**Chairman**  
M.D. Houlihan

**Vice-Chairpersons**  
R.E. Bailey  
J.L. Grant

**Auditors**  
Deloitte Touche Tohmatsu  
550 Bourke Street  
Melbourne 3000

**Registered Office**  
Eltham College  
1660 Main Road  
Research 3095

**Postal Address**  
PO Box 40  
Eltham 3095

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**Company Secretary**  
D Nicholson  
B.Bus. C.P.A.

**Directors**  
N. Kara  
S.C. Le Plastrier  
P. Munnings  
P.A. Northey  
C.M. Steven  
R. Taranto  
C. Ward  
G.R. Ward  
S. Wenn

**Life Members**  
Lucien Anceschi  
James Bonthorne  
John Brenan  
John Burnell  
Yvonne Canty  
James Cummans  
Lyn Gilbert  
Chris Heysen  
Val Jones  
Greg King  
Keith McKechnie  
Brian McLean  
Ruth Nichols  
Paul Pattison  
Helen Rees-Sterry  
Paolo Riboni  
Bob Ross  
Sandra Shaw  
Cordell Short  
Rein Tender  
James Trodel  
Geoff Watt  
Allen Williams

**Deceased Life Members**  
Des Davey OAM  
Arthur Kirkright  
Beryl Nichols  
Charis Pelling  
David Warner  
David Wilkinson

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"Growing Hearts and Minds"

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**DIRECTORS – ATTENDANCE AT BOARD MEETINGS 2019/2020**

<table>
<thead>
<tr>
<th>Director</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
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<td>Le Plastrier S.</td>
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<td>Northey P</td>
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<td>Nicholson D. (Sec)</td>
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<td>Ward G.R.</td>
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<td>Wenn S.R.</td>
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NOTICE OF ANNUAL GENERAL MEETING

ELTHAM COLLEGE (ABN 31 004 992 750)

NOTICE IS HEREBY GIVEN that the FORTY EIGHTH ANNUAL GENERAL MEETING of the Members of ELTHAM College will be held at ELTHAM College, 1660 Main Road, Research, on Wednesday, 24 June 2020 at 8.00pm. The meeting will be held in the D D Davey Library (Senior Library) Auditorium.

1. Ordinary Business
   - to ratify the Minutes of the AGM held on 1 May 2019.
   - to ratify the Minutes of the EGM held on 26 February 2020.
   - to receive and adopt the Financial Statements for the year ended 31 December 2019.
   - to appoint Deloitte Touche Tohmatsu as Auditor for the ensuing year.

2. Election of Directors
   To elect two members of ELTHAM College to the ELTHAM College Board of Directors, in accordance with Clause 7.4(a) of the ELTHAM College Constitution.

Jim Grant, Paul Munnings, Rick Taranto and Geoff Ward have completed their tenure of office. Mr Munnings, Mr Taranto and Mr Ward will be retiring from the Board. Mr Grant, being eligible, has offered himself for re-election.

3. Procedure for Nomination of Directors
   Nominations of directors are made under Clause 7.4(b) of the Constitution. Nominees must be financial Members of ELTHAM College.

Any member who requires a copy of the ELTHAM College Constitution may obtain one from the Business Office. Completed nomination forms must be received by the Company Secretary at least 11 clear days before the Annual General Meeting.

In accordance with a decision of the Board, candidates nominating for election as directors are asked to enclose a personal election statement of not more than 200 words giving brief particulars of their candidature. Election statements will be forwarded to members seven days prior to the Annual General Meeting, if an election of directors is to be held. Nomination forms are available from the Business Office.

4. Other Business
   - To transact any other business that may be legally brought before the Meeting.

D Nicholson
Secretary
24 March 2020, Research.

NOTE: Each member entitled to attend and vote at this Meeting may appoint a proxy. A proxy must be a Member. The instrument appointing a proxy must be deposited at the Registered Office of ELTHAM College not less than 48 hours before the person named in such instrument purports to vote in respect thereof. A proxy form is enclosed.
I am pleased to report that ELTHAM College has experienced substantial growth over the past 12 months. The class of 2019 performed at an exceptional standard and produced the best results in the Victorian Certificate of Education (VCE) that we have seen in over 20 years. Not only did students excel in the number of study scores above 40, the median moved to 34, and the median ATAR was 85. We also had a number of highlights in areas outside the classroom and welcomed new staff whose skills and experience added to the high quality of the College staff.

Over 2019 the College has continued to develop its strategic plan, with a strong focus on building the teaching and learning environment within the College. Some of the programs we have implemented include:

1. **TEACHING AND LEARNING**
   a. We continued to develop the mapping of curriculum on Rubicon Atlas using an Understanding by Design (ubD) template. This will be an ongoing process to ensure the curriculum is maintained to the highest standard. The initial mapping is almost complete and in 2020 we will begin the audit process to identify any gaps and areas for improvement.
   b. We began the introduction of Harvard’s Project Zero with professional learning for staff ongoing. While we aimed to have measurable differentiation outcomes in place by the end of 2019, we are still building staff understanding of this complex, yet beneficial approach to learning.
   c. The College has developed and implemented a standardised test feedback process with appropriate governance.
   d. Philosophy has been built into the English course for senior school students beginning 2020.

2. **LEADERSHIP AND ORGANISATIONAL GROWTH**
   a. The majority of 2019 operational goals have been met and those still in progress have clear solutions.
   b. Following the departure of the Director of Student and Staff Services at the end of 2019, a new Director of People and Culture position was created, and will be appointed in 2020.
   c. We continued to develop marketing communication strategies for our unique offerings including Amplify, the Observatory, Bush Discovery, the new Chemistry Suite; and continued our emphasis on key entrance points: ELC, Prep, Year 5 and Year 7.
   d. The one day ThinkELTHAM program is in its 5th year and continues to attract a growing number of interested students from across the community. Over 90 students attended in 2019 – most from outside the College.

3. **STUDENT ENGAGEMENT**
   Many of the programs that enhance student engagement have borne fruit over the past year. These include:
   a. The casting of William McKenna in a lead role in Harry Potter.
   b. A very successful Arts program that has seen record numbers of students auditioning for all College productions. The College was also successful in receiving a number of nominations as well as awards in both the Lyrebird Awards: Best Lead Actress – Marchella Rusciano Barrow, Best Director – Nicholas Waxman, and Rising Star Technical Award Amy Norton and in the Theatre Guild Awards: Female Performer in a Leading Role, Abbey Wells.
   c. Many students in the Class of 2019 have been successful recipients of scholarships to universities in Melbourne.
   d. The annual LEAD Year 12 exit survey continues to demonstrate results well above the ISV norms in all categories.
   e. A uniform supplier review has commenced and the successful tenderer will be announced mid-2020.
   f. New dashboards were established to analyse student performance, health and wellbeing.
   g. A review of the pastoral care system and structure has begun using the Collaborative for Academic, Social, and Emotional Learning (CASEL) model.

4. **ATTRACTING, RETAINING AND DEVELOPING STAFF**
   Over the past year the College has:
   a. Begun to develop a Professional Learning goal setting program and associated procedures, to be implemented by the end of 2020, following the appointment of the Director of People and Culture.
   b. A staff commencement process, with mentoring and procedures, has been reviewed and enhanced, and an exit interview process and questionnaire established.
   c. We have continued to develop an aspirational organisational chart which will be finalised following, the appointment of a Director of People and Culture.

5. **COMMUNICATION AND CONNECTION**
   The College has successfully delivered:
   a. A process and dashboard for reviewing and analysing quarterly academic and pastoral data.
   b. A website update with further enhancements to be added mid-2020.
   c. The Principal continues to participate in the Nillumbik Economic Development Advisory Committee.
   d. Our first 24 hour fundraising campaign for the new College observatory raised in excess of $200,000.
   e. Increasing attendance at Alumni reunions, with 80% of the Class of 2018 attending its first one.
   f. The annual Founders’ Lunch continues to be well represented with parents from the Class of 1979 invited to attend.

6. **PHYSICAL AND FINANCIAL DEVELOPMENT AND SUSTAINABILITY**
   To further enhance College facilities we have:
   a. Built a new College Observatory.
   b. Commenced work on an Environmental Master Plan with a planning committee consisting of parents, students, staff and Board members meeting once a month.
c. Ensured all policies are up-to-date and use a consistent template.
d. Completed a tender for the provision of College catering with a new supplier commencing in 2020.
e. Completed a tender for the provision of cleaning services, with a new supplier beginning in 2020.
f. Commissioned plans to enhance the nature strip and entrance to the College on Main Road.
g. Finalised plans to create an Amplify space in the Brennan Building with completion expected mid-term two, 2020.

We are well on track to meet the goals of the Strategic Plan and look forward to presenting further updates in subsequent years.

STUDENT INFORMATION

Each year the College reflects on the data provided by State testing and internal standardised assessments. We wish to ensure the thinking culture at ELTHAM College equips students to extend their learning within an "interdisciplinary, forward thinking, technology rich environment; a place where students develop passions and strive to maximise their potential. An ELTHAM education provides experiences that encourage unlimited learning – where the bounds of knowledge and discovery can reach as far as a student’s imagination."

National Testing

NAPLAN results, when benchmarked against National and State outcomes remained strong in 2019. Year 3 results were very pleasing, with 98% scoring above the National Minimum Standard (NMS). The Year 5 profile was also positive with all but one result at or above the NMS across the four testing areas. The College continues to steadfastly support every young person’s right to ‘give it a go’. Historically this has enabled a high proportion of those students with learning difficulties to access the NAPLAN process and there is now an increasing number of students for whom English is a second language (LBOTE) who also participated. There was a small number of results in 2019, across Year 7 and Year 9, which were below the NMS. The majority of these results were from students with a LOTE background.

YEAR 12 OUTCOMES

2019 VCE results

As outlined above, the results for the Class of 2019 were the best for over 20 years. The results continue to demonstrate an improvement over previous years and reflect the highly commendable dedication and commitment of both students and staff. In the VCE rankings, assessed by a combination of median and scores above 40, the College has moved its ranking from 138 in 2014 and 64 in 2018, to 44 in 2019. The results of 2019 established an even stronger benchmark for the coming years and ensured over two thirds of students received their first preference in their post-secondary course choice.

In 2019, 58 students took part in a scored VCE.

- 20 students achieved an ATAR score better than 90 (33%), 20% achieved 40+ study scores
- The median study score was 34. The median has improved by one point each year since 2014, when it was 31
- 58% of students attained an ATAR above 80, with an ATAR median of 85
- Lachie Duncan scored 99.4 affording him the title "Dux of ELTHAM College" for 2019
- 94% (92% in 2018) of students achieved their first, second or third university preferences

In line with previous years, there is a continued interest from our students to investigate courses offered by both private providers and early entry programs. For the first time the most popular university destination was the University of Melbourne (32%), followed by RMIT (21%), Deakin University (19%), La Trobe University (13%), Monash University (8%), Swinburne University and the Australian Catholic University (2% each). La Trobe’s Aspire program was popular with our students but a number decided to take up other university offers once results came out. RMIT is still a desired destination, with many of our students looking to their design and applied science programs.

Curriculum

The College has continued to focus on building a curriculum through Understanding by Design (UbD), and toward the end of 2018 we began to implement Harvard’s Project Zero program for curriculum delivery. This will be rolled out over the coming three years. This approach has seen significant benefits including the outcome of our recent VCE results. We were sad to see the retirement of Dorothy Allan as Curriculum Director. Dorothy, along with the curriculum leaders in both the Junior and Senior schools, have placed a significant emphasis on the learning outcomes for our students in all sections of the College. Her replacement will continue to build on this strong curriculum direction.

We continue to evolve the curriculum following the aim outlined below:

The “ELTHAM College curriculum is designed using Understanding by Design, mapped on Rubicon Atlas with an approach reflecting the learning dispositions of Project Zero within a differentiated curriculum.”

Year 12 Exit Survey

Since 2014 the College has undertaken the Independent Schools Victoria (ISV) LEAD Year 12 Exit Survey. This survey benchmarks the College against other independent schools and provides a strong reflection of the students schooling experience.

The 2019 survey built on the response from previous years and continues to be positive. Over the year we have further developed the co-curricular offerings of the College, with an increased number of students taking up these opportunities. In most areas the students continue to perform well above the Independent School mean (ISV mean).
**Student Retention**
The retention rate for 2019 for Prep to Year 12 was 90.78%.

**Student Attendance**
ELTHAM students attend regularly and with a positive outlook towards their schooling experience. Here is our attendance data as reported to the Australian Government [https://myschool.edu.au/school/46232/attendance/2019](https://myschool.edu.au/school/46232/attendance/2019)

As stated in each annual report we are very supportive of families taking time to expose their children to other ‘worldly learning experiences’, but this is not reflected in the figures that the Federal Government requires. We believe this is unfortunate as students on exchanges (UK, France, Spain, and China) for example are actively involved in schooling and should be classed as in attendance.

**Staff Attendance**
Staff absence through personal leave (sick leave or carer’s leave) in 2019 resulted in an attendance statistic of 95.52%.

**Staff Qualifications**
ELTHAM’s staff is highly qualified with over one quarter holding Doctorates, Masters or Honours degrees. A full list of Teaching Staff, together with their qualifications can be viewed at Reception upon request.

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<td>Diploma</td>
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</table>

**Expenditure and Teacher Participation in Professional Learning**
In line with 2018, the College continued to appoint Positions of Responsibility during 2019. In particular, a new Director of the ELC and Junior School and a Director of Sport, both of whom commenced in 2019 and a new Director of Curriculum and Director of People and Culture, both of whom will begin in 2020.
There were a number of targeted in-service programs during the year, primarily focused on the teaching of numeracy in the Junior School and assessment in the Senior School.

**Enrolment**
2019 saw a good increase in enrolments. The year commenced with 646 students (ELC – Year 12) and concluded with 667.

**International Students**
In line with previous years our International students continued to be a major source of cultural and racial diversity at ELTHAM. There has been an increasing number of younger international students commencing at the College. We are investigating other sources of International students. The Principal and International Registrar were intending to attend the international agents’ conference in London. However this has been placed on hold following the outbreak of the COVID-19 virus. International students represent 9% of our entire student population and they are increasingly active in leadership and other College activities. They help us continue to focus on a global culture.

**Master Plan**
The College leadership team has commenced a review of priorities for capital projects and this will be finalised at the Board workshop in May 2020.

**Innovation**
During 2019 the College consolidated a number of innovations outlined in the 2018 report and commenced others.

- **Amplify** - an ELTHAM College program with the ambitious goal of exploring what contemporary learning could look like for K-12 schools. This program has commenced with a refurbishment of the lower level of the Brennan building planned for the first half of 2020.

- **College Observatory** – the Observatory has been completed with initial images captured. Events to engage both the College community and the wider community are being planned. The image below, captured from the Observatory, is of the Sculpture Galaxy, 11 million light years away.

- **STEM** – use of our High Performance Liquid Chromatograph and other leading chemical and biological equipment have seen students in both the Junior and Senior schools undertaking a high level of scientific experimentation, with one student hoping to be a published scientist before he reaches university.

- **Melbourne Philosophy Club** has been working with both the staff and students. The aim of this program is to provide an opportunity to extend critical thinking skills in a supportive and challenging environment. This program will be built into the core English curriculum commencing in May 2020.

- **The ELTHAM Elite and Emerging Athlete Program (EEAP)** has been very successful with many students undertaking the program. Our improved results in sport, especially in swimming and athletics, can in part be linked to this program and its associated training.

**Conclusion**
Whilst education is going through a very exciting time, the current COVID-19 epidemic has challenged the College, and most in the education system, to provide effective learning in a limited environment. The sophistication of our technological support, the quality of the staff and the adaptability of our students will see the College emerge from this crisis.

Simon Le Plastrier
Principal
CHAIRMAN’S REPORT

It gives me great pleasure to present the 2019 ELTHAM College Annual Report.

This has been an exciting year for the College as we move into a new phase of building and refurbishment. I noted last year that the College had completed its Masterplan, and would subsequently engage with Council to achieve that Masterplan over the coming years.

The Board and Executive have identified a number of priorities for construction, and these will be planned at the Board workshop in May 2020. Some of these priorities will be mandatory due to our rapidly expanding enrolments, particularly in the senior years. Others will recognise that whilst we have significantly improved our assets over the last few years, with over $3M in capital expenditure in 2019 alone, some of our buildings are nearing the end of their useful life and will require replacement.

2020 is regarded by the Board as a turning point, where rapidly increasing enrolments will see significant changes in the College. The Board had planned for 2019 outcomes with the knowledge that the mix of enrolments by year level would mean the College would be in a deficit situation. In full knowledge of this, the Board has maintained its investment in the College, and in particular has continued to reward staff at levels commensurate with their skills.

You will see the outcome of that investment in the 2019 VCE results referred to in the Principal’s Report. This demonstrates the Board’s faith in Simon Le Plastrier and his staff has clearly been warranted.

It must be noted that the beginning of 2020 has been tumultuous to say the least. With the full emotional and financial impact of bush fires and the spread of coronavirus still to come, we remain committed to the safety and care of our community, and prepared to provide the agile and informed responses needed for the coming months.

Extraordinary General Meeting (EGM) and Board Election 2019

On 26 February 2020 the College held an EGM to vote upon changes to the ELTHAM College constitution. The proposed changes were approved by those members voting, which required a 75% majority. The effect of these resolutions is that the number of elected Directors will reduce from 12 to nine, and the elected Directors can then appoint up to a further three Directors. Going forward, Directors would be limited to three terms of three years.

In last year’s annual report I noted that Chris Heysen had chosen to step down from the Board, having been a Director since 1991, and Chairperson from 1998-2016.

Justin Littlefield also chose to step down at the 2019 AGM. Justin is a founding student of the College, serving as president of the Alumni Association for many years, and as a Board Member since 2002. Justin continues his association as a parent, with two children continuing their education at the College.

I am also pleased to advise that Lyn Littlefield, one of four Life Governors of the College, has offered her services to assist the College in a number of projects. The contribution of the Littlefield family over many years is recognised by a thankful College and Board.

2019 College Operations

The Board set a budget for 2019 in the full knowledge that it would incur a deficit for the year. The explicit intention was to continue to invest in the College for growth, and so a budget was set to balance operational expenditure and limit fee increases.

Given the expected budgeted deficit, the College worked with our lenders, Bendigo Bank, to share our strategy of investing in the College to continue building enrolments and academic results, while maintaining the culture that is ELTHAM College. Given our very low maximum debt level, the Bendigo Bank had no hesitation in supporting our plans.

The main factors impacting this budgeted deficit for 2019 were an unfavourable mix of enrolments, with a lower than average Year 9 enrolment, and a lower overall senior school enrolment. This contrasts with 2020, wherein enrolments at Year 9, and senior school enrolments, are higher overall.

Financial results have also been impacted by a new accounting standard which treats leases in the same way as owned assets, and so creates interest and depreciation expenses which differ from actual lease payments made.

In addition to capital expenditure on facilities, the College undertook significant repairs to facilities, including the swimming pool, with repainting and structural maintenance.

To leverage the results the College is now seeing with its students, the College took the opportunity to promote these via various marketing channels. This has assisted the College to continue its enrolment growth, particularly in Year 7.

Capital Expenditure

The College invested over $3M into capital projects in 2019. The largest of these projects were the new College observatory, funded in part by the generous donations from our community, and the refurbishment of a significant proportion of the senior school. Over $1M was invested in some 36 individual works projects, technology infrastructure, and classroom items.
The College will continue to invest in facilities which benefit current and future students. Despite this investment in facilities, the College borrowings at year end increased by only $500K, reflecting the College’s excellent cash flows.

**Fees**

As noted above, the Board is continuing its strategy of constraining fee increases. While increases are necessary each year to allow the College to continue remunerating staff, the Board is cognisant of the pressure on families to meet fees.

**Enterprise Bargaining**

The College is currently negotiating the next Enterprise Bargaining agreement, and is seeking to ensure that we retain quality staff by properly rewarding those staff.

The College will again achieve the aspiration of setting our teacher salaries above salaries paid to Victorian State teachers for 2020. Salaries from 2021 will be negotiated when the next round of negotiations are completed for Victorian Government School salaries. There is an expectation that wage growth may be limited when compared to the previous salary increases negotiated.

**Board Operations**

The Board meets on a regular basis, including the 2019 AGM, and also attended the annual May workshop. The Board sets the strategic direction of the College, and invites presentations from the College Executive and external speakers to assist in forming those strategies.

**Board Committees**

The College Board is supported by four Committees – Finance, Risk, Master Facilities, and Development. Each has responsibility for the main areas of governance addressed by the Board, and recommends strategies consistent with their focus.

**Link to Foundation**

The College is supported by the ELTHAM College Foundation, which raises money from the operation of childcare centres, and has the objective of supporting the College.

In 2019 the Foundation provided $400K of funds to the College, including a significant contribution to the observatory fundraising. These funds also support improvements to infrastructure as noted above.

**Philanthropy 2019**

The College conducted a major fundraising exercise in 2019 to raise funds for the construction of a new observatory. The fundraising was enormously successful, raising close to $200K from community, the Foundation, ECCA and the Alumni Association. This is a testament to the commitment of our school community to the education of their children, and distinguishes ELTHAM College from most other schools as having an appetite to be at the leading edge of technology.

Despite the fundraising project, the College community also provided a significant level of funds to the College building fund. These funds are fully utilised to improve the facilities enjoyed at the College.

**Associations**

Our Associations continued their significant efforts to their support of the College. ECCA contributed $25,000 for the 4K projection equipment now found in the library auditorium, and the ELTHAM College Alumni continues to support students past and present through engagement activities, and in so doing, supports the College.

**Conclusion**

The ELTHAM College Board is comprised of Directors who have been elected by the College Community to provide governance and strategic direction to the College. In future, Directors may also be appointed, ensuring the College continues to have access to all required skill sets. I thank the members of the Board who donate significant time and expertise to achieving these objectives.

Further, on behalf of the Board, I continue to acknowledge the dedication and commitment of the Principal, staff, students, and all members of our community who work so hard to make the College a leader in education.

M.D. Houlihan
Chairman
DIRECTORS’ REPORT

Your Directors have pleasure in submitting herewith the financial statements for the year ended 31 December 2019, together with Notes to and forming part of the Accounts. This report is made in accordance with a resolution of the directors.

(a) Names of directors in office during the year of this report are as follows:

Chairperson
Michael David HOULIHAN
Experience: Director since 2006
Chairperson since February 2016
Board Committee: Finance Committee (Chairperson)

Vice Chairpersons
James Louis GRANT
Experience: Director since 2013
Vice Chairperson since May 2018
Board Committee: Risk Committee (Chairperson)

Ruth Elizabeth BAILEY
Experience: Director since 2012
Vice Chairperson since May 2016
Board Committees: Development Committee (Chairperson)
Board representative on ECCA Committee

Directors
Christopher Jonathan HEYSEN
Experience: Director since 1991
Chairperson 1998 - 2016
Board Committee: Finance Committee
Retired 1 May 2019

Neriman KARA
Experience: Director since 2016
Board Committee: Risk Committee

Simon Charles LE PLASTRIER
Experience: Director since 2014
Employee: Principal – ELTHAM College
Board Committees: All Committees except Risk Committee

Justin Peter LITTLEFIELD
Experience: Director since 2002
Board Committees: Development Committee
Master Facilities Committee
Retired 1 May 2019

Paul MUNNINGS
Experience: Director since 2014
Board Committees: Master Facilities Committee

Paul Adrian NORTHEY
Experience: Director since 23 April 2018
Board Committees: Finance Committee
Risk Committee
DIRECTORS’ REPORT
(cont’d)

Clare Margaret STEVEN
Experience: Director since 2013
Board Committees: Finance Committee

Riccardo TARANTO
Experience: Director since 2014
Board Committee: Master Facilities Committee (Chairperson)

Christopher WARD
Experience: Director since 2016
Board Committee: Master Facilities Committee
Finance Committee

Geoffrey Robert WARD
Experience: Director since 2016
Board Committee: Risk Committee

Stuart Ross WENN
Experience: Director since 2019
Board Committee: Finance Committee
Development Committee

Company Secretary
David Hugh NICHOLSON
Experience: Secretary since 2015
Business Manager since 2014
Board Committees: All Committees except Risk Committee

All directors have been in place for the financial year and to the date of this report, unless otherwise noted.
(b) The long term objective of ELTHAM College is to be a significant leader in schooling by creating a thinking environment where students develop and maximise their potential. The preamble to the 2018 Strategic Plan states that: "ELTHAM College grows the heart and mind of each child. We believe school is a daring adventure where children learn to think for themselves, in preparation for a future of exciting possibilities. Located in an extraordinary environment, students experience an engaging, rigorous, world ready curriculum while being supported with warmth, care and respect. At ELTHAM College we inspire!"

We aim to ensure ELTHAM College students are equipped to extend their learning within a forward thinking, individually tailored, technology rich environment. The ultimate aim of an ELTHAM College education is to create an environment for unlimited learning – where the bounds of knowledge and discovery can reach as far as a student’s imagination will take them. ELTHAM College students are preparing for life in a world that is ever-changing. Beyond academic learning, ELTHAM College students develop confidence, optimism, curiosity, flexibility, resilience and so learning to make wise choices to ensure success. ELTHAM College will provide experiences to challenge, encourage and support students to achieve their full potential and become true citizens of the world.

The Charter of ELTHAM College contains the following eight guiding elements, acknowledging the Wurundjeri people of the Kulin Nation as the traditional owners of the land on which ELTHAM College stands:

1. The thinking culture at ELTHAM College ensures students are equipped and motivated to extend their own learning within an interdisciplinary, forward thinking, technology rich environment; a place where they can develop passions and maximise their potential.
2. We prepare our students for life after school. With us they develop the wisdom, confidence, optimism, curiosity, flexibility and resilience to become passionate, active and engaged citizens of our ever-changing world.
3. Our students are supported by a caring community that promotes trust and respect, from interpersonal to community relationships. ELTHAM College values a strong voice in all students, which is encouraged by a culture of open minds and kind ears.
4. ELTHAM College offers students opportunities beyond the traditional academic domain, with exceptional visual and performing arts, sport, technology, hospitality, outdoor education, international exchange and intercultural connection programs that challenge and inspire.
5. ELTHAM College staff embrace excellence, encourage new ideas and foster collaboration. All staff lead by example and are committed to the culture of unlimited learning for themselves as professionals and for their students.
6. ELTHAM College’s bushland setting provides a unique opportunity for students to gain respect for, and an understanding of, the natural environment. From its foundation ELTHAM College has fostered a culture that aspires to sustainable and responsible practices. Coupled with our City Experience, opportunities for our students to experience different worlds are plentiful.
7. ELTHAM College engages with our local and global community to ensure students value their place in the world, and understand their ethical and responsible contribution to that world. ELTHAM College has a vibrant and passionate parent community, who support the distinct values and spirit of the College. Past ELTHAM College students, staff and families stay connected via our active alumni body. ELTHAM College is also well supported by its strong relationship with the ELTHAM College Foundation.
8. Our kind of leadership means our students build a world-class leadership program, our Executive embraces contemporary educational thinking, with a desire to invoke change, and our Board sets the direction of ELTHAM College while ensuring sound financial management, good governance, and development of an innovative planning agenda.

Achievement of these objectives is measured and monitored regularly by the ELTHAM College Board and its committees. ELTHAM College monitors performance in all the traditional ways set by Government (VCE, ATAR scores, NAPLAN testing) as well as regular assessment of learning. ELTHAM College conducts formal surveys of staff, students and parents to assess the success of our 21st Century schooling objectives.

The objectives relating to enrolment levels and financial performance and integrity are measured and monitored by the Finance Committee of the Board throughout the year and reported to the full Board at each of its meetings during the year.

The Risk Committee of the Board monitors compliance and assesses ELTHAM College’s exposure to risk and the effective management of risk and reports to the full Board at each of its meetings during the year.

The Master Facilities Planning Committee reviews and assesses the integrity of current and future building projects and reports to the full Board at each of its meetings during the year.
The Development Committee seeks to engender a culture of philanthropy, plans fundraising programs and reports to the full Board at each of its meetings during the year.

All Board and Executive Reviews, and the daily operations of our schools, are conducted in accordance with the Strategic Directions of the entity as described in ELTHAM College’s 5-year Strategic Business Plan.

(c) The loss from operations of ELTHAM College for the year ended 31 December 2019 was $1,120,011 (2018: surplus $272,592).

It was not necessary to make provision for Income Tax as ELTHAM College claims exemption from Income Tax under the Income Tax Assessment Act 1997.

(d) An amount of $52,338 (2018: $69,985) was paid to Clarke Hopkins Clarke for architectural and project management services, of which former Director Justin Littlefield is a partner.

An amount of $10,006 (2018: $4,810) was paid to Image Mill for signage, of which Director Paul Munnings is the owner.

Except for the above no director of ELTHAM College has received or become entitled to receive a benefit by reason of a contract made by ELTHAM College or a related corporation with a director or with a firm of which he/she is a member or with a Company in which he/she has a substantial material interest. The above mentioned payments are considered to have been made on normal commercial terms and conditions.

(e) No matters or circumstances have arisen since the end of the financial year, which have significantly affected or may significantly affect the operations of ELTHAM College, the result of those operations or the state of affairs of ELTHAM College in subsequent financial years.

(f) ELTHAM College has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of ELTHAM College or of a related body corporate:

* indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
* paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings except for the payment of a standard directors and officers liability insurance premium of $4,143 to cover events other than wilful breach of duty.

(g) No person has applied for leave of the Court to bring proceedings to which ELTHAM College is a party for the purpose of taking responsibility on behalf of ELTHAM College for all or any part of those proceedings. ELTHAM College was not a party to any such proceedings during the year.

(h) ELTHAM College’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

(i) The directors are of the opinion that ELTHAM College has complied with all relevant environmental legislation so far as it concerns the operations of ELTHAM College.

(j) The auditor’s independence declaration for the year ended 31 December 2019 is included on page 12.

(k) Members are required to pay $10 membership fees per year. Members guarantee to contribute an amount not exceeding $20 per member to the assets of ELTHAM College in the event of winding up.

Events other than those of a Financial nature:
Comments on all other aspects of ELTHAM College’s activities and future developments have been omitted from this report in favour of a full coverage of events which is contained in the Principal’s Report and the Chairman’s Report (refer pages 2 to 7 of the 2019 Annual Report) and to be presented on behalf of the Board of Directors to Members at the Annual General Meeting on the 24 June 2020.

DATED AT Research this 24th Day of March, 2020.

M.D. HOULIHAN
Director

N. KARA
Director
24 March 2020

Dear Board Members

Eltham College Limited

In accordance with the Subdivision 60-C of Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of Eltham College Limited.

As lead audit partner for the audit of the financial statements of Eltham College Limited for the financial year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

[Signature]

DELOITTE TOUCHE TOHMATSU

Sandra Lawson
Partner
Chartered Accountants

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Independent Auditor’s Report

to the Members of Eltham College Limited

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Eltham College Limited (the "Entity"), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors’ declaration.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (the “ACNC Act”), including:

(i) giving a true and fair view of the 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 company and its controlled entities in accordance with the auditor independence requirements of the 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 directors’ 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

The Directors are responsible for the other information. The other information comprises of the Directors’ 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 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.

The Directors’ Responsibilities for the Financial Report

The Directors are responsible for the preparation and fair presentation 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 and is appropriate to meet the needs of the members. The Directors’ responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the entity 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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company and its controlled entities’ internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

• Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company and its controlled entities’ ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company and its controlled entities’ to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE TOUCHE TOHMATSU

Sandra Lawson
Partner
Chartered Accountants
Melbourne, 24 March 2020
DIRECTORS’ DECLARATION

As detailed in Note 1 to the financial statements, ELTHAM College is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, the financial report is a special purpose financial report prepared in order to meet the needs of Members and which has been prepared specifically for distribution to members in accordance with ELTHAM College’s constitution. The report has been prepared in order to meet the directors’ reporting requirements under the Australian Charities and Not-for-profits Commission Act 2012.

The directors declare that:

a) in the directors’ opinion, there are reasonable grounds to believe that ELTHAM College will be able to pay its debts as and when they become due and payable; and

b) in the directors’ opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including compliance with accounting standards and giving a true and fair view of the financial position and performance of ELTHAM College.

Signed in accordance with a resolution of the directors made pursuant to s60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the directors

R.E. BAILEY
Director

J.L. GRANT
Director

DATED at Research this 24th Day of March, 2020.
## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$20,993,961</td>
<td>$20,981,935</td>
</tr>
</tbody>
</table>

**Less expenses**

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and related expenses</td>
<td>$14,816,327</td>
<td>$14,187,020</td>
</tr>
<tr>
<td>Tuition related expenses</td>
<td>$1,821,898</td>
<td>$1,749,533</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>$44,861</td>
<td>$38,680</td>
</tr>
<tr>
<td>Imputed interest on leases</td>
<td>$124,665</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$2,390,397</td>
<td>$1,939,564</td>
</tr>
<tr>
<td>Finance and legal</td>
<td>$295,330</td>
<td>$224,011</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>$511,346</td>
<td>$446,277</td>
</tr>
<tr>
<td>Facility costs</td>
<td>$1,575,331</td>
<td>$1,642,468</td>
</tr>
<tr>
<td>Promotion and marketing expenses</td>
<td>$533,817</td>
<td>$481,790</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$22,113,972</td>
<td>$20,709,343</td>
</tr>
</tbody>
</table>

(Deficit)/Surplus from operations

<table>
<thead>
<tr>
<th>Description</th>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Deficit)/Surplus from operations</td>
<td></td>
<td>$(1,120,011)</td>
<td>$272,592</td>
</tr>
<tr>
<td>(Deficit)/Surplus attributable to members of the entity</td>
<td></td>
<td>$(1,120,011)</td>
<td>$272,592</td>
</tr>
</tbody>
</table>

**Other Comprehensive Income**

<table>
<thead>
<tr>
<th>Description</th>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial (Loss)/gain on defined benefits plan</td>
<td>12</td>
<td>$(4,000)</td>
<td>$(27,000)</td>
</tr>
<tr>
<td>Gain on revaluation of properties</td>
<td>13a</td>
<td>-</td>
<td>$750,000</td>
</tr>
<tr>
<td><strong>Total other comprehensive income for the year</strong></td>
<td></td>
<td>$(4,000)</td>
<td>$723,000</td>
</tr>
</tbody>
</table>

**Total Comprehensive income for the year**

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Comprehensive income for the year</td>
<td>$(1,124,011)</td>
<td>$995,592</td>
</tr>
</tbody>
</table>
### STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4</td>
<td>234,137</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>5</td>
<td>1,039,071</td>
</tr>
<tr>
<td>Inventories</td>
<td>6</td>
<td>163,334</td>
</tr>
<tr>
<td>Prepayments</td>
<td>7</td>
<td>357,753</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>1,794,295</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>8</td>
<td>26,734,725</td>
</tr>
<tr>
<td>Right of Use Asset</td>
<td></td>
<td>2,331,576</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td>29,066,301</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>30,860,596</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>9</td>
<td>4,192,217</td>
</tr>
<tr>
<td>Provisions</td>
<td>11</td>
<td>2,721,177</td>
</tr>
<tr>
<td>Lease Liabilities</td>
<td></td>
<td>249,772</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td></td>
<td>78,232</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td>7,241,398</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease liabilities</td>
<td></td>
<td>2,272,289</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td></td>
<td>258,755</td>
</tr>
<tr>
<td>Borrowings</td>
<td>10</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Provisions</td>
<td>11</td>
<td>138,937</td>
</tr>
<tr>
<td>Retirement benefit obligations</td>
<td></td>
<td>43,000</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td></td>
<td>4,712,981</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td>11,954,379</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td>18,906,217</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>13</td>
<td>13,977,013</td>
</tr>
<tr>
<td>Asset revaluation reserve</td>
<td>13a</td>
<td>4,929,204</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td>18,906,217</td>
</tr>
</tbody>
</table>

The Notes to the Accounts form an integral part of these Financial Statements
## STATEMENT OF CHANGES IN EQUITY

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds</th>
<th>Asset Revaluation Reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2018</td>
<td>15,277,187</td>
<td>4,179,204</td>
<td>19,456,391</td>
</tr>
<tr>
<td>Surplus for the year 2018</td>
<td>272,592</td>
<td>-</td>
<td>272,592</td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td>(27,000)</td>
<td>750,000</td>
<td>723,000</td>
</tr>
<tr>
<td>Total comprehensive Income for the year</td>
<td>245,592</td>
<td>750,000</td>
<td>995,592</td>
</tr>
<tr>
<td>Balance as at 31 December 2018</td>
<td>15,522,779</td>
<td>4,929,204</td>
<td>20,451,983</td>
</tr>
</tbody>
</table>

Adoption of AASB 16
- Adoption of AASB 15

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds</th>
<th>Asset Revaluation Reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption of AASB 16</td>
<td>(99,463)</td>
<td>-</td>
<td>(99,463)</td>
</tr>
<tr>
<td>Adoption of AASB 15</td>
<td>(322,292)</td>
<td>-</td>
<td>(322,292)</td>
</tr>
<tr>
<td><strong>Balance at 1 January 2019</strong></td>
<td><strong>15,101,024</strong></td>
<td><strong>4,929,204</strong></td>
<td><strong>20,030,228</strong></td>
</tr>
<tr>
<td>Deficit for the year 2019</td>
<td>(1,120,011)</td>
<td>-</td>
<td>(1,120,011)</td>
</tr>
<tr>
<td>Other comprehensive loss for the year</td>
<td>(4,000)</td>
<td>-</td>
<td>(4,000)</td>
</tr>
<tr>
<td>Total comprehensive loss for the year</td>
<td>(1,124,011)</td>
<td>-</td>
<td>(1,124,011)</td>
</tr>
<tr>
<td>Balance at 31 December 2019</td>
<td>13,977,013</td>
<td>4,929,204</td>
<td>18,906,217</td>
</tr>
</tbody>
</table>

The Notes to the Accounts form an integral part of these Financial Statements
# STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOW FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from fundraising</td>
<td>633,362</td>
<td>626,208</td>
</tr>
<tr>
<td>Receipts from school fees, grants and other income</td>
<td>21,210,344</td>
<td>20,453,893</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(19,037,692)</td>
<td>(19,229,414)</td>
</tr>
<tr>
<td>Interest received</td>
<td>560</td>
<td>1,526</td>
</tr>
<tr>
<td>Interest and other costs of finance paid</td>
<td>(44,861)</td>
<td>(38,680)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>2,761,713</td>
<td>1,813,533</td>
</tr>
<tr>
<td><strong>CASH FLOW FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>17,683</td>
<td>4,039</td>
</tr>
<tr>
<td>Purchases of property, plant and equipment</td>
<td>(3,056,870)</td>
<td>(2,250,561)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(3,039,187)</td>
<td>(2,246,522)</td>
</tr>
<tr>
<td><strong>CASH FLOW FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net proceeds from borrowings</td>
<td>500,000</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of lease liability</td>
<td>(229,596)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td>270,404</td>
<td>-</td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
<td>(7,070)</td>
<td>(432,989)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the financial year</td>
<td>241,207</td>
<td>674,196</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the financial year</strong></td>
<td>234,137</td>
<td>241,207</td>
</tr>
</tbody>
</table>

The Notes to the Accounts form an integral part of these Financial Statements
1. Statement of Accounting Policies
This financial report is a special purpose financial report prepared in order to meet the needs of Members and which has been prepared specifically for distribution to Members in accordance with ELTHAM College’s constitution. The directors have determined that ELTHAM College is not a reporting entity. The report has been prepared in order to meet the directors’ reporting requirements under the Australian Charities and Not-for-profits Commission Act 2012.

For the purposes of preparing the financial statements, ELTHAM College is a not-for-profit entity. The financial report has been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, the recognition and measurement principles of Australian Accounting Standards and the disclosure requirements of Accounting Standards AASB 101 ‘Presentation of Financial Statements’, AASB 107 ‘Cash Flow Statements’ AASB 108 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ and AASB 1054 ‘Australian Additional Disclosures’.

The financial report was authorised for issue by the directors on 24 March, 2020. ELTHAM College is a company limited by guarantee, incorporated and domiciled in Australia. The financial report covers ELTHAM College as an individual entity.

The financial report is prepared on an accruals basis and is based on historic costs except for the measurement of freehold land.

Working Capital Management
The financial report has been prepared on the going concern basis. While the Statement of Financial Position discloses a net current asset deficiency of $5,447,103 (2018: $3,649,029), fees billed and/or received in advance of $2,099,621 (2018: $1,182,344) and long service leave liabilities of $1,665,643 (2018: $1,547,388) are included as current liabilities. The fees billed and/or received in advance will be fully utilised in the operations of ELTHAM College in the following and future years. The total outstanding long service leave liability is not expected to be paid in full in the next 12 months. Family deposits of $838,067 (2018: $897,828) are also included as a current liability as they may be repayable within a period of less than 12 months should a student leave ELTHAM College. These deposits do not vary significantly from period to period and until 31 December 2016 were a requirement of new students being enrolled at ELTHAM College. The directors therefore believe that these deposits form part of the long term funding of ELTHAM College. In January 2020, recurrent grant funding of $2,162,426 has been received which is used to fund recurrent cash flows. (2019: $2,063,739)

ELTHAM College has no current liabilities in respect of bank loans due to borrowings with Bendigo and Adelaide Bank. Borrowings of ELTHAM College are secured by business loans on a ten year term from 2013. At 31 December 2019, $1,000,000 of the available loan facility remains undrawn and the drawdown amount as at 31 December 2019 was $2,000,000 and disclosed as non-current liability.

Critical accounting judgements and key sources of estimation uncertainty
In the application of ELTHAM College’s accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and are detailed in this report within each applicable note. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. These are described below in ELTHAM’s College’s accounting policies.

Judgements are made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements. One of these areas is depreciation rates. These rates are reviewed annually by the directors to ensure that assets are being appropriately depreciated.

Judgements are made in relation to the student retention rates used when determining the deferral income recognised. Retention rates are calculated based on the historical actual data and management’ expectation of the average length students are expecting to stay in the ELTHAM College and the deferred enrolment fees are amortised on straight lining based on this.

Due to the nature of receivables, the ability of parents to pay fees can change from time to time. Under the requirements of the expected loss model per AASB 9, the entire debtor book is regularly assessed and an expected loss provision is raised. Additionally, all long standing debts are identified and those which are unlikely to be received have been specifically included in the provision for doubtful debts. These judgments are primarily based on the past history of the debtor book and any correspondence with parents.

Employee leave estimates include the expected future pay rise amount, probability rates of employees reaching their vesting period and discount rates as determined by the Board, other estimates are used by the actuary in calculating the defined benefit amounts which include the discounted bond rates and return on assets.

No key assumptions have been made concerning the future and there are no other key sources of estimation uncertainty at the balance date that the directors consider have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.
Accounting policy

Recognition and Derecognition
Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the
financial instrument.

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

Impairment of financial assets
The entity recognises a loss allowance for expected credit losses in respect of trade receivables. The amount of expected credit
losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial
instrument.

Trade and other receivables
The College makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and
records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the
College uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses
using a provision matrix.

2. Summary of significant accounting policies

In the current year, the College has adopted all of the new and revised Standards and Interpretations issued by the Australian
Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins
on or after 1 January 2019.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the
College include:

- AASB 15 Revenue from Contracts with Customers (AASB 15)
- AASB 1058 Income of Not-for-Profit Entities (AASB 1058)
- AASB 16 Leases
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit
  Entities (AASB 2016-8)
- AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities (AASB 2018-
  8)

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

In the current year, the College has applied AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts
with Customers which is effective for an annual period that begins on or after 1 January 2019.

The College has applied AASB 1058 and AASB 15 in accordance with the modified retrospective (cumulative catch-up) method
where the comparative years are not restated. Instead, the College has recognised the cumulative effect of initially applying
AASB 1058 and AASB 15 for the first time for the year ending 31 December 2019 against retained earnings as at 1 January
2019. The College has also elected to apply AASB 1058 and AASB 15 retrospectively only to contracts and transactions that are
not 'completed contracts' as at 1 January 2019.

Financial statement impacts
The College's accounting policies for its revenue streams are disclosed in detail in note (g) below. The application of AASB 15 and
AASB 1058 has not had a significant impact on the financial position and/or financial performance of the College. The impact
of adopting these new accounting standards were increased of deferred enrolment fee by $336,987 at 31 December 2019 and
decreased retained earning by $322,292 at 1 January 2019 and decreased current year's operating result by $14,695.

AASB 16 Leases

AASB 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial
statements for both lessors and lessees. AASB 16 supersedes AASB 117 Leases and the related Interpretations and is effective
for accounting periods beginning on or after 1 January 2019. The date of initial application of AASB 16 for the College was 1
January 2019.

In accordance with the transition provisions in AASB 16 the new rules have been adopted with the cumulative effect of initially
applying the new standard recognised on 1 January 2019. Comparatives for the 2018 financial year have not been restated.

On adoption of AASB 16, the College recognised lease liabilities in relation to leases which had previously been classified as
'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining
lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019.
NOTES TO THE FINANCIAL STATEMENTS
(cont’d)

In applying AASB 16 for the first time, the College has used the following practical expedients permitted by the standard:

• The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases; and
• The exclusion of leases for assets deemed to be of low value.

Applying AASB 16 for all leases in scope the College:

• Recognises right-of-use assets at the carrying amount of the asset as if the standard had always been applied
• Recognises the lease liabilities in the statement of financial position as the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate
• Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows
• Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss

As at 1 January 2019, the College has recognised a right-of-use asset of $2,652,194 and a corresponding lease liability of $2,751,657 in respect of all these leases. The impact on profit or loss in 2019 is to decrease other expenses by $309,756, to increase depreciation by $320,617 and to increase interest expense by $124,665.

AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-use Assets of Not-for-Profit Entities.

In the current year, the College has applied AASB 2018-8 which is effective for an annual period that begins on or after 1 January 2019.

New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the College has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

<table>
<thead>
<tr>
<th>Standard/amendment</th>
<th>Effective for annual reporting periods beginning on or after</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements</td>
<td>1 January 2020</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Standard/amendment</th>
<th>Effective for annual reporting periods beginning on or after</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 1059 Service Concession Arrangements: Grantors</td>
<td>1 January 2020</td>
</tr>
<tr>
<td>AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059</td>
<td>1 January 2020</td>
</tr>
<tr>
<td>AASB 1059</td>
<td></td>
</tr>
</tbody>
</table>

The College is currently undertaking a review of the issued standards not yet effective but believe none of the standards will have any significant impact.

(a) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less where applicable, accumulated depreciation, except for freehold land which is measured at fair value.

Property

Buildings held for use for the provision of services or for administrative purposes are measured on the cost basis.

Freehold land is held at a revalued amount being the fair value at the date of revaluation. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Plant and Equipment

Items of plant and equipment are measured on the cost basis.

The carrying amount of property, plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount of those assets based on depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.
Depreciation
The depreciation amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives commencing from the first accounting year following the date of acquisition.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating profit of the company in the year of disposal.

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

<table>
<thead>
<tr>
<th>Class of fixed Asset</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>2.5 %</td>
</tr>
<tr>
<td>Furniture, equipment &amp; improvements</td>
<td>10% - 20%</td>
</tr>
<tr>
<td>Computer related equipment</td>
<td>33.3%</td>
</tr>
<tr>
<td>Right of use asset</td>
<td>Straight line over the lease agreement</td>
</tr>
</tbody>
</table>

(b) Income Tax
The income of ELTHAM College is exempt from income tax by virtue of the Income Tax Assessment Act 1997.

(c) Fee Income
The amount shown in respect of fee income is the net amount after deducting discounts.

(d) Membership Subscriptions
Members are required to pay a $10 membership fee per year. Members guarantee to contribute an amount not exceeding $20 per member to the assets of ELTHAM College in the event of winding up.

(e) Employee entitlements
Provision is made for ELTHAM College’s liability for employee entitlements arising from services rendered by employees to reporting date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and long service leave which will be settled after one year. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

ELTHAM College has increased the provision for long service so as to recognise, in addition to vested liabilities arising from employees reaching seven years of service, the further liability of future entitlements to long service leave based on the probability of employees with less than seven years of service reaching an entitlement. This measurement is in accordance with Accounting Standard AASB 119 Employee Benefits.

Contributions are made by ELTHAM College to employee superannuation funds and are charged as expenses when incurred. The accounting policy for defined benefit fund is outlined in note (j).

(f) Revenue
Revenue from tuition fees, composite fees are recognised upon the delivery of the service or goods. Government grants are recognised as and when received. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue received for capital purposes and endowments is recorded as income through the profit or loss and then transferred to capital reserves or endowment reserves.

In addition to tuition income, ELTHAM College receives a fee upon enrolment of a student into an upcoming year. Under AASB 118 this fee was recognised as revenue when received. Under AASB 15, this fee represents a material right to receive future tuition services (being education as the fee entitles the student to a place in the school) and thus will be recognised as revenue over the expected school life of the student at the College. All future enrolment fees will be recognised as a liability upon receipt and then amortised to revenue over the expected school life of the student.

(g) Cash & Cash Equivalents
For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts, and investments in money market instruments.

(h) Impairment of Assets
At each reporting date, ELTHAM College reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, ELTHAM College estimates the recoverable amount of the cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.
NOTES TO THE FINANCIAL STATEMENTS
(cont’d)

Assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that the asset may be impaired.

The entity recognises a loss allowance for expected credit losses trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

(i) Defined Benefits Superannuation Fund
In respect of defined benefit plans, the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted annually. Consideration is given to any event that could impact the funds up to balance sheet date where the interim valuation is performed at an earlier date.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligations adjusted for any unrecognised actuarial gains and losses and unrecognised past service costs less the fair value of the plan’s assets. Any asset recognised is limited to unrecognised actuarial losses, plus the present value of available refunds and reductions in future contributions to the plan.

Actuarial gains and losses are amortised over the expected average remaining working lives of the participating employees in the scheme. Gains or losses on the curtailment of or settlement of a defined benefits plan are recognised on the income statement when ELTHAM College is demonstrably committed to the curtailment or settlement.

Past service costs are recognised when incurred to the extent that benefits are vested, and otherwise amortised on a straight-line basis over the vesting period.

(j) Financial instruments

Loans and receivables, including parent loans
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Parent loans are repayable on demand and therefore classified as current liabilities.

Financial liabilities
Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Recognition and Derecognition

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the financial instrument.

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

Impairment of financial assets

The entity recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Trade and other receivables
The College makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the College uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

(k) Borrowing Costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

(l) Payables

Trade payables and other accounts payable are recognised when ELTHAM College becomes obliged to make future payments resulting from the purchase of goods and services.

(m) Provisions

Provisions are recognised when a present obligation (legal or constructive) as a result of a past event exists, it is probable that the obligation will be required to be settled, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

(n) Members

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership as at 31 December</td>
<td>680</td>
<td>642</td>
</tr>
</tbody>
</table>
## NOTES TO THE FINANCIAL STATEMENTS
*(cont’d)*

### For the year ended 31 December 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>2. Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee Income - Net</td>
<td>14,992,982</td>
<td>14,703,058</td>
</tr>
<tr>
<td>Government Per Capita Grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Victorian State Government</td>
<td>453,196</td>
<td>418,322</td>
</tr>
<tr>
<td>- Federal Government</td>
<td>3,845,849</td>
<td>3,696,046</td>
</tr>
<tr>
<td></td>
<td>4,299,045</td>
<td>4,114,368</td>
</tr>
<tr>
<td>Victorian State Government Grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Early Learning Centre</td>
<td>28,875</td>
<td>31,440</td>
</tr>
<tr>
<td>- Other</td>
<td>45,204</td>
<td>67,467</td>
</tr>
<tr>
<td></td>
<td>74,079</td>
<td>98,907</td>
</tr>
<tr>
<td>Federal Government Grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Capital Grants</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Other Government Grants</td>
<td>21,502</td>
<td>37,670</td>
</tr>
<tr>
<td></td>
<td>21,502</td>
<td>37,670</td>
</tr>
<tr>
<td>Gain on disposals of plant and equipment</td>
<td>17,682</td>
<td>4,039</td>
</tr>
<tr>
<td>Interest Received</td>
<td>560</td>
<td>1,526</td>
</tr>
<tr>
<td>Other income</td>
<td>954,749</td>
<td>1,396,159</td>
</tr>
<tr>
<td>Fundraising 2(a)</td>
<td>633,362</td>
<td>626,208</td>
</tr>
<tr>
<td></td>
<td>1,606,353</td>
<td>2,027,932</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>20,993,961</td>
<td>20,981,935</td>
</tr>
</tbody>
</table>

### 2(a) Fundraising Receipts

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Building Fund</td>
<td>208,362</td>
<td>101,208</td>
</tr>
<tr>
<td>ELTHAM College Community Association</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>ELTHAM College Foundation Ltd</td>
<td>400,000</td>
<td>500,000</td>
</tr>
<tr>
<td></td>
<td>633,362</td>
<td>626,208</td>
</tr>
</tbody>
</table>

### 3. Surplus from Operations

Surplus from operations has been determined after:

#### Expenses

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Borrowing costs – other persons</td>
<td>44,861</td>
<td>38,680</td>
</tr>
<tr>
<td>Finance cost on capitalised lease</td>
<td>124,665</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation of non-current assets</td>
<td>2,390,397</td>
<td>1,939,564</td>
</tr>
<tr>
<td>Movement in provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee entitlements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Holiday pay</td>
<td>10,946</td>
<td>1,888</td>
</tr>
<tr>
<td>- Long Service Leave</td>
<td>133,569</td>
<td>162,001</td>
</tr>
<tr>
<td>- Study Leave</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>- Salary Accrual</td>
<td>90,163</td>
<td>(80,416)</td>
</tr>
<tr>
<td>Expenses resulting from movement in Provisions</td>
<td>240,678</td>
<td>89,473</td>
</tr>
<tr>
<td>Bad and doubtful debts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Bad debts written off</td>
<td>30,327</td>
<td>8,013</td>
</tr>
<tr>
<td>Increase (Decrease) in Provision for Doubtful Debts</td>
<td>1,689</td>
<td>12,661</td>
</tr>
<tr>
<td><strong>Total bad and doubtful debts</strong></td>
<td>32,016</td>
<td>20,674</td>
</tr>
<tr>
<td>Rental Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-City Campus</td>
<td>-</td>
<td>309,756</td>
</tr>
<tr>
<td>Remuneration of auditors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The auditor is Deloitte Touche Tohmatsu</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Audit or review of the financial report</td>
<td>45,444</td>
<td>45,000</td>
</tr>
<tr>
<td></td>
<td>45,444</td>
<td>45,000</td>
</tr>
</tbody>
</table>
### 4. Cash and Cash Equivalents

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>2,100</td>
<td>2,200</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>232,037</td>
<td>239,007</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>234,137</strong></td>
<td><strong>241,207</strong></td>
</tr>
</tbody>
</table>

### 5. Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>School fees outstanding</td>
<td>496,707</td>
<td>550,940</td>
</tr>
<tr>
<td>Less allowance for doubtful debts</td>
<td>(139,775)</td>
<td>(138,086)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>356,932</strong></td>
<td><strong>412,854</strong></td>
</tr>
<tr>
<td>Cash at Bank held for defined benefit fund</td>
<td>554,706</td>
<td>509,789</td>
</tr>
<tr>
<td>Other</td>
<td>127,433</td>
<td>99,154</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,039,071</strong></td>
<td><strong>1,021,797</strong></td>
</tr>
</tbody>
</table>

### 6. Current Inventories

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work in progress - Wine production</td>
<td>163,334</td>
<td>143,574</td>
</tr>
</tbody>
</table>

### 7. Other current Assets

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>357,753</td>
<td>441,662</td>
</tr>
</tbody>
</table>

### 8. Property, Plant and Equipment

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold land at fair value</td>
<td>6,860,000</td>
<td>6,860,000</td>
</tr>
<tr>
<td>Buildings and site services</td>
<td>41,764,466</td>
<td>39,354,354</td>
</tr>
<tr>
<td>Adoption of AASB16 Leases on 1 January 2019</td>
<td>2,652,194</td>
<td>-</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(24,006,789)</td>
<td>(22,577,645)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20,409,871</strong></td>
<td><strong>16,776,709</strong></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>13,782,412</td>
<td>13,172,154</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(11,985,982)</td>
<td>(11,061,228)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29,066,301</strong></td>
<td><strong>25,747,635</strong></td>
</tr>
</tbody>
</table>

#### 8(a) Movements in Carrying Amounts

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

**2018**

<table>
<thead>
<tr>
<th></th>
<th>Freehold Land</th>
<th>Buildings &amp; Improvements</th>
<th>Right of use assets</th>
<th>Plant &amp; Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2018</td>
<td>6,110,000</td>
<td>17,177,743</td>
<td>-</td>
<td>1,398,895</td>
<td>24,686,638</td>
</tr>
<tr>
<td>Adoption of AASB16</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Addition</td>
<td>-</td>
<td>903,935</td>
<td>-</td>
<td>1,346,626</td>
<td>2,250,561</td>
</tr>
<tr>
<td>Revaluation increment</td>
<td>750,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>750,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>(1,304,969)</td>
<td>-</td>
<td>(634,595)</td>
<td>(1,939,564)</td>
</tr>
<tr>
<td><strong>Carrying amount at end of Year</strong></td>
<td><strong>6,860,000</strong></td>
<td><strong>16,776,709</strong></td>
<td>-</td>
<td><strong>2,110,926</strong></td>
<td><strong>25,747,635</strong></td>
</tr>
</tbody>
</table>

**2019**

<table>
<thead>
<tr>
<th></th>
<th>Freehold Land</th>
<th>Buildings &amp; Improvements</th>
<th>Right of use assets</th>
<th>Plant &amp; Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2019</td>
<td>6,860,000</td>
<td>16,776,709</td>
<td>-</td>
<td>2,110,926</td>
<td>25,747,635</td>
</tr>
<tr>
<td>Adoption of AASB16</td>
<td>-</td>
<td>2,446,612</td>
<td>2,652,194</td>
<td>-</td>
<td>5,105,167</td>
</tr>
<tr>
<td>Addition</td>
<td>-</td>
<td>(1,145,026)</td>
<td>(320,617)</td>
<td>610,258</td>
<td>3,056,870</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>(1,145,026)</td>
<td>(320,617)</td>
<td>(924,754)</td>
<td>(2,390,397)</td>
</tr>
<tr>
<td><strong>Carrying amount at end of Year</strong></td>
<td><strong>6,860,000</strong></td>
<td><strong>18,078,298</strong></td>
<td><strong>2,331,576</strong></td>
<td><strong>1,796,430</strong></td>
<td><strong>29,066,301</strong></td>
</tr>
</tbody>
</table>
## 9. Trade and Other Payables
### Current
- **Fees in advance**  
  2019: $2,099,621  
  2018: $1,182,344  
- **Parent deposits**  
  2019: $838,067  
  2018: $897,928  
- **Trade payables**  
  2019: $237,107  
  2018: $114,920  
- **PAYG Tax**  
  2019: $-  
  2018: $2,713  
- **Superannuation**  
  2019: $122,006  
  2018: $120,624  
- **Accrued Expenses**  
  2019: $390,265  
  2018: $203,580  
- **Fringe Benefits Tax**  
  2019: $-  
  2018: $17,814  
- **Other**  
  2019: $505,151  
  2018: $461,533  

### Total  
2019: $4,192,217  
2018: $3,001,456

## 10. Borrowings
### Non-Current
- **Bank Loans – Secured**  
  2019: $2,000,000  
  2018: $1,500,000  

### Total  
2019: $2,000,000  
2018: $1,500,000

### 10(a) The bank overdraft and bank loans are secured by First mortgages over freehold land and buildings. ELTHAM College has a $3,000,000 loan facility with Bendigo and Adelaide Bank Limited (refer note 16c).

### Current
- **Employee Benefits:**  
  - **Holiday Pay**  
    2019: $229,200  
    2018: $218,254  
  - **Long Service Leave**  
    2019: $1,665,643  
    2018: $1,547,388  
  - **Study Leave**  
    2019: $36,000  
    2018: $30,000  
  - **Salary Accrual**  
    2019: $790,334  
    2018: $700,171  

### Non-Current
- **Employee Benefits:**  
  - **Long Service Leave**  
    2019: $138,937  
    2018: $123,623

### 12. Retained Earnings
- **Balance at the beginning of the financial year**  
  2019: $15,522,779  
  2018: $15,277,187  
- **Adoption of AASB 16 Leases**  
  2019: $99,463  
  2018: $-  
- **Adoption of AASB 15 Deferred Revenue**  
  2019: $322,292  
  2018: $-  
- **Deficit for the year**  
  2019: $(1,120,011)  
  2018: $272,592  
- **Actuarial (loss)/gain on defined benefit plan**  
  2019: $(4,000)  
  2018: $(27,000)  

### Balance at end of the financial year  
2019: $13,977,013  
2018: $15,522,779

## 13. Equity
- **Retained earnings at end of financial year**  
  2019: $13,977,013  
  2018: $15,522,779  
- **Asset Revaluation Reserve**  
  2019: $4,929,204  
  2018: $4,929,204  

### Total Equity  
2019: $18,906,217  
2018: $20,451,983

### 13(a) Asset Revaluation Reserve
- **Opening Balance**  
  2019: $4,929,204  
  2018: $4,929,204  
- **Movement**  
  2019: $-  
  2018: $750,000  

### Closing Balance  
2019: $4,929,204  
2018: $4,929,204

---

NOTES TO THE FINANCIAL STATEMENTS  
(cont’d)
NOTES TO THE FINANCIAL STATEMENTS
(cont’d)

For the year ended 31 December 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>14. Commitments for Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>14(a) Capital Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No longer than 1 year</td>
<td>348,303</td>
<td>1,964,000</td>
</tr>
<tr>
<td><strong>14(b) Operating Lease Commitments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not longer than 1 year</td>
<td>-</td>
<td>426,380</td>
</tr>
<tr>
<td>Longer than 1 year but not longer than 5 years</td>
<td>-</td>
<td>1,407,776</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>1,834,156</td>
</tr>
</tbody>
</table>

**15. ELTHAM College is a public company limited by Guarantee, domiciled and incorporated in Australia, and is a not-for-profit organisation. Distributions to members are prohibited under ELTHAM College’s Constitution.**

**16. Notes to the Statement of Cash Flows**

**16(a) Reconciliation of Cash and Cash Equivalents**

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

<table>
<thead>
<tr>
<th>Cash and Cash Equivalents</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>2,100</td>
<td>2,200</td>
</tr>
<tr>
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</tr>
<tr>
<td>Total</td>
<td>234,137</td>
<td>241,207</td>
</tr>
</tbody>
</table>

**16(b) Surplus from the year to net cash flows operations with operating activities**

| Surplus for the year             | (1,120,011) | 272,592 |
| Non Cash Flows in Operating Profit: |         |         |
| Gain on sale or disposal of non-current assets | (17,682) | (4,039) |
| Depreciation and amortisation of non-current assets | 2,390,397 | 1,939,564 |
| Bad and doubtful debts           | 32,016   | 20,674  |
| Defined benefit scheme           | 16,000   | (4,000) |

**Change in Net Assets & Liabilities:**

| Increase in current receivables  | (49,290) | (15,127) |
| Decrease/(Increase) in prepayments | 83,909 | (24,818) |
| Increase in work in progress     | (19,760) | (16,617) |
| Increase in Deferred Revenue     | 14,695   | -       |
| Increase/(Decrease) in payables  | 273,484  | (563,027) |
| Increase in employee provisions  | 240,678  | 89,473  |
| Increase in pre-paid fees        | 917,277  | 118,858 |
| Net cash from operating activities | 2,761,713 | 1,813,533 |

**16(c) Standby arrangements with banks to provide funds and support facilities**

| Credit facility                  | 3,000,000 | 3,000,000 |
| Amount utilised                  | (2,000,000) | (1,500,000) |
| Unused credit facility           | 1,000,000 | 1,500,000 |
17. Subsequent Events
COVID-19 continues to be an emerging issue across the globe and within our school community. The impact of this issue, not only on the delivery of the education program, but on the possible future cash flows of ELTHAM College and family economic pressures are unknown and are not accounted for within this report.
Apart from the matter reported above, no other matters or circumstances have arisen since the end of the financial year, which have significantly affected or may significantly affect the operations of ELTHAM College, the result of those operations or the state of affairs of ELTHAM College in subsequent financial years.

18. ELTHAM College Details
Details and Registered office of ELTHAM College is:
ELTHAM College (ABN 31 004 992 750)
1660 Main Road
Research Victoria 3095
INCOME AND EXPENDITURE
2018 AND 2019

TOTAL REVENUE 2018
- 70% Net Tuition Fees
- 20% Government Grants
- 10% Other Income

TOTAL REVENUE 2019
- 70% Net Tuition Fees
- 20% Government Grants
- 10% Other Income

OPERATING EXPENSES 2018
- 69% Salaries and Related Expenses
- 8% Tuition Related Expenses
- 1% Borrowing Costs
- 9% Depreciation
- 1% Finance and Legal
- 2% Administrative Expenses
- 8% Facility Costs
- 2% Promotion

OPERATING EXPENSES 2019
- 69% Salaries and Related Expenses
- 8% Tuition Related Expenses
- 1% Borrowing Costs
- 9% Depreciation
- 1% Finance and Legal
- 2% Administrative Expenses
- 8% Facility Costs
- 2% Promotion