



LOURDES HILL COLLEGE

A School of Good Samaritan Education

Step Forward

FINANCIAL REPORT

For the Year Ended 31 December 2016

LOURDES HILL COLLEGE

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DIRECTORS' REPORT

Your directors present this report on the entity for the year ending 31 December 2016.

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
- Ms P Kennedy
- Mr L P Bertini
- Mrs L M Crew
- Ms C Parker
- Ms P Perring
- Mr R Barbagallo
- Mr M R Lazzaletti
- Ms A K Pafumi
- Ms V Comerford (Commenced 16/02/2016)
- Mr P Geraghty (Resigned 10/05/2016)
- Mr J G Schick (Resigned 10/05/2016)

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 the 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.

Lourdes Hill College, an Independent Catholic Secondary School for Girls, was founded in 1916 by the Sisters of the Good Samaritan.

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.

Over the past 100 years Lourdes Hill College has grown into an educational establishment well respected for the pursuit of achievement and excellence in the education of young women. Situated on the Bulimba Reach of the Brisbane River and set in beautiful surroundings, in 2016 the College had an enrolment of more than 1,230 students.

International students add a special dimension to the life at the College as they bring with them different life experiences from their local peers.

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 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 cultural and sporting activities

Operating Result

The operating surplus of the College for the financial year ended 31 December 2016 amounted to \$2,169,424 (2015: \$1,290,386).

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 2016.

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, inspire and equip young women with a love of life and learning through the nurturing of a culturally rich Catholic learning community that enables each student to reach her full potential and to pursue peace and justice with courage.

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

- Faith – To enhance commitment to living the Good Samaritan Ethos.
- Learning – To maximise individual potential and education excellence.
- Connection – To nurture and expand relationships within the College and the wider community
- Stewardship – To care responsibly for what we have and what we create.

Strategy for Achieving the Objectives:

To enhance commitment to living the Good Samaritan Ethos, the College will continue to:

- Align LHC operations to vision, mission and values.
- Encourage understanding of and commitment to the spiritual life of the community.
- Enhance participation in social justice programs.
- Foster a culturally rich environment.

To support and maximise individual potential of students and staff, the College will continue to:

- Effect high quality learning and teaching.
- Develop high functioning Senior and Middle school.
- Establish organisational structures and leadership capacities in line with EB guidelines and to support future growth.
- Position for effective implementation of the National Curriculum.
- Position for effective implementation of new Senior Assessment and Tertiary entrance process in Queensland.
- Develop ongoing professional learning program for staff

To nurture and expand relationships within the College and the wider community, the College will continue to:

- Ensure a safe, secure, nurturing and welcoming environment for all.
- Promote quality partnerships between home and school.
- Establish new partnerships to support teaching and learning.

To care responsibility for what we have and what we create, the College will continue to:

- Align financial position with College's strategic objectives.
- Utilise, develop and care for the College's human, physical and virtual resources
- Implement governance structures to support continuous improvement.
- Raise the profile of the College

How Activities Assisted in Achieving the Objectives:

Activities to enhance commitment to Good Samaritan Ethos included:

- Implementation of the College Strategic Plan (2014 – 2018) including confirmation of College Vision, Mission Statement and Values.
- Ongoing development and refinement of Faith based curriculum.
- Detailed Student Service Program participation in homeless and disability outreach services, compassionate fundraising and connection and experience with ministries to see the tangible results of their work across the world.
- Three full College celebrations of Eucharist to reflect our three stories: Lourdes Day (celebrating the Feast of Our Lady of Lourdes and marking the beginning of the academic year); the Feast of St Benedict; and the Mass for Sharing on Good Samaritan Day.
- Home group programmes including preparation of communal celebrations.

Activities to maximise individual potential of students and staff included:

- Organisational development through continued up-skilling of College Leadership and Middle Leadership teams.
- Implementation of AITSL Framework and Performance Review Processes for Teachers.
- Ongoing development, review and refinement of Core Subject Faculties, Digital Learning and Faculty of Differentiated Learning.

DIRECTORS' REPORT

- Establishment and promotion of the sub-school structure – i.e. distinct Senior and Middle Schools.
- HAS and Senior Hub schemes further developed.
- Student Mentoring Research project development and implementation.
- QCT Professional Development program implementation.
- Community Development Week (CDW).
- CDW development of the Operational Plan including annual refinement of directions.
- Renewal Committees.
- Project and voluntary committees based on expertise.
- Ongoing refurbishment of college classrooms and other facilities.
- Construction of the Centre for Innovation, Teaching Excellence and Leadership (CiTEL), to be officially opened and operating in 2016. This Centre provides a range of dedicated spaces with leading edge technology where staff will be able to collaborate, research and share practice. The Centre provides a physical and virtual presence where educators from all over the world can meet and collaborate towards advancing teaching excellence.

Activities to increasingly nurture and expand relationships within the College and the wider community included:

- Immersion program for students.
- House Welcome BBQs.
- Parent Forums/Information Evenings/Newsletter articles.
- Website, online newsletter and web-presence development.
- College Centenary Celebrations
- Ongoing Media, Marketing and Branding strategy.

Activities in relation to caring responsibly for what we have and what we create included:

- Ongoing development of College Master Planning incorporating human resource requirements, new facility development and detailed building maintenance plan.
- Completion of Level 2 Energy Audit and subsequent rollout of a range of environmental sustainability measures.
- Awareness raising with College Leadership Team and Board in working towards Master Planning decisions.

How Performance is Measured – KPIs:

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

To enhance commitment to Good Samaritan Ethos:

- Satisfaction of staff, students, parents and past pupils (by survey)
- Number and quality of service learning programs for students (by review)
- Number and quality of opportunities created for past pupils (by review)
- Participation in lunchtime liturgy and other community activities (by review)

To maximise individual potential of students and staff:

- Asset Utilisation Rates – ICT (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)
- Academic Outcomes (by review)

To increasingly nurture and expand relationships within the College and the wider community:

- 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 (by review)

As a steward for caring responsibly for what we have and what we create:

- Evidence of environmental sustainability focus within College activities (by review)
- College Resource cost per person (Electricity, Water, Waste etc.)
- Evidence of environment sustainability focus within College infrastructure investment (by review)
- Completion of recruitment and performance review practices (by review)

DIRECTORS' REPORT

Information on Directors:

Ms D Francis

- Qualifications*
- Grad. Dip. Mgmt, Grad. Cert Training, B. Education, Dip. Teaching (Commerce), Dip. Project Mgmt, Dip. Frontline Mgmt, Dip. Training & Assessment Systems, Project Manager, Consultant
- Special Duties*
- Board Chair, Member of Governance & Risk Sub-Committee

Ms P B Kennedy

- Qualifications*
- B. Education, M. Management, Grad. Cert. RE, School Principal
- Special Duties*
- Deputy Board Chair, Member of Foundation Sub-Committee

Mrs L M Crew

- Qualifications*
- B. Economics, M. Bus. Administration, Cert IV - Workplace Training & Assessment, Cert IV - Financial Services, Dip. Financial Services – Mortgage. Broking Manager
- Special Duties*
- Chair of Finance Sub-Committee

Mr L P Bertini

- Qualifications*
- B. Bus, Grad. Cert. Employment Law Director, Manager
- Special Duties*
- Chair of Foundation Sub-Committee

Ms C Parker

- Qualifications*
- B. Laws, M. Laws, Grad. Dip. Applied Corp. Governance General Legal Counsel, Company Secretary
- Special Duties*
- Chair of Governance & Risk Management Sub-Committee

Ms P Perring

- Qualifications*
- B. Arts (Music), Grad. Dip Ed, B. Laws, Grad. Dip. Legal Practice, M. Business Admin. Solicitor, Legal Counsel, Company Secretary
- Special Duties*
- Member of Governance & Risk Sub-Committee

Mr R Barbagallo

- Qualifications*
- B. Engineering (Electrical), B.Bus (Mgmt & Economics) Manager
- Special Duties*
- Chair of Building & Planning Sub-Committee

Mr M R Lazzaretti

- Qualifications*
- B. Business (Accountancy) Director, Consultant
- Special Duties*
- Member of Building and Planning Sub-Committee

Ms A K Pafumi

- Qualifications*
- B. Commerce (Accounting & Finance), FCPA, Dip. Project Mgmt, Dip. Organisational Change Mgmt, GAICD Director, Manager
- Special Duties*
- Member of Foundation Sub-Committee

Ms V M Comerford

- Qualifications*
- B. Arts, Dip Education., M. Education Retired School Principal
- Special Duties*
- Member of Finance Sub-Committee

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	7	6
Ms P B Kennedy	7	5
Mrs L M Crew	7	7
Mr L P Bertini	7	7
Ms C Parker	7	4
Ms P Perring	7	5
Mr R Barbagallo	7	5
Mr M R Lazzaretti	7	5
Ms A K Pafumi	7	7
Ms V M Comerford (Commenced 16/02/16)	7	5
Mr P Geraghty (Resigned 10/05/16)	2	1
Mr J G Schick (Resigned 10/05/16)	2	2

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 2016.

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 2016 has been received and can be found on page 8 of the Directors' Report.

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

Director D A Francis

Dated this 21st day of March 2017

AUDITOR'S INDEPENDENCE DECLARATION



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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 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australia Charities and not for Profits 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 blue ink, appearing to be 'D P Wright', is written over a light blue circular stamp or watermark.

D P Wright
Director

BDO Audit Pty Ltd

Brisbane, 21 March 2017

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, which comprises the statement of financial position as at 31 December 2016, the statement of profit and loss and other 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 2016 and of its financial performance for the year ended on that date; 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 *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* (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.

Other information

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

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

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

Responsibilities of responsible entities' for the Financial Report

The Directors 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 responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

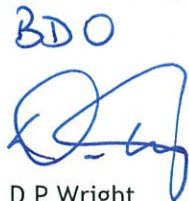
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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_files/ar3.pdf.

This description forms part of our auditor's report.

BDO Audit Pty Ltd



D P Wright
Director

Brisbane, 21 March 2017

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
Income			
Revenue	2	25,569,831	23,737,736
Other Income	2	32,120	33,792
		<u>25,601,951</u>	<u>23,771,528</u>
Total Income for the Year		<u>25,601,951</u>	<u>23,771,528</u>
Expenses			
Employee Benefits Expenses		(14,369,174)	(13,774,242)
Depreciation and Amortisation	3	(2,102,782)	(2,053,028)
Interest Expense	3	(737,144)	(840,943)
Other Expenses	3	<u>(6,223,577)</u>	<u>(5,812,929)</u>
Total Expenses for the Year		<u>(23,432,677)</u>	<u>(22,481,142)</u>
Surplus for the Year		<u>2,169,274</u>	<u>1,290,386</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive for the Year		<u>2,169,274</u>	<u>1,290,386</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	1,908,356	1,751,485
Trade and Other Receivables	5	604,255	655,632
Inventories	6	148,271	227,439
Investments	7	4,000,000	5,000,000
Other Current Assets	8	126,486	199,089
TOTAL CURRENT ASSETS		<u>6,787,368</u>	<u>7,833,645</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	9	39,886,362	37,998,756
TOTAL NON-CURRENT ASSETS		<u>39,886,362</u>	<u>37,998,756</u>
TOTAL ASSETS		<u>46,673,730</u>	<u>45,832,401</u>
CURRENT LIABILITIES			
Trade and Other Payables	10	1,668,583	2,555,284
Short-Term Borrowings	11	684,963	562,124
Short-Term Provisions	12	1,520,286	1,406,882
TOTAL CURRENT LIABILITIES		<u>3,873,832</u>	<u>4,524,290</u>
NON-CURRENT LIABILITIES			
Trade and Other Payables	10	-	-
Long-Term Borrowings	11	14,992,301	15,769,809
Long-Term Provisions	12	459,570	421,756
TOTAL NON-CURRENT LIABILITIES		<u>15,451,871</u>	<u>16,191,565</u>
TOTAL LIABILITIES		<u>19,325,703</u>	<u>20,715,856</u>
NET ASSETS		<u>27,348,027</u>	<u>25,116,545</u>
EQUITY			
Reserves		1,054,402	992,195
Accumulated Surplus		26,293,625	24,124,351
TOTAL EQUITY		<u>27,348,027</u>	<u>25,116,546</u>

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 2016**

	Accumulated Surplus \$	Building Fund Reserve \$	Annie Beck Award Fund \$	Edna Bunn Bursary Fund \$	Betty McKenna Award Fund \$	Family Enrolment Trusts \$	Student Bursary Fund \$	Affiliated Clubs & Societies \$	Total \$
Balance at 31/12/14	22,841,386	0	2,795	22,488	5,592	3,223	571,307	33,913	23,779,416
Surplus for the Year	1,290,386	-	-	-	-	-	-	-	1,290,386
Transfers to / (from) Reserves:									
Building Fund Reserve	(7,421)	21,671	-	-	-	-	-	-	14,250
Annie Beck Award Fund	-	-	(81)	-	-	-	-	-	(81)
Edna Bunn Bursary Fund	-	-	-	306	-	-	-	-	306
Betty McKenna Award Fund	-	-	-	-	(112)	-	-	-	(112)
Family Enrolment Trusts	-	-	-	-	-	(1,533)	-	-	(1,533)
Student Bursary Fund	-	-	-	-	-	-	36,585	-	36,585
Affiliated Clubs & Societies	-	-	-	-	-	-	-	(2,671)	(2,671)
Balance at 31/12/15	24,124,351	320,383	2,714	22,794	5,480	1,690	607,892	31,242	25,116,546
Surplus for the Year	2,169,274	-	-	-	-	-	-	-	2,169,274
Transfers to / (from) Reserves:									
Building Fund Reserve	-	41,201	-	-	-	-	-	-	41,201
Annie Beck Award Fund	-	-	(96)	-	-	-	-	-	(96)
Edna Bunn Bursary Fund	-	-	-	207	-	-	-	-	207
Betty McKenna Award Fund	-	-	-	-	(140)	-	-	-	(140)
Family Enrolment Trusts	-	-	-	-	-	(1,690)	-	-	(1,690)
Student Bursary Fund	-	-	-	-	-	-	30,386	-	30,386
Affiliated Clubs & Societies	-	-	-	-	-	-	-	(7,662)	(7,662)
Balance at 31/12/16	26,293,625	361,584	2,618	23,001	5,340	0	638,278	23,580	27,348,027

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 2016**

	Note	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Fees and Charges		8,727,961	8,241,617
Receipt of Government Grants		12,401,766	11,846,108
Receipts from Other Sources		3,958,917	3,267,609
Interest Received		129,866	208,155
Payments to Suppliers and Employees		(21,687,724)	(20,279,775)
Interest Paid		<u>(737,144)</u>	<u>(840,943)</u>
Net Cash Provided from Operating Activities	16 (b)	<u>2,793,641</u>	<u>2,442,771</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Transfers From / (Allocations to) Investments		1,000,000	(5,000,000)
Proceeds from Sale of Property, Plant & Equipment		8,100	13,001
Payments for Property, Plant and Equipment		<u>(4,498,915)</u>	<u>(2,114,819)</u>
Net Cash Used in Investing Activities		<u>(3,490,815)</u>	<u>(7,101,818)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts from Fees and Charges		1,322,597	1,176,098
Receipts from Other Sources		186,118	73,750
Repayment of Borrowings		<u>(654,669)</u>	<u>(550,853)</u>
Net Cash Used in Financing Activities		<u>854,045</u>	<u>698,995</u>
 Net Increase / (Decrease) in Cash Held		 156,871	 (3,960,052)
Cash at the Beginning of the Financial Year		<u>1,751,485</u>	<u>5,711,537</u>
 Cash at the End of the Financial Year	16 (a)	 <u><u>1,908,356</u></u>	 <u><u>1,751,485</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 2016**

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

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:

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

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 instruments are initially measured at cost on the transaction date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables, including parent loans

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

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principle payments and amortisation.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Instruments (Continued)

Impairment

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

In the case of receivables, the carrying amount is reduced by the use of an allowance account, evidence of impairment may include difficulty on the part of the debtor.

When receivables for which an impairment has previously been recognised are determined to be uncollectible, they are written off against the allowance account. If no provision for impairment was previously recognised, the impairment is written off against the receivable directly. Impairment losses arising from the use of allowance accounts or bad debts are recognised in Statement of Comprehensive Income as part of Other Expenses.

Receivables are determined to be uncollectible only when there is no expectation of recovering any additional cash. This may occur where unsuccessful attempts have been made to recover the debt through legal actions or debt collection agencies and the prospect of recovering any additional cash is remote.

All receivables that are neither past due or impaired are with long standing clients who have a good credit history with the entity.

Analysis of balances individually impaired includes:

- Factors considered in determining balance was impaired
- Estimate of fair value.

No security is held for receivables balances that are impaired.

(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 2016**

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.

(h) New Accounting Standards issued but not yet effective

A number of new standards and amendments to interpretations are effective for annual periods commencing after 1 January 2016, including AASB15 Revenue from Contracts with Customers, AASB 9 Financial instruments, and AASB16 Leases.

These standards have not been applied in preparing the financial statements and are not expected to have significant impact on the financial statement of the College.

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

	2016 \$	2015 \$
2. REVENUE AND OTHER INCOME		
Revenue		
Tuition Fees and Charges	8,768,378	8,208,382
Commercial Activities	1,074,744	976,554
Interest Revenue	138,933	198,808
Donations - Recurrent	99,130	129,706
Other Operating Income	1,578,165	1,138,330
Capital Levies and Charges	1,322,597	1,176,098
Other Capital Income	186,118	63,750
Revenue From Grants		
Government - Recurrent	12,401,766	11,846,108
Total Revenue	<u>25,569,831</u>	<u>23,737,736</u>
Other Income		
Proceeds from Disposal of Property, Plant & Equipment	8,100	13,001
Rental / Hire Income	<u>24,020</u>	<u>20,791</u>
Total Other Income	<u>32,120</u>	<u>33,792</u>
Total Revenue and Other Income	<u><u>25,601,951</u></u>	<u><u>23,771,528</u></u>

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.

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 2016**

	2016 \$	2015 \$
3. SURPLUS FOR THE YEAR		
Arrived at after the following specific expenses:		
Depreciation and Amortisation of Non-Current Assets:		
- Buildings and Improvements	1,177,827	1,152,119
- Plant & Equipment and Other Assets	924,955	900,909
Total Depreciation and Amortisation	2,102,782	2,053,028
Interest Expense		
- Interest on College Loans	737,144	840,943
Total Interest Expense	737,144	840,943
Other Expenses:		
- Audit of Financial statements	20,473	19,485
- Rental Expense on Operating Lease - Equipment	60,137	63,795
- Rental Expense on Operating Lease - Property	318,605	298,859
- Resources (including Trip expenses)	1,421,880	1,495,241
- Repairs and Maintenance	1,040,794	1,108,352
- Bookshop Purchases	247,282	198,861
- Tuckshop Supplies	224,466	214,934
- Uniform Shop Purchases	445,948	399,161
- Levies	212,697	185,779
- Other Expenses	2,231,295	1,828,462
Total Other Expenses	6,223,577	5,812,929
4. CASH AND CASH EQUIVALENTS		
Cash on Hand	2,500	3,000
General Working Accounts	62,272	93,530
ADF - On Call	17,291	17,025
ADF - Building Fund	361,584	320,382
ADF - School Fees	21,041	11,679
ADF - Family Enrolment Trust Accounts	115,615	121,748
Business Investment Account	1,297,094	1,153,133
Edna Bunn Bursary Fund	23,002	22,794
Betty McKenna Award Fund	5,339	5,480
Annie Beck Perpetual Award	2,618	2,714
	1,908,356	1,751,485

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. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

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

	2016 \$	2015 \$
5. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade Receivables (Family Debtors)	740,194	665,216
Less: Provision for Impairment	<u>(222,640)</u>	<u>(158,786)</u>
	517,554	506,430
Other Receivables	<u>86,701</u>	<u>149,202</u>
Total Current Trade and Other Receivables	<u><u>604,255</u></u>	<u><u>655,632</u></u>
Provision for Impairment:		
Opening Balance of Provision	158,786	127,286
Debts Recovered during the Year	(53,131)	(51,678)
Debts Written Off during the Year	(24,192)	(13,953)
Provision Raised this Year	<u>141,177</u>	<u>97,131</u>
Closing Balance of Provision	<u><u>222,640</u></u>	<u><u>158,786</u></u>
Bad Debts Written Off Directly to Profit & Loss	<u>3,376</u>	<u>4</u>
Analysis of Bad Debts Written Off During the Year		
- Tuition	<u>27,567</u>	<u>13,957</u>
Total Bad Debts Written Off	<u><u>27,567</u></u>	<u><u>13,957</u></u>

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

5. TRADE AND OTHER RECEIVABLES (continued)

Credit Risk – Trade and Other Receivables

The College's primary credit risk exposure relates to family debtors and outstanding tuition fees.

The following table details the College's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions between the College and the family to the transaction. Receivables that are past due are assessed for impairment by ascertaining recoverability from the family and are provided for where there are specific circumstances indicating that the debt is not likely to be fully repaid to the College.

	Gross Amount	Past Due and Impaired	Past Due But Not Impaired		Within Initial Terms
			< 90 Days	> 90 Days	
2016					
Trade and Term Receivables	740,194	222,640	483,157	29,943	4,454
Other Receivables	86,701	-	-	-	86,701
Total	826,895	222,640	483,157	29,943	91,155
2015					
Trade and Term Receivables	665,216	158,786	333,433	169,054	3,943
Other Receivables	149,202	-	-	-	149,202
Total	814,418	158,786	333,433	169,054	153,145

2016
\$

2015
\$

6. INVENTORIES

CURRENT

Inventories at Cost - Uniform Shop	148,271	227,439
	148,271	227,439

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.

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

	2016	2015	
	\$	\$	
7. INVESTMENTS			
CURRENT			
Fixed Term Deposits	<u>4,000,000</u>	<u>5,000,000</u>	
	<u>4,000,000</u>	<u>5,000,000</u>	
8. OTHER ASSETS			
CURRENT			
Prepayments	<u>126,486</u>	<u>199,089</u>	
Total Other Assets	<u>126,486</u>	<u>199,089</u>	
9. PROPERTY, PLANT AND EQUIPMENT			
	Less		
	Accumulated	Written Down	
	Depreciation	Value	
	\$	\$	
2016			
Leasehold Improvements:			
- Improvements to College Property	41,467,101	(7,597,143)	33,869,958
Other Assets:			
- Plant & Machinery	343,148	(135,424)	207,724
- Motor Vehicles	531,857	(222,797)	309,060
- Furniture & Equipment	9,270,041	(6,786,662)	2,483,379
- Work In Progress	3,016,241	-	3,016,241
	<u>54,628,388</u>	<u>(14,742,026)</u>	<u>39,886,362</u>
2015			
Leasehold Improvements:			
- Improvements to College Property	40,872,190	(6,419,316)	34,452,874
Other Assets:			
- Plant & Machinery	312,458	(102,242)	210,216
- Motor Vehicles	531,857	(195,422)	336,435
- Furniture & Equipment	8,695,522	(5,922,264)	2,773,258
- Work In Progress	225,973	-	225,973
	<u>50,638,000</u>	<u>(12,639,244)</u>	<u>37,998,756</u>

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

9. PROPERTY, PLANT AND EQUIPMENT (continued)

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.

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. 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 the Order. No consideration shall be paid by the Order 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.

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

9. PROPERTY, PLANT AND EQUIPMENT (continued)

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	34,452,874	2,773,258	336,435	210,216	225,973	37,998,756
Transfers	1,506	-	-	-	(1,506)	-
Additions	593,405	574,519	-	30,690	2,805,024	4,003,638
Disposals	-	-	-	-	(13,250)	(13,250)
Depreciation	(1,177,827)	(864,398)	(27,375)	(33,182)	-	(2,102,782)
Carrying Value at End of Year	<u>33,869,958</u>	<u>2,483,379</u>	<u>309,060</u>	<u>207,724</u>	<u>3,016,241</u>	<u>39,886,362</u>

2016
\$

2015
\$

10. TRADE AND OTHER PAYABLES

CURRENT

Unsecured Liabilities:

Parent Fee Deposits	-	81,650
Trade Creditors, Sundry Creditors and Accruals	579,718	1,319,253
Income Received in Advance	259,435	361,772
Annual Leave	<u>829,430</u>	<u>792,609</u>
	<u>1,668,583</u>	<u>2,555,284</u>

11. BORROWINGS

CURRENT

Secured Liabilities:

ADF Loan - Bernadette Centre	<u>684,963</u>	<u>562,124</u>
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NON-CURRENT

Secured Liabilities:

ADF Loan - Bernadette Centre	<u>14,992,301</u>	<u>15,769,809</u>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. BORROWINGS (continued)

The Bernadette Centre Building Loan is a \$17 million 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).

	2016 \$	2015 \$
12. PROVISIONS		
CURRENT		
Long Service Leave	1,425,060	1,328,887
Enrichment Leave	75,226	57,995
Sick Leave	20,000	20,000
	<u>1,520,286</u>	<u>1,406,882</u>
NON-CURRENT		
Long Service Leave	440,750	411,465
Enrichment Leave	18,820	10,291
	<u>459,570</u>	<u>421,756</u>
Total Provisions	<u><u>1,979,856</u></u>	<u><u>1,828,638</u></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.

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

	2016 \$	2015 \$
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	992,559	3,422,290
Later than one year but not later than five years	-	-
	<u>992,559</u>	<u>3,422,290</u>
Operating Lease Commitments - Equipment		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Not later than one year	60,137	60,137
Later than one year but not later than five years	121,290	180,411
	<u>181,427</u>	<u>240,548</u>
Property Lease Commitments		
Estimated commitment for future property rental		
Not later than one year	333,898	315,000
Later than one year but not later than five years	1,502,541	1,417,500
	<u>1,836,439</u>	<u>1,732,500</u>

Finance Leases

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Operating Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

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

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 2016 were as follows:

	2016	2015
	\$	\$
Total Revenue transactions for the period	-	-
Total Expense transactions for the period	504,848	464,221

Unless otherwise stated, transactions between related parties are on normal commercial terms and conditions.

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

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 14.

	2016 \$	2015 \$
(a) Reconciliation of Cash		
Cash on Hand	2,500	3,000
Cash at Bank	62,272	93,530
Deposits on Call	1,697,010	1,502,219
ADF Trust Accounts	115,615	121,748
Edna Bunn Bursary Fund	23,002	22,794
Betty McKenna Award Fund	5,339	5,480
Annie Beck Perpetual Award	2,618	2,714
	<u>1,908,356</u>	<u>1,751,485</u>
(b) Reconciliation of Cash Flows from Operations with Surplus After Income Tax		
Surplus After Income Tax	2,169,274	1,290,386
Cash Received from Capital Funding	(1,516,814)	(1,252,849)
Non-Cash Flows:		
- Depreciation and Amortisation	2,102,782	2,053,028
- Loss/(Gain) on disposal of Property, Plant & Equipment	13,250	(8,180)
Net Cash provided by operating activities before changes in assets and liabilities	2,768,492	2,082,384
Change in assets and liabilities:		
- (Increase) / Decrease in Current Receivables	51,378	169,770
- (Increase) / Decrease in Inventories	79,168	(40,829)
- (Increase) / Decrease in Other Assets	72,602	(12,652)
- Increase / (Decrease) in Payables	(391,425)	(80,356)
- Increase / (Decrease) in Provisions	151,218	267,618
- Increase / (Decrease) in Reserves	62,208	56,836
Net Cash Received from Operating Activities	<u>2,793,641</u>	<u>2,442,771</u>

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

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 2016**

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:

	2016	2015
	\$	\$
Current Assets	6,787,368	7,833,645
Current Liabilities	3,873,832	4,524,290
Surplus / (Deficit)	2,913,536	3,309,355

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 2016**

17. FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk (continued)
Summary Quantitative Data

	Weighted Ave. Effective Interest Rate	Floating Interest Rate	Non-Interest Bearing	Total
	2016 %	2016 \$	2016 \$	2016 \$
Financial Assets				
Cash and Cash Equivalents	1.64	1,905,856	2,500	1,908,356
Investments - Term Deposits	2.60	4,000,000	-	4,000,000
Receivables	0.00	-	604,255	604,255
Total Financial Assets		5,905,857	606,755	6,512,611
Financial Liabilities:				
Trade and Sundry Creditors	0.00	-	1,668,583	1,668,583
Interest Bearing Liabilities	4.60	15,677,264	-	15,677,264
Total Financial Liabilities		15,677,264	1,668,583	17,345,847
	2015 %	2015 \$	2015 \$	2015 \$
Financial Assets				
Cash and Cash Equivalents	1.91	1,748,485	3,000	1,751,485
Investments - Term Deposits	3.30	5,000,000	-	5,000,000
Receivables	0.00	-	655,632	655,632
Total Financial Assets		6,748,485	658,632	7,407,117
Financial Liabilities:				
Trade and Sundry Creditors	0.00	-	2,555,284	2,555,284
Interest Bearing Liabilities	5.06	16,331,933	-	16,331,933
Total Financial Liabilities		16,331,933	2,555,284	18,887,217

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2016**

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 2016	59,084	-59,084	59,084	-59,084
31 December 2015	67,515	-67,515	67,515	-67,515

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 \$12,401,766 for the year ended 31 December 2016 (2015: \$11,846,108).

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

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 11 to 33 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 2016 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:



Director



Director

Brisbane, March 2017.