD  
DIRECTORS' DECLARATION  
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors of the company declare that:

1. The financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position of the company as at 31 December 2017 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



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Iain Luck

Director

Date: 22.2.2018