



LOURDES HILL COLLEGE

A School of Good Samaritan Education

Step Forward

FINANCIAL REPORT

For the Year Ended 31 December 2019

LOURDES HILL COLLEGE

TABLE OF CONTENTS

Directors' Report	3
Auditor's Independence Declaration	9
Independent Audit Report	10
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to the Financial Statements	16
Directors' Declaration	36

DIRECTORS' REPORT

Your directors present this report on the entity for the year ending 31 December 2019.

Directors

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

- Ms D Francis (resigned 7 May 2019)
- Mr M R Lazzaretti
- Mrs L M Crew
- Ms C Parker
- Ms P Perring
- Mr R Barbagallo
- Ms A K Pafumi (resigned 3 September 2019)
- Ms V Comerford
- Ms N Ireland (resigned 27 November 2019)
- Ms V Bryant
- Mr M Zietsch
- Mr J G Schick (appointed 7 May 2019)
- Ms S Kirk (appointed 7 May 2019)

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

Company Secretary

The Company Secretary at the end of the financial period was Mr Andrew Hines. B. Business (Accounting) (Qld), CPA. Mr Hines is also currently employed at the College as Business Manager.

Principal Activities

In 1915 the Archbishop of Brisbane invited the Order of the Sisters of the Good Samaritan to establish schools in Brisbane. Thirteen Sisters travelled from Sydney opening convents at Bulimba and Coorparoo and in 1916, Lourdes Hill College, an Independent Catholic Secondary School for Girls, was founded.

The rich heritage of the College is drawn from three sources: the compassion of the Good Samaritan found in the Gospels, the patronage of Mary under the title Our Lady of Lourdes and the strong Benedictine tradition of the Sisters of the Good Samaritan which places strong emphasis on education and the importance of balance in life between work, prayer and recreation.

Since 1916, Lourdes Hill College has grown into an educational establishment well respected for the pursuit of achievement and excellence in the education of young women.

Today, as a School of *Good Samaritan Education*, Lourdes Hill College provides:

- A caring Catholic Community in the tradition of the Sisters of the Good Samaritan and under the governance and guidance of Good Samaritan Education.
- A challenge to each student to live the Gospel of Jesus Christ.
- A strong emphasis on pastoral care and personal growth within a Christian environment.
- A comprehensive and innovative curriculum challenging students to grow to their full potential and to strive for excellence.
- A wide range of co-curricular activities focusing on balanced development in service, cultural and sporting activities.

Situated on the Bulimba Reach of the Brisbane River and set in beautiful surroundings, as at the end of 2019 the College had a total enrolment of 1,265 students.

Operating Result

The operating surplus of the College for the financial year ended 31 December 2019 amounted to \$3,272,895 (2018: \$2,684,741).

As outlined in the Financial Statements and accompanying notes, no Government Capital Grant Funding was received by the College in the financial year ended 31 December 2019.

DIRECTORS' REPORT

Review of Operations

Short & Long Term Objectives:

Lourdes Hill College's (LHC) primary long term objective is expressed in its mission to educate and empower young women to embrace a love of life and learning, through the nurturing of an inclusive, contemporary Catholic learning community that enables each person to pursue their full potential and courageously live Gospel values.

Objectives are outlined in the College's Strategic Plan (2018-2020) and delivered through the ongoing development and maintenance of a strong financial platform and sound management practices, delivered across each of the following strategic directions:

- Faith & Identity – To embed our three stories in everything we live, do and learn. In this regard the College is inspired by the values of *kindness* from the Parable of the Good Samaritan, *peace* from the Rule of St Benedict and *hope* from the story of Lourdes
- Learning Excellence & Innovation – To promote educational excellence and staff professionalism to maximise student engagement, progress and achievement.
- Community & Relationships – To create, nurture and broaden relationships
- Sustainability and Adaptability – To ensure strong foundations to support and sustain our future.

Strategy for Achieving the Objectives:

To embed our three stories in everything we live, do and learn, the College will continue to:

- Integrate Catholic identity and Gospel values in all elements of College life.
- Enhance formation of each person's spirituality.
- Inspire participation in social justice programs to develop confidence to be advocates of positive change in the world.
- Foster a culturally rich environment in an inclusive and practical way.

To promote educational excellence and staff professionalism, the College will continue to:

- Ensure the efficient and effective implementation of State and National initiatives.
- Ensure pedagogical practices are innovative and effective.
- Foster an academic environment that leads to improved learning outcomes.
- Develop our students as global citizens.

To create, nurture and broaden relationships, the College will continue to:

- Ensure a safe, secure, inclusive and welcoming environment for all with a genuine commitment to reconciliation.
- Enhance quality relationships between home and school.
- Promote community partnerships to support sustainability and innovation.
- Foster a collaborative, professional and respectful working and learning environment.

To ensure strong foundations to support and sustain our future, the College will continue to:

- Proactively demonstrate operational efficiency and continuous improvement.
- Effect financial strategies which can adapt to a changing environment.
- Develop, utilise and care for the College's human, physical and virtual resources.
- Effectively promote the College identity, brand and experience.
- Enhance organisational resilience and capacity to respond to change.

How Activities Assisted in Achieving the Objectives:

Activities to embed our three stories in everything we live, do and learn in 2019 included:

- Ongoing implementation of the College Strategic Plan (2018 – 2020) including confirmation of College Vision, Mission Statement and Values.
- Ongoing development and refinement of Faith based curriculum.
- Ongoing development of College Mission Team.
- Implementation of the GSE Formation Framework.
- Development of activities each term to strengthen commitment to service activity.
- Support Global Stars Program by mapping the connections between Spirituality, Leadership Development and House Project activities & experiences.
- Home group programmes including preparation of communal celebrations.
- Refugee project and ongoing development of external partnerships with VORTECS and Romero Centre.
- Three full College celebrations of Eucharist to reflect our three stories: Lourdes Day, the Feast of St Benedict and the Mass for Sharing on Good Samaritan Day.

DIRECTORS' REPORT

Activities to promote educational excellence and staff professionalism in 2019 included:

- Organisational development through continued up-skilling of College Leadership and Middle Leadership teams.
- Strengthening of strategic leadership of learning and teacher development.
- Continued implementation of AITSL Framework and Performance Review Processes for Teachers and Support Staff.
- School Improvement Team to drive the development of quality feedback project (CiTEL Directorate)
- Increase momentum for collaborative planning to develop quality digital resources.
- Review timetable options to enhance staff collaborative planning.
- Ongoing review and development of Middle School curriculum, Pastoral and Leadership structures.
- Implementation of Middle School House Project/digital technologies.
- Use of Learning Analytics to analyse results to inform pedagogical practices and promote individual student feedback.
- Promote pedagogy to reflect physical spaces and developmental needs of Middle and Senior School students.
- Continued promotion and development of processes and opportunities within the Senior Hub.
- Active promotion at all levels of the College of the Academic Scholarship Program.
- Utilisation of the Centre for Innovation, Teaching Excellence and Leadership (CiTEL), providing dedicated spaces with leading edge technology for staff to collaborate, research and share practice.
- Ongoing implementation of SCAD (Staff Collaboration and Development) Time program.
- Promotion of CiTEL across the Brisbane educational community and GSE communities.
- Continue development of "Leadership Capacity Program" for all Middle Leaders - the Middle Leader Cyclical Performance Review.
- Implementation of changes to support new Senior Assessment and Tertiary Entrance Processes.
- Ongoing proactive commitment to integrate each mandated curriculum development into LHC curriculum in partnership with state and national statutory authorities.
- Community Development Week (CDW).
- Renewal Committees.
- Ongoing refurbishment of college classrooms and other facilities.

Activities to create, nurture and broaden relationships in 2019 included:

- Ongoing initiatives that promote enhanced collaboration with the wider education community and other current or prospective partners (e.g. Data 3, PierSIM, Confucius Institute, QUT, ACU, Griffith University).
- Registration with ASQA for the College RTO, Corporate Training Institute to provide Diploma Of Business course to College and mature age students
- Development of Middle School Leadership Development Program.
- Strengthening of strategic leadership of student culture and resilience by College Pastoral Committee.
- Annual review of Communication Plan to ensure effective and shared understanding of the Home/School Partnership.
- Continue to evolve and grow immersion and learning beyond the classroom opportunities for students.
- Parent Forums, Information Evenings, School Newsletter articles.
- Undertaking of Productive Parent Seminars, House Welcome BBQs and P&F Soirees.
- Development and maintenance of the College Website, online newsletter and web-presence (including School App and Facebook page).
- CiTEL sponsored conferences and workshops.
- Ongoing development and refinement of Media, Marketing and Communication strategies, including the completion of Enrolment Pipeline project and establishment of the College Community, Identity & Development Office.

Activities to deliver strong foundations to support and sustain our future in 2019 included:

- Ongoing rollout of a range of College Sustainability Plan measures including implementation of College Recycling program and Paddock to Plate project.
- Ongoing delivery of College Facilities Plan, incorporating human resource requirements, facility refurbishments and detailed building maintenance plans.
- Working with College Board, Building & Planning Sub-Committee and College Leadership Team in working toward the development of a new College Master Plan (Towards 2030).
- Long Term financial planning and budgeting to ensure financial sustainability under the Federal Government's revised funding models delivered through the Quality Schools legislation.
- Implementation of updated processes and software to better automate the collection of data and processing around school timetabling, sport administration and the collection of enrolment information.
- Investigation and implementation of structures and processes to support external educational programs.
- Continued update, refinement and analysis of student enrolment, retention and broader demographic reports to support the consistent delivery of a College enrolment in line with capacity across all year levels.
- Improved quality and regularity of risk management reporting to the College Governance and Risk Committee.

DIRECTORS' REPORT

How Performance is Measured:

Lourdes Hill College measures its performance against its strategic objectives using a variety of performance indications that may include:

To embed our three stories in everything we live, do and learn:

- Satisfaction of staff, students, parents and past pupils (by survey)
- Number of accredited Religious Education teachers (count)
- Average annual professional development spend on Religious Education (financial)
- Percentage of staff completed GSE Induction / Formation (by review)
- Number and quality of service learning programs for students (count)
- Participation in lunchtime liturgy and other community activities (by review)
- Number of Staff and Student participating in Immersions (count)
- Number of International Students enrolled or visited the College (count)

To promote educational excellence and staff professionalism:

- Measure of Teacher Qualifications by category (by review)
- Academic Outcomes (by review)
- Number of Training & Development opportunities created (by review)
- Number of Teachers pursuing own professional learning (by survey)
- Satisfaction of staff, students and parents (by survey)
- Number / breadth of Curriculum Opportunities (by review)
- Asset Utilisation Rates – I.C.T. (by review)
- Annual Student Attendance Rate (by review)

To create, nurture and broaden relationships:

- Satisfaction of staff, students, parents and past pupils (by survey)
- Number of opportunities created for past pupils (by review)
- Community awareness of College achievements and activities (by survey)
- Number of community partnerships in place (count)
- Number of community events (count)
- Attendance at parent seminars / functions (by review)

To deliver strong foundations to support and sustain our future:

- Delivery of Financial Key Performance Indicators (by review)
- Corporate Compliance Rate (by review)
- Delivery of Risk in line with specified Board Appetite levels (by review)
- Evidence of environmental sustainability focus within College activities (by review)
- College Resource cost per person (emissions, water use, Waste etc.)
- Completion of recruitment and performance review practices (by review)
- Annual Staff Attendance Rate (by review)
- Annual Staff Retention Rate (by review)
- Average Classroom Occupancy Rate (by review)
- Average Age of Buildings and/or Average Age (years) since refurbishment (by review)

DIRECTORS' REPORT

Information on Directors

Name	Occupation	Qualifications	Other Roles / Duties
Ms D Francis	Project Manager, Consultant	Grad. Dip. Mgmt, Grad. Cert Training, B. Education, Dip. Teaching (Commerce), Dip. Project Mgmt, Dip. Frontline Mgmt, Dip. Training & Assessment Systems.	Past Board Chair
Mr M R Lazzaretti	Director, Consultant	B. Business (Accountancy)	Board Chair
Mrs L M Crew	Manager	B. Economics, M. Bus. Administration, Cert IV - Workplace Training & Assessment, Cert IV - Financial Services, Dip. Financial Services – Mortgage. Broking	Finance (Chair)
Ms C Parker	Legal Counsel, Asst. Company Secretary, Director	B. Laws, M. Laws, M. Bus Admin., Grad. Dip. Applied Corp. Governance, FAICD, FGIA	Governance & Risk (Chair)
Ms P Perring	Solicitor, Legal Counsel, Company Secretary	B. Arts (Music), Grad. Dip Ed, B. Laws, Grad. Dip. Legal Practice, M. Business Admin., Grad. Dip. Applied Corp. Governance	Governance & Risk
Mr R Barbagallo	Manager	B. Engineering (Electrical), B. Bus. (Mgmt & Economics)	Building & Planning (Chair)
Ms A K Pafumi	Director, Manager	B. Commerce (Accounting & Finance), FCPA, Dip. Project Mgmt, Dip. Organisational Change Mgmt, GAICD, FGIA	Foundation
Ms V M Comerford	Retired School Principal	M. Education (Curriculum), B. Arts, Dip Education.	Finance
Ms N Ireland	Journalist, Communications, Director	B. Arts (Journalism & Politics), Grad. Cert Aboriginal Relations, Dip. Investor Relations, GAICD	Building & Planning
Ms V Bryant	Journalist, Presenter, Broadcaster, Director, Emcee	Journalism Cadetship 7 Network, Women on Board - Directors Program, GAICD (Risk Planning)	Foundation (Chair)
Mr M Zietsch	Deputy Principal	M. Ed. (Leadership & Management), B. Ed. (QUT), Cert IV Theology.	Foundation
Mr J G Schick	Project Manager, Consultant	Grad. Cert. Management, B. App. Sc. (Building), M. Bus. Administration	Building & Planning
Ms S Kirk	Chartered Accountant, Director	B. Commerce / B. Economics, CA, Ass. Dip. Applied Finance, GAICD	Finance

DIRECTORS' REPORT

Meetings of Directors

During the period, seven meetings of the Board of Directors were held with additional Sub-Committee Meetings held to support decision making. Attendances by each director at Board of Directors Meetings was as follows:

Director	Board of Directors Meetings	
	Number Held	Number Attended
Ms D A Francis (resigned 7 May 2019)	2	2
Mr M R Lazzaretti	7	6
Mrs L M Crew	7	7
Ms C Parker	7	6
Ms P Perring	7	6
Mr R Barbagallo	7	7
Ms A K Pafumi (resigned 3 September 2019)	5	2
Ms V M Comerford	7	6
Ms N Ireland (resigned 27 November 2019)	7	4
Ms V Bryant	7	7
Mr M Zietsch	7	7
Mr J G Schick (appointed 7 May 2019)	5	5
Ms S Kirk (appointed 7 May 2019)	5	5

After Balance Date Events

Subsequent to the end of the financial year, Australia has been impacted by the worldwide pandemic, Novel Coronavirus 2019 (COVID-19). The College is reviewing and closely monitoring the COVID-19 situation as it unfolds, ensuring compliance and cooperation with protocols and advice as and when issued by the Government to ensure the health and wellbeing of our students, families and staff.

From a financial perspective the College has prepared a series of forecasts and evaluated cash position based upon the predicted impact of COVID-19. Although not able to accurately predict the full potential impact of the virus, the analysis has left Directors confident that the College will continue to be able to meet its debts as and when they fall due.

Member's Guarantee

The College is limited by guarantee and does not have share capital. The contribution of each member to the College's debts and liabilities in the event of a winding up is restricted to an amount not exceeding \$100.00.

There were six members at 31 December 2019.

Classes of Membership

There is only one class of membership

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ending 31 December 2019 has been received and can be found on page 9 of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors:



Board Chair:

Dated this 7th day of May 2020



Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY D P WRIGHT TO THE DIRECTORS OF LOURDES HILL COLLEGE

As lead auditor of Lourdes Hill College for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'D P Wright', is written over a light grey grid background.

D P Wright
Director

BDO Audit Pty Ltd

Brisbane, 07 May 2020

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

INDEPENDENT AUDITOR'S REPORT

To the members of Lourdes Hill College

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lourdes Hill College (the registered entity), which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Lourdes Hill College, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of matter - Subsequent event

We draw attention to Note 21 of the financial report, which describes the non-adjusting subsequent event on the impact of the COVID-19 outbreak on the registered entity. Our opinion is not modified with respect to this matter.



Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in Lourdes Hill College's annual report, 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 on the other information obtained prior to the date of this auditor's report, 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 responsible entities for the Financial Report

The responsible entities of the registered entity 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 ACNC Act. The directors' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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 responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

D P Wright

Director

Brisbane, 07 May 2020

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
Income			
Revenue	2	28,216,744	27,110,934
Other Income	2	33,397	22,684
		<u>28,250,141</u>	<u>27,133,618</u>
Total Income for the Year		<u>28,250,141</u>	<u>27,133,618</u>
Expenses			
Employee Benefits Expenses		(15,614,813)	(15,496,912)
Depreciation and Amortisation	3	(2,411,369)	(2,387,354)
Interest Expense	3	(226,244)	(577,035)
Other Expenses	3	<u>(6,724,820)</u>	<u>(5,987,576)</u>
Total Expenses for the Year		<u>(24,977,246)</u>	<u>(24,448,877)</u>
Surplus for the Year		<u>3,272,895</u>	<u>2,684,741</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive for the Year		<u>3,272,895</u>	<u>2,684,741</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	8,244,523	7,772,369
Trade and Other Receivables	5	787,866	662,802
Inventories	6	150,343	154,052
Investments	7	-	41,882
Other Current Assets	8	177,730	150,670
TOTAL CURRENT ASSETS		9,360,462	8,781,775
NON-CURRENT ASSETS			
Property, Plant and Equipment	9	38,685,954	39,463,497
TOTAL NON-CURRENT ASSETS		38,685,954	39,463,497
TOTAL ASSETS		48,046,416	48,245,272
CURRENT LIABILITIES			
Trade and Other Payables	10	1,611,726	2,209,853
Short-Term Borrowings	11	445,440	873,167
Short-Term Provisions	12	1,857,416	1,745,683
TOTAL CURRENT LIABILITIES		3,914,582	4,828,703
NON-CURRENT LIABILITIES			
Trade and Other Payables	10	789,271	-
Long-Term Borrowings	11	8,392,226	10,798,255
Long-Term Provisions	12	547,274	585,468
TOTAL NON-CURRENT LIABILITIES		9,728,771	11,383,723
TOTAL LIABILITIES		13,643,353	16,212,426
NET ASSETS		34,403,063	32,032,846
EQUITY			
Reserves		427,518	1,125,668
Accumulated Surplus		33,975,545	30,907,178
TOTAL EQUITY		34,403,063	32,032,846

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Accumulated Surplus \$	Building Fund Reserve \$	Annie Beck Award Fund \$	Edna Bunn Bursary Fund \$	Betty McKenna Award Fund \$	Student Bursary Fund \$	Affiliated Clubs & Societies \$	Total \$
Balance at 31/12/17	<u>28,222,437</u>	<u>381,320</u>	<u>2,520</u>	<u>23,213</u>	<u>5,197</u>	<u>681,123</u>	<u>4,876</u>	<u>29,320,686</u>
Surplus for the Year	2,684,741	-	-	-	-	-	-	2,684,741
Transfers to / (from) Reserves:								
- Building Fund Reserve	-	2,977	-	-	-	-	-	2,977
- Annie Beck Award Fund	-	-	(101)	-	-	-	-	(101)
- Edna Bunn Bursary Fund	-	-	-	217	-	-	-	217
- Betty McKenna Award Fund	-	-	-	-	(146)	-	-	(146)
- Family Enrolment Trusts	-	-	-	-	-	-	-	-
- Student Bursary Fund	-	-	-	-	-	26,393	-	26,393
- Affiliated Clubs & Societies	-	-	-	-	-	-	(1,921)	(1,921)
Balance at 31/12/18	<u>30,907,177</u>	<u>384,297</u>	<u>2,419</u>	<u>23,430</u>	<u>5,051</u>	<u>707,516</u>	<u>2,955</u>	<u>32,032,846</u>
Adj to Accumulated Surplus (Note 1(h))	(204,527)	-	-	-	-	(707,516)	-	(912,043)
Surplus for the Year	3,272,895	-	-	-	-	-	-	3,272,895
Transfers to / (from) Reserves:								
- Building Fund Reserve	-	12,402	-	-	-	-	-	12,402
- Annie Beck Award Fund	-	-	(105)	-	-	-	-	(105)
- Edna Bunn Bursary Fund	-	-	-	181	-	-	-	181
- Betty McKenna Award Fund	-	-	-	-	(158)	-	-	(158)
- Family Enrolment Trusts	-	-	-	-	-	-	-	-
- Affiliated Clubs & Societies	-	-	-	-	-	-	(2,955)	(2,955)
Balance at 31/12/19	<u>33,975,545</u>	<u>396,699</u>	<u>2,314</u>	<u>23,611</u>	<u>4,893</u>	<u>-</u>	<u>0</u>	<u>34,403,063</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Fees and Charges		9,950,768	9,834,172
Receipt of Government Grants		13,705,324	13,292,480
Receipts from Other Sources		3,667,797	3,575,200
Interest Received		59,510	168,330
Payments to Suppliers and Employees		(23,767,316)	(21,814,795)
Interest Paid		<u>(226,244)</u>	<u>(577,035)</u>
Net Cash Provided from Operating Activities	16 (b)	<u>3,389,839</u>	<u>4,478,352</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Transfers From / (Allocations to) Investments		41,882	3,708,118
Proceeds from Sale of Property, Plant & Equipment		10,000	1,209
Payments for Property, Plant and Equipment		<u>(1,632,818)</u>	<u>(2,156,091)</u>
Net Cash Used in Investing Activities		<u>(1,580,936)</u>	<u>1,553,236</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts from Fees and Charges		1,399,883	1,321,158
Receipts from Other Sources		97,124	76,335
Repayment of Borrowings		<u>(2,833,756)</u>	<u>(2,068,331)</u>
Net Cash Used in Financing Activities		<u>(1,336,749)</u>	<u>(670,838)</u>
Net Increase / (Decrease) in Cash Held		472,154	5,360,750
Cash at the Beginning of the Financial Year		<u>7,772,369</u>	<u>2,411,619</u>
Cash at the End of the Financial Year	16 (a)	<u><u>8,244,523</u></u>	<u><u>7,772,369</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE	CONTENTS
1.	STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
2.	REVENUE AND OTHER INCOME
3.	SURPLUS FOR THE YEAR
4.	CASH AND CASH EQUIVALENTS
5.	TRADE AND OTHER RECEIVABLES
6.	INVENTORIES
7.	INVESTMENTS
8.	OTHER ASSETS
9.	PROPERTY, PLANT AND EQUIPMENT
10.	TRADE AND OTHER PAYABLES
11.	BORROWINGS
12.	PROVISIONS
13.	CAPITAL AND LEASING COMMITMENTS
14.	ECONOMIC DEPENDENCE
15.	RELATED PARTY REPORTING
16.	CASH FLOW INFORMATION
17.	FINANCIAL INSTRUMENTS
18.	PORTABLE LEAVE - FORMER EMPLOYEES
19.	GOVERNMENT GRANTS
20.	COLLEGE DETAILS
21.	SUBSEQUENT EVENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a special purpose financial report that has been prepared in accordance with Mandatory Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act)* with the following exceptions where full disclosure has been complied with:

AASB 124	Related Party Disclosure
AASB 7	Financial Instruments

The financial report is for the entity Lourdes Hill College ("the College") as an individual entity. The College is a company limited by guarantee, incorporated and domiciled in Australia. The College is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The following is a summary of the material accounting policies adopted by the College in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The Financial Statements are presented in Australian dollars and are rounded to the nearest dollar.

(a) Basis of preparation

The Directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent upon general purpose financial statements.

Due to the application of Australian specific provisions contained only within the Australian Accounting Standards, this financial report is not necessarily compliant with International Accounting Standards.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(b) Income Tax

The income of the College is exempt from Income Tax under Division 50 of the Income Tax Assessment Act 1997.

(c) Comparative Figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(d) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised when the School becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price (such as the School's fee debtors), all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For subsequent measurement, financial assets are classified at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses (if applicable).

Classifications are determined by both:

- the School's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The school's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Impairment of Financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses. Instruments within the scope of the new requirements included trade receivables and loan commitments that are not measured at fair value through profit or loss.

The School considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. The school used the Simplified approach applicable under AASB 9 which does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

(e) Fair Values

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the group.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, the group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Due to their short-term nature, the carrying amount of trade receivables, payables and borrowings are assumed to approximate their fair values.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the College estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Impairment of Assets

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

(g) Critical Accounting Estimates and Judgments

The College 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 College.

Key Estimates - Impairment

The College assesses impairment at each reporting date by evaluating conditions specific to the College that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Estimates – Useful Lives of Depreciable Assets

Management reviews the useful lives of depreciable assets at each reporting date based upon the expected utility of the assets to the College.

Key Estimates – Provisions – Long Service Leave

The liability for Long Service Leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees. In determining the present value of the liability, attrition rates and remuneration increases through promotion and inflation have been taken into account. Further information regarding these calculations is provided in Note 12 of this Report.

(h) Changes to Accounting Standards effective from 1 January 2019

At the date of authorisation of the financial report, certain Standards and Interpretations were on issue and have either been applied for the first time this year.

AASB 15 Revenue from Contracts with Customers & AASB 1058 Income of Not-for-Profit Entities

AASB 15 and AASB 1058 replaces AASB 118 Revenue, AASB 111 Construction Contracts, AASB 1004 Contributions and several revenue-related Interpretations. The new Standard has been applied as at 1 January 2019 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 January 2019.

The adoption of AASB 15 and AASB 1058 has impacted revenue recognition in the following area;

Enrolment Confirmation Fees

Enrolment Confirmation Fee are non-refundable fees that are received when parents secure enrolments. These fees are collected and used to support the provision of financial bursaries to families in financial distress. Bursaries are endorsed by the College Board of Directors.

Historically, the closing balance of the bursary fund (fees collected less bursaries allocated) has been disclosed as a Reserve in the Statement of Financial Position. In accordance with the new Standards, a change has been made to progressively recognise these Confirmation Fees as income over the life cycle of the student at the College, to more accurately reflect the College's performance obligation.

A summary of the impact the adoption of this new standard has had on transition as at 1 January 2019 is detailed below:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes to Accounting Standards effective from 1 January 2019 (continued)

1 January 2019

Accumulated Surplus as at 1 January 2019	30,907,178
Student Bursary Fund Reserve as at 1 January 2019	707,516
Adjustment to Accumulated Surplus on adoption of new revenue standards (AASB 15, AASB 1058)	(204,527)
Adjustment to Student Bursary Fund Reserve on adoption of new revenue standards (AASB 15, AASB 1058)	(707,516)
Accumulated Surplus as at 1 January 2019	30,702,651
Student Bursary Fund Reserve as at 1 January 2019	-

Liabilities

Contract Liability – Deferred Confirmation Fee as at 1 January 2019 under previous accounting standards	-
Contract Liability – Deferred Confirmation Fee as at 1 January 2019 applying new accounting standards	912,043

Other than the accounting for the Enrolment Fees, there was no other deemed material impact on the financial report associated with the new principles incorporated into AASB15 and AASB 1058. Refer to note 2 which outlines the current and previous accounting policy with respect to revenue recognition.

AASB 16 Leases

This standard establishes a common accounting methodology to account for both finance and operating leases. AASB 116 replaces AASB 117 Leases for financial reporting periods beginning on or after 1 January 2019. As at 31 December 2019 the College maintains two distinct operating leases. It has been determined that for both of these leases no change in accounting treatment is required under the new Standard.

Property Lease

Lourdes Hill College is one of ten incorporated Colleges in Australia for which Good Samaritan Education (GSE) is responsible. As a School of Good Samaritan Education (GSE), the head body owns the land upon which the College operates. The College holds an ongoing obligation to pay rent to GSE for the use of their school properties. The lease is established for a period expiring in 2028 with the College having an option to extend the lease for a further 25 year term.

Since 2008, lease obligations for all Good Samaritan College have, in part, been dependent on each College's student population with the resulting lease payment by each College considered to be significantly less than a normal market rate. While noting the broader arrangements in place for determining the total lease payments, the fact that each College's annual payment under each particular lease is based on its student numbers means the lease payment is considered variable and not dependent on index or rate. This outcome results from the nature of the lease arrangements seeing each College being unable to determine their annual obligation given the variable and uncontrollable nature of one of the key drivers of the amount. Accordingly the payments that will result from these leases are also not considered to be in-substance fixed lease payments.

Under AASB 16 such payments are not considered to be lease payments required to be recognised as a liability (with a corresponding asset). As a result, the annual payments made under these lease arrangements are recognised only as an expense at that time.

Equipment Lease

As at 31 December 2019, the College was party to a five year lease (2015 – 2019) over multiple printers and photocopiers. The individual values of the items held under the lease have been assessed as being below the thresholds outlined under the Standard. As a consequence, the lease payments made in 2019, under these arrangements, have also been recognised as an expense as they are not considered to be lease payments required to be recognised as a liability (with a corresponding asset).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 \$	2018 \$
2. REVENUE AND OTHER INCOME		
Revenue		
Tuition Fees and Charges	10,145,467	9,865,668
Commercial Activities	999,494	1,007,616
Interest Revenue	59,510	128,404
Donations - Recurrent	32,070	38,416
Other Operating Income	1,778,531	1,312,214
Capital Levies and Charges	1,399,883	1,321,158
Other Capital Income	96,465	77,544
Revenue From Grants		
Government - Recurrent	13,705,324	13,359,914
Total Revenue	<u>28,216,744</u>	<u>27,110,934</u>
Other Income		
Gain/Loss from Disposal of Property, Plant & Equipment	658	-
Rental / Hire Income	<u>32,739</u>	<u>22,684</u>
Total Other Income	<u>33,397</u>	<u>22,684</u>
Total Revenue and Other Income	<u><u>28,250,141</u></u>	<u><u>27,133,618</u></u>

Accounting Policy effective from 1 January 2019

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue from tuition fees, subject levies and other receipts from students are recognised over time, as the services are delivered to the students.

Revenue from government grants received under enforceable agreements, where there are sufficiently specific performance obligations imposed, is deferred until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised upon receipt.

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. REVENUE AND OTHER INCOME (continued)

Accounting Policy for Comparative Financial Years

Revenue from tuition fees, subject levies and other receipts from students and families are recognised upon the delivery of the goods to the customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Finance and insurance revenue is recognised when the right to receive finance and insurance revenue has been established.

Other revenue is recognised when the right to receive the revenue has been established.

Government grants are recognised at fair value when there is reasonable assurance that the grant will be received, and all grant conditions will be met.

	2019	2018
	\$	\$
3. SURPLUS FOR THE YEAR		
Arrived at after the following specific expenses:		
Depreciation and Amortisation of Non-Current Assets:		
- Buildings and Improvements	1,223,950	1,270,805
- Plant & Equipment and Other Assets	<u>1,187,419</u>	<u>1,116,549</u>
Total Depreciation and Amortisation	<u>2,411,369</u>	<u>2,387,354</u>
Interest Expense		
- Interest on College Loans	<u>226,244</u>	<u>577,035</u>
Total Interest Expense	<u>226,244</u>	<u>577,035</u>
Other Expenses:		
- Audit of Financial statements	29,829	21,675
- Rental Expense on Operating Lease - Equipment	60,137	60,137
- Rental Expense on Operating Lease - Property	359,282	349,982
- Resources (including Trip expenses)	1,818,083	1,540,747
- Repairs and Maintenance	1,060,029	1,118,550
- Bookshop Purchases	316,053	316,674
- Tuckshop Supplies	264,097	237,021
- Uniform Shop Purchases	268,633	273,352
- Levies	236,710	231,136
- Other Expenses	<u>2,311,967</u>	<u>1,838,302</u>
Total Other Expenses	<u>6,724,820</u>	<u>5,987,576</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 \$	2018 \$
4. CASH AND CASH EQUIVALENTS		
Cash on Hand	1,000	500
General Working Accounts	335,447	494,634
ADF - Building Fund	396,699	384,297
ADF - School Fees	9,374	6,501
ADF - Family Enrolment Trust Accounts	54,996	76,999
ADF - Line of Credit	5,296,555	5,296,555
Business Investment Account	2,119,634	1,481,983
Edna Bunn Bursary Fund	23,611	23,430
Betty McKenna Award Fund	4,893	5,051
Annie Beck Perpetual Award	2,314	2,419
	<u>8,244,523</u>	<u>7,772,369</u>

Cash and cash equivalents includes cash on hand, non-fixed term deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The ADF Line of Credit facility provides an offset against Borrowings but all funds invested in this facility remain at call. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

	2019 \$	2018 \$
5. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade Receivables (Family Debtors)	989,106	822,043
Less: Provision for Expected Credit Losses	<u>(238,566)</u>	<u>(217,373)</u>
	750,540	604,670
Other Receivables	<u>37,326</u>	<u>58,132</u>
Total Current Trade and Other Receivables	<u>787,866</u>	<u>662,802</u>
Provision for Expected Credit Losses:		
Opening Balance of Provision	217,373	229,474
Debts Recovered during the Year	(74,303)	(63,558)
Debts Written Off during the Year	(7,477)	(7,521)
Provision Raised this Year	<u>102,973</u>	<u>58,978</u>
Closing Balance of Provision	<u>238,566</u>	<u>217,373</u>
Bad Debts Written Off Directly to Profit & Loss	<u>3,459</u>	<u>241</u>
Analysis of Bad Debts Written Off During the Year		
- Tuition	<u>10,936</u>	<u>7,762</u>
Total Bad Debts Written Off	<u>10,936</u>	<u>7,762</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 \$	2018 \$
6. INVENTORIES		
CURRENT		
Inventories at Cost - Uniform Shop	<u>150,343</u>	<u>154,052</u>
	<u>150,343</u>	<u>154,052</u>

Uniform Shop inventories are carried at the lower of cost and net realisable value. Cost is calculated using the most recent unit cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their condition and location. Net realisable value is determined on the basis of normal selling patterns.

	2019 \$	2018 \$
7. INVESTMENTS		
CURRENT		
Fixed Term Deposits	<u>-</u>	<u>41,882</u>
	<u>-</u>	<u>41,882</u>

8. OTHER ASSETS		
CURRENT		
Prepayments	<u>177,730</u>	<u>150,670</u>
Total Other Assets	<u>177,730</u>	<u>150,670</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. PROPERTY, PLANT AND EQUIPMENT

	Cost	Less Accumulated Depreciation	Written Down Value
	\$	\$	\$
2019			
Leasehold Improvements:			
- Improvements to College Property	46,485,600	(11,364,155)	35,121,445
Other Assets:			
- Plant & Machinery	747,613	(302,366)	445,247
- Motor Vehicles	531,857	(304,923)	226,934
- Furniture & Equipment	9,956,500	(7,075,172)	2,881,328
- Work In Progress	11,000	-	11,000
	<u>57,732,570</u>	<u>(19,046,616)</u>	<u>38,685,954</u>
2018			
Leasehold Improvements:			
- Improvements to College Property	45,799,444	(10,140,205)	35,659,239
Other Assets:			
- Plant & Machinery	729,902	(235,760)	494,142
- Motor Vehicles	531,857	(277,548)	254,309
- Furniture & Equipment	11,581,952	(8,737,117)	2,844,835
- Work In Progress	210,972	-	210,972
	<u>58,854,127</u>	<u>(19,390,630)</u>	<u>39,463,497</u>

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

Property

Leasehold Improvements are recorded at cost, less subsequent depreciation for buildings and provision for impairments.

Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the College to ensure it is not in excess of the amount that will be recovered from the use those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the College and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they occurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. PROPERTY, PLANT AND EQUIPMENT (continued)

The depreciable amount of all fixed assets including leasehold improvements and capitalised leased assets are depreciated on a straight line basis over their useful lives to the College commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate / Useful Lives	Depreciation Basis
Leasehold Property Improvements	2.5%	Straight Line
Plant & Machinery	10%	Straight Line
Motor Vehicles	5% - 25%	Straight Line
Furniture & Equipment	10% - 33.3%	Straight Line

The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

The land and buildings from which the College conducts its operations are owned by Good Samaritan Education (GSE). Under the terms of the lease agreement dated 1 February 2004, the College is permitted to use these facilities for the purpose of conducting its educational activities. The lease agreement provides that improvements erected by the College shall, upon expiration of the agreement (1 February 2034), become the property of GSE. No consideration shall be paid by the GSE in respect of any improvements.

The College believes that it is appropriate to capitalise the cost of construction work and improvements in the College's financial statements on the basis of the expected future benefits to flow from the use of the improved facilities.

The reconciliations of the carrying amounts of each class of property, plant & equipment at the beginning and end of the period are set out below.

	Leasehold Improvement	Furniture & Equipment	Motor Vehicles	Plant & Machinery	Work In Progress	TOTAL
	\$	\$	\$	\$	\$	\$
Carrying Value at Beginning of Year	35,659,239	2,844,835	254,309	494,142	210,972	39,463,497
Transfers	210,972	-	-	-	(210,972)	-
Additions	475,184	1,139,323	-	17,711	11,000	1,643,218
Disposals	-	(9,392)	-	-	-	(9,392)
Depreciation	(1,223,950)	(1,093,438)	(27,375)	(66,606)	-	(2,411,369)
Carrying Value at End of Year	35,121,445	2,881,328	226,934	445,247	11,000	38,685,954

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 \$	2018 \$
10. TRADE AND OTHER PAYABLES		
CURRENT		
Unsecured Liabilities:		
Trade Creditors, Sundry Creditors and Accruals	582,320	678,337
Contract Liabilities - Enrolment Confirmations	105,750	-
Contract Liabilities - Other Deferred Revenue	274,415	310,835
Annual Leave	649,241	1,220,681
	<u>1,611,726</u>	<u>2,209,853</u>
NON-CURRENT		
Unsecured Liabilities:		
Contract Liabilities - Enrolment Confirmations	789,271	-
	<u>789,271</u>	<u>-</u>
Total Trade and Other Payables	<u>2,400,997</u>	<u>2,209,853</u>
11. BORROWINGS		
CURRENT		
Secured Liabilities:		
ADF Loan - Bernadette Centre	445,440	873,167
NON-CURRENT		
Secured Liabilities:		
ADF Loan - Bernadette Centre	8,392,226	10,798,255

The Bernadette Centre Building Loan is a \$17million facility designated for education purposes and established to support the construction of a Science, Middle School and Performing Arts Complex, College Chapel and Administration Centre. Construction took place across 2013/14.

The term of the Loan is 20 years with principal repayments commencing in September 2014.

As security for the loan, Good Samaritan Education holds a Memorandum of Deposit by way of a Registered Mortgage on behalf of Lourdes Hill College. In addition, the loan is also subject to a tripartite agreement between Good Samaritan Education, Lourdes Hill College and The Archdiocesan Development Fund (ADF).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
12. PROVISIONS		
CURRENT		
Long Service Leave	1,723,037	1,596,741
Enrichment Leave	114,379	128,942
Sick Leave	20,000	20,000
	<u>1,857,416</u>	<u>1,745,683</u>
NON-CURRENT		
Long Service Leave	534,256	571,136
Enrichment Leave	13,018	14,332
	<u>547,274</u>	<u>585,468</u>
Total Provisions	<u>2,404,690</u>	<u>2,331,151</u>

Provision is made for the College's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. 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. Long service leave is provided for all staff from the commencement of employment with the College.

Subject to continuing employment requirements within the Catholic education system, teachers, school officers and services staff employed by Catholic educational institutions are entitled to portability of their long service leave entitlements on a change of schools. In calculating the provision for long service leave in the financial statements, the College has recognised entitlements due to current employees of Lourdes Hill College. The current disclosure of long service leave entitlement in the financial statements represents employees who are eligible to take long service leave in the next financial year.

	2019	2018
	\$	\$
13. CAPITAL AND LEASING COMMITMENTS		
Capital Expenditure Commitments:		
The College is currently undertaking building works as well as other equipment and furniture purchases to which it has contracted at year end:		
- Not later than one year	<u>1,075,872</u>	<u>966,873</u>
	<u>1,075,872</u>	<u>966,873</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 \$	2018 \$
13. CAPITAL AND LEASING COMMITMENTS (continued)		
Operating Lease Commitments - Equipment		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- Not later than one year	53,961	60,137
- Later than one year but not later than five years	<u>215,845</u>	<u>1,354</u>
	<u>269,806</u>	<u>61,491</u>
Property Lease Commitments		
Estimated commitment for future property rental		
- Not later than one year	366,997	361,531
- Later than one year but not later than five years	<u>1,624,988</u>	<u>1,577,168</u>
	<u>1,991,985</u>	<u>1,938,699</u>
14. ECONOMIC DEPENDENCE		
A significant portion of the College's income is received by way of recurrent grants from State and Australian Governments.		
15. RELATED PARTY REPORTING		
Controlling Entity:		
The College's immediate parent entity and ultimate parent entity is Good Samaritan Education who manages the educational operations of the Trustees of the Congregation of the Sisters of the Good Samaritan. The aggregate receipts from, and payments to the Controlling Entities of the College for the year ended 31 December 2019 were as follows:		
	2019 \$	2018 \$
Total Revenue transactions for the period	-	-
Total Expense transactions for the period	574,020	534,998
Unless otherwise stated, transactions between related parties are on normal commercial terms and conditions.		
Controlled Entities:		
The College operates as the immediate parent entity and ultimate parent entity of the Lourdes Hill Foundation Scholarship Fund and Lourdes Hill Foundation Public Library Fund. The financial performance of these entities have not been consolidated into these accounts.		
The aggregate revenue and expenditure of the Controlled Entities of the College for the year ended 31 December 2019 were as follows:		
	2019 \$	2018 \$
Total Revenue transactions for the period	41,518	32,043
Total Expense transactions for the period	38,732	25,058

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. CASH FLOW INFORMATION

Reconciliation of Cash

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

The values disclosed under the "Change in Assets and Liabilities" heading record only those movements impacting upon the Operating Activities of the College. Non-operational transactions have been reflected within the balances disclosed under Financing and Investing Activities in the Statement of Cash Flows presented on page 15.

	2019 \$	2018 \$
(a) Reconciliation of Cash		
Cash on Hand	1,000	500
Cash at Bank	335,447	494,634
Deposits on Call	2,525,707	1,872,781
ADF Line of Credit	5,296,555	5,296,555
ADF Trust Accounts	54,996	76,999
Edna Bunn Bursary Fund	23,611	23,430
Betty McKenna Award Fund	4,893	5,051
Annie Beck Perpetual Award	2,314	2,419
	<u>8,244,523</u>	<u>7,772,369</u>
(b) Reconciliation of Cash Flows from Operations with Surplus After Income Tax		
Surplus After Income Tax	3,272,895	2,684,741
Cash Received from Capital Funding	(1,497,006)	(1,398,702)
Non-Cash Flows:		
- Depreciation and Amortisation	2,411,369	2,387,354
- Loss/(Gain) on disposal of Property, Plant & Equipment	(609)	-
Net Cash provided by operating activities before changes in assets and liabilities	4,186,649	3,673,393
Change in assets and liabilities:		
- (Increase) / Decrease in Current Receivables	(125,064)	(35,735)
- (Increase) / Decrease in Inventories	3,709	(29,227)
- (Increase) / Decrease in Other Assets	(27,060)	84,496
- Increase / (Decrease) in Payables	180,743	499,472
- Increase / (Decrease) in Provisions	73,540	258,534
- Increase / (Decrease) in Reserves	(902,678)	27,419
Net Cash Received from Operating Activities	<u>3,389,839</u>	<u>4,478,352</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2019**

17. FINANCIAL INSTRUMENTS

The College's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable, interest bearing loans and leases.

Financial and Capital Risk Management Policies

a. Treasury Risk Management

The Board of Directors meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the College in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of credit risk policies and future cash flow requirements.

b. Financial Risk Exposures and Management

The main risks the College is exposed to through its financial instruments are interest rate risk and credit risk.

Credit Risk

Credit risk is the risk of financial loss to the College if a customer or counterparty to a financial instrument fails to meet its contractual obligations to the College. Credit risk arises principally from trade and other receivables and investments.

The objective of the College is to minimize risk of loss from credit risk exposure.

Receivables:

The College has established a number of policies and procedures to manage credit risk from receivables. These include:

- Credit Assessment and approval processes
- Review of aging
- Follow-Up Procedures
- Debt Recovery Procedures

Investments:

The College has established a number of policies and processes to manage credit risk from investments. These include:

- References
- Monitoring the performance of entities invested in
- Monitoring the rate of return (e.g. dividends / interest)

Concentrations:

The College has no concentration of credit risk from receivables or investments

Maximum Credit Risk:

The College's maximum exposure to credit risk, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset at reporting date is the carrying amount of those assets as indicated in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2019**

17. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk

Liquidity risk is the risk that the College will not be able to meet its financial obligations as they fall due.

The objective of managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions.

The College has established a number of policies and processes for managing liquidity risk. These include:

- Continuously monitoring actual and daily cash flows and longer-term forecasted cash flows
- Monitoring the maturity profiles of financial assets and liabilities in order to match inflows and outflows
- Maintaining adequate reserves and support facilities
- Maintaining adequate borrowing facilities
- Monitoring liquidity ratios (working capital)

Liquidity risk is measured using liquidity ratios such as working capital.

Summary Quantitative Data:

	2019	2018
	\$	\$
Current Assets	9,360,462	8,781,775
Current Liabilities	<u>3,914,582</u>	<u>4,828,703</u>
Surplus / (Deficit)	5,445,880	3,953,072

Maturity Analysis:

Contractual cash flows from trade and other payables approximate their carrying amount. Trade and other payables are contractually due within 6 months of year-end.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the College' income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters whilst optimising the return.

The College does not have any material exposure to market risk other than interest rate risk.

Interest Rate Risk

Interest rate risk applies principally from cash at bank and on deposit and borrowings.

It is the policy of the College to manage interest rate risk exposures by continuously monitoring interest rate movements and to alter the balance of fixed and variable rate deposits as considered appropriate.

Interest rate risk is measured as the value of assets and liabilities at fixed rate compared to those at variable rate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2019**

17. FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk (continued)
Summary Quantitative Data

	Weighted Ave. Effective Interest Rate	Floating Interest Rate	Non-Interest Bearing	Total
	2019 %	2019 \$	2019 \$	2019 \$
Financial Assets				
Cash and Cash Equivalents	1.21	8,243,523	1,000	8,244,523
Investments - Term Deposits	2.35	-	-	-
Receivables	0.00	-	787,866	787,866
Total Financial Assets		8,243,523	788,866	9,032,389
Financial Liabilities:				
Trade and Sundry Creditors	0.00	-	1,611,726	1,611,726
Interest Bearing Liabilities	4.43	8,837,666	-	8,837,666
Total Financial Liabilities		8,837,666	1,611,726	10,449,393
	2018 %	2018 \$	2018 \$	2018 \$
Financial Assets				
Cash and Cash Equivalents	1.73	7,771,869	500	7,772,369
Investments - Term Deposits	2.35	41,882	-	41,882
Receivables	0.00	-	662,802	662,802
Total Financial Assets		7,813,751	663,302	8,477,053
Financial Liabilities:				
Trade and Sundry Creditors	0.00	-	2,209,853	2,209,853
Interest Bearing Liabilities	4.60	11,671,422	-	11,671,422
Total Financial Liabilities		11,671,422	2,209,853	13,881,275

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2019**

17. FINANCIAL INSTRUMENTS (continued)

Sensitivity Analysis:

A change of 100 basis points (1%) in interest rates applicable to cash deposits at reporting date would have increased / decreased equity and operating surplus by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the prior year.

	Profit or Loss		Equity	
	+1%	-1%	+1%	-1%
	\$	\$	\$	\$
31 December 2019	82,445	-82,445	82,445	-82,445
31 December 2018	78,143	-78,143	78,143	-78,143

Net Fair Values

For assets and liabilities, the new fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair value have not been written down as the College intends to hold these assets to maturity.

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the Notes to the Financial Statements.

18. PORTABLE LEAVE – FORMER EMPLOYEES

The College carries a provision for Long Service Leave for employees who have transferred employment from other Catholic School Authorities. At the commencement of employment the dollar value of any Long Service Leave entitlement for employees is transferred to the College. Similarly, the dollar value of the Long Service Leave entitlement of employees who resign from the College and resume working with a new Catholic School Authority is transferred upon resignation.

19. GOVERNMENT GRANTS

The College is financially dependent upon Government Grant income. As detailed in Note 2, recurrent grant income amounted to \$13,705,324 for the year ended 31 December 2019 (2018: \$13,359,914).

In 2000, the College entered into an agreement with the Queensland Catholic Education Commission (QCEC) to receive Australian Government General Recurrent Grants through an arrangement known as Group Funding.

Under Group Funding the College receives the majority of its Australian Government funding at a guaranteed level per capita. This rate is calculated based upon a range of allocation methodologies weighted across core and special needs criteria as well as a socio-economic assessment (SES) of the College's enrolment.

20. COLLEGE DETAILS

The registered office and principal place of business of the College is:

Lourdes Hill College
86 Hawthorne Road
Hawthorne
QLD, 4171

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2019**

21. SUBSEQUENT EVENTS

Subsequent to the end of the financial year, Australia has been impacted by the worldwide pandemic, Novel Coronavirus 2019 (COVID-19). The World Health Organisation (WHO) announced a global health emergence on 31 January 2020 and it was subsequently classified as a pandemic on 11 March 2020.

The College is currently reviewing and closely monitoring the COVID-19 situation as it unfolds, ensuring compliance and cooperation with protocols and advice as and when issued by the Government to ensure the health and wellbeing of our students, families and staff.

The College's Leadership Teams are also reviewing business operations and strategies and assessing the impact on the College which has not been significant to date.

Although the College is not able to accurately predict the full financial impact and effect of COVID-19 at this time, it has prepared a series of forecasts and evaluated its cash position. Based upon this analysis, the College is confident it can continue to operate as a going concern and can meet its debts as and when they fall due.

DIRECTOR'S DECLARATION

The Directors of the College have determined that the College is not a reporting entity and that this special purpose Financial Report should be prepared in accordance with the accounting policies described in Note 1 to the Financial Statements.

The Directors of the College declare that:

1. The financial statements and notes, as set out on pages 12 to 35 are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act)*:
 - a. Comply with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act)*; and
 - b. Give a true and fair view of the College's financial position as at 31 December 2019 and of the performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the College will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Board Chair, Roger Lazzaretti



Director, Leisa Crew

Brisbane, 7 May 2020.