

**CENTRE OF VOCATIONAL EDUCATION PTY LTD**  
**A.B.N. 75 106 434 011**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30-Jun-12**

**CENTRE OF VOCATIONAL EDUCATION PTY LTD**  
**A.B.N. 75 106 434 011**

**CONTENTS**

Director's Declaration	1
Statement of Comprehensive Income	2
Statement of Financial Position	3
Notes to the Financial Statements	4
Auditor's Report	7

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DIRECTOR'S DECLARATION

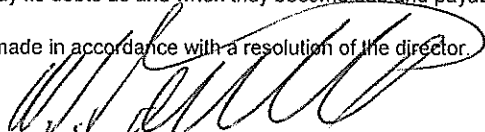
The director has determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The director of the company declares that:

- 1 The financial statements and notes, as set out on pages 2 to 6 present fairly the company's financial position as at 30 June 2012 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
- 2 In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director:

  
Mr William Joseph Vowell

Dated this 19 day of November 2012

**CENTRE OF VOCATIONAL EDUCATION PTY LTD**  
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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	2012 \$	2011 \$
<b>INCOME</b>		
Gross Income	7,046,231	4,011,055
<b>OTHER INCOME</b>		
Interest Received	71,387	33,744
	<u>7,117,618</u>	<u>4,044,799</u>
<b>EXPENSES</b>		
Employee Benefits Expense	437,620	529,627
Management Fees	2,094,455	1,785,916
Directors' Fees	247,545	52,000
Consulting Fees	330,000	0
Depreciation Expense	122,183	40,872
Repairs and Maintenance Expense	223,145	100,752
Interest Expense	14	1,062
Other Expenses	327,582	253,635
Training Expenses	360,018	90,718
Equipment Leasing Costs	596,250	81,904
Advertising	267,152	130,769
Motor Vehicle Expenses	100,712	61,844
Rent	450,456	410,045
	<u>5,557,132</u>	<u>3,539,144</u>
<b>Profit before income tax</b>	<u>1,560,486</u>	<u>505,655</u>
Income tax expense	467,185	158,753
<b>Profit after income tax</b>	<u>1,093,301</u>	<u>346,902</u>
 Other comprehensive income	 0	 0
<b>Total comprehensive income for the year</b>	<u>1,093,301</u>	<u>346,902</u>

The accompanying notes form part of these financial statements.

**CENTRE OF VOCATIONAL EDUCATION PTY LTD**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2012**

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		806,000	38,238
Trade and other receivables	2	751,194	503,900
<b>TOTAL CURRENT ASSETS</b>		<u>1,557,194</u>	<u>542,138</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	2	186,793	113,197
Property, plant and equipment	3	568,557	323,516
<b>TOTAL NON-CURRENT ASSETS</b>		<u>755,350</u>	<u>436,713</u>
<b>TOTAL ASSETS</b>		<u>2,312,544</u>	<u>978,852</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4	322,225	352,206
Bank Overdraft		26,329	0
Provisions	5	411,674	149,514
<b>TOTAL CURRENT LIABILITIES</b>		<u>760,228</u>	<u>501,720</u>
<b>NON-CURRENT LIABILITIES</b>			
Hire Purchase Liability		0	19,382
Provisions		8,148	6,883
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>8,148</u>	<u>26,265</u>
<b>TOTAL LIABILITIES</b>		<u>768,376</u>	<u>527,985</u>
<b>NET ASSETS</b>		<u>1,544,168</u>	<u>450,867</u>
<b>EQUITY</b>			
Issued capital			
Issued & Paid Up Capital		2	2
Retained earnings	6	1,544,166	450,865
<b>TOTAL EQUITY</b>		<u>1,544,168</u>	<u>450,867</u>

The accompanying notes form part of these financial statements.

**CENTRE OF VOCATIONAL EDUCATION PTY LTD**  
**A.B.N. 75 106 434 011**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

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**1 Statement of Significant Accounting Policies**

The director has prepared the financial statements on the basis that the company is a non reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the director has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of these statements are as follows:

**Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

**CENTRE OF VOCATIONAL EDUCATION PTY LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

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**Property, Plant and Equipment**

Property, plant and equipment are carried at cost, independent or director's valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus any related on-costs.

**Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

**CENTRE OF VOCATIONAL EDUCATION PTY LTD**  
A.B.N. 75 106 434 011

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	2012 \$	2011 \$
<b>2 Trade and Other Receivables</b>		
<b>Current</b>		
Sundry Debtors	5,423	4,988
Loans - Related Parties	397,309	292,018
Input Tax Credits	348,462	206,894
	<u>751,194</u>	<u>503,900</u>
<b>Non-Current</b>		
Loans - Related Parties	<u>186,793</u>	<u>113,197</u>
The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
<b>3 Property, Plant and Equipment</b>		
Plant & Equipment	577,192	319,546
Less: Accumulated Depreciation	<u>-162,488</u>	<u>-75,929</u>
	414,704	243,617
Motor Vehicles	143,677	43,887
Less: Accumulated Depreciation	<u>-25,896</u>	<u>-210</u>
	117,781	43,677
Office Furniture & Equipment	72,760	62,973
Less: Accumulated Depreciation	<u>-36,688</u>	<u>-26,750</u>
	36,072	36,223
<b>Total Plant and Equipment</b>	<u>568,557</u>	<u>323,516</u>
<b>Total Property, Plant and Equipment</b>	<u>568,557</u>	<u>323,516</u>
<b>4 Trade and Other Payables</b>		
<b>Current</b>		
Sundry Creditors	328,920	322,584
Accrued Expenses	0	18,589
PAYGW Creditor	4,217	5,170
Credit Cards	-16,527	3,663
Superannuation Payable	5,615	2,200
	<u>322,225</u>	<u>352,206</u>
<b>5 Provisions</b>		
<b>Current</b>		
Employee Benefits	21,090	13,067
Income Tax	390,584	136,447
	<u>411,674</u>	<u>149,514</u>
<b>Non-Current</b>		
Employee Benefits	<u>8,148</u>	<u>6,883</u>
	8,148	6,883
<b>6 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	450,865	103,963
Net profit attributable to members of the company	1,093,301	346,902
Retained earnings at the end of the financial year	<u>1,544,166</u>	<u>450,865</u>



## Centre of Vocational Education Pty Ltd

ABN 75 106 434 011

### Independent Audit Report to the members of Centre of Vocational Education Pty Ltd

#### Report on the financial report

We have audited the accompanying financial report of Centre of Vocational Education Pty Ltd (the company), which comprises the statement of financial position as at 30 June 2012, statement of comprehensive income, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

#### Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report, and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the company's constitution and the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

## Centre of Vocational Education Pty Ltd

ABN 75 106 434 011

### Independent Audit Report to the members of Centre of Vocational Education Pty Ltd

#### Auditor's opinion

In our opinion, the financial report presents fairly, in all material respects the financial position of Centre of Vocational Education Pty Ltd as at 30 June 2012 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 of the financial report.

#### Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting obligations under the company's constitution. As a result, the financial report may not be suitable for another purpose.

Saward Dawson Chartered Accountants



Tim Flowers  
Partner

Blackburn

Dated: 19 November 2012