



2020



**Diamond Valley
Learning Centre
RTO 3769**

ANNUAL REPORT

ABN: 58 891 533 250

www.dvlc.org.au

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President's Report



This is my sixth and final annual report as President (Chairman of the Board) of DVLC.

Although 2020 was a year with enormous challenges, it was also a year of remarkable achievements.

This short report, from a Board perspective, takes an overview of performance and activities. Greater detail is provided by the Chief Executive Officer and the Treasurer in their reports. The Annual Report document provides information on all aspects of the organisation's activities for the year.

The Coronavirus pandemic was the main cause of the challenges faced and the responses by Management and Staff were amazing. The way they adapted to restrictions and requirements is so appreciated by the Board and the commitment and sacrifices they made are commendable.

Veronica's CEO Report will have more of the operational material and I will not preempt that in my report.

For another year Veronica, as our CEO, has led the team with strength, commitment and determination. The whole team has achieved a degree of unity that makes for a balanced and organised performance that we all admire.

The Finance Report will show that we have done very well in 2020 and the whole Finance Team has performed extremely well in getting us to this result. Of significance for this report is the fact that we have been able to repay the entire debt to DEET whilst retaining a good surplus.

Although we didn't finally achieve registration of our Independent School, we have put ourselves in a good place to do so in this current year. Our ongoing relationship with Melbourne Polytechnic will help with this.

I express appreciation to various organisations that have again made donations and grants to help us with our goals. Of course, our main goal is to provide services to our students and community people and groups.

This AGM brings me to end of my role as Board Member as required by the Rules of Incorporation. Over the six years I have had the benefit of wonderful support by past and current Board Members and I wish to acknowledge and thank all, rather than singling out any. Working closely with Veronica as CEO has made the task both rewarding and pleasurable. I look forward to continuing involvement in other ways and, in particular, to the development of the Independent School.

My thanks to Michael Jakubowski and Nalin Perera for the contribution as Secretary and Treasurer respectively.

Ongoing Board Members are Ian Fisher, Nalin Perera, Veronica Kioria, Michael Jakubowski Jill Ramsay and Julie Hodgkins. Thomas Flitner will stand down from the Board to join the Board of Plenty River College.

It appears to me that there is good capacity in the Board to provide strong Governance for the future and I believe the Management is also in very capable hands.

To all of the people mentioned in this report and a whole group of others who are not specifically mentioned, I express my sincere thanks. I have experienced great pleasure in fulfilling my part in the work of our organisation and encourage you all to keep up the good work.

David Ling

President



Chief Executive Officer's Report



It is wonderful to sit here with you all and report on our performance in 2020. Last time we did this was in 2019, which now seems so far away due to the effects of 2020 which resulted in our online meeting. One of our teachers asked his students to describe 2020 in one word or phrase. Words like chaotic, depressing, confusion, lost, lonely, trapped were used. I am sure we all agree with them. 2020 was definitely a year like no other!

To survive as an organisation and continue providing our services to the community, we had to make drastic changes to how we teach, how we engage students, how we meet as staff and support each other as well as support our students and even how we meet our funding requirements. "You are on mute" became order of the day as we resorted to zoom meetings, zoom classes, zoom support and Google Classrooms.

Student attendance and engagement throughout the year was a challenge especially in VCAL and in some pre-accredited programs. Enrolments in VCAL dropped to 64 compared to 93 in previous year as new enrolments for Term 3 and 4 did not materialise. Though students' engagement dropped to an all-time low of about 54%, 27 students managed to complete their certificate level. 42 pre-accredited classes were delivered throughout the year to approximately 270 enrolments and 40 students enrolled into a vocational education and training (VET) course. Some programs could not run at all either online or face-to-face as our facilities could not meet COVID-19 on-site training requirements.

We went through a re-registration audit as a Registered Training Organisation (RTO). For the first time, the process was done remotely which resulted in scanning and uploading of hundreds of documents to the auditor. Though it was a gruelling and strenuous process, staff worked extremely hard and I am glad to report that we were successful. DVLC is now approved to provide vocational education and training (VET) for another 5 years. Mid-year, we applied to Victorian Regulations and Qualifications Authority (VRQA) to register an independent school. Though we withdrew this application later in the year, the application process put us on a good footing when submitting another application this year – the staff and the Board learnt so much from the process.

The financial position has continued to improve as shown in 2020 financial report. Our income increased to \$1,521,461 with a net surplus of \$145,140. With the solid financials, we were able to pay off the Department of Education and Training (DET) debt which we had been paying since 2017, providing a huge financial relief. We were also able to upgrade our printer and staff computers since the old computers were not sufficient to accommodate online/remote/virtual use.

These are but some of our achievements in 2020. More achievements have been captured in this AGM Booklet.

We could not have achieved these great strides without the work done by the staff and volunteers. Staff remained resilient throughout the year and continued to demonstrate their passion and dedication to DVLC's vision, and for that, I am deeply grateful. We are so proud

to have each one of you as part of our work family and humbly ask that you keep up the great work for many more years to come.

I want also to take this opportunity to thank the many local organisations for their support; Rotary International, Diamond Valley Railway, Melbourne Polytechnic, Banyule Council, Banyule Nillumbik Tech School, Banyule Nillumbik Local Learning & Employment Network, Lions Club of Eltham, Bunnings (Eltham), Diamond Valley Community Support and many others. You came through for us in a difficult year when your resources were limited and the community needs were overwhelming. Thank you for believing in our cause.

We are incredibly grateful to the Board for their commitment and support especially the outgoing chairman David Ling. Just like his Board which he has led for six years, David has performed his role with dedication and tenacity. He has not only answered my phone calls and offered help whenever I needed it but accompanied me to many very difficult meetings - with local schools, community organisations, local and state government departments - and passionately making and negotiating our case. As he stands down today, allow me on behalf of all staff and volunteers, to say a big thank you to you David Ling - for championing DVLC's mission, for standing with us and being there for me as CEO. I remember your words in a Board meeting in mid 2016 when DVLC was at the verge of folding up, you said: "DVLC will not fold, not under my watch". You have lived up to your words and have left DVLC in a solid position and with big vision of the future. Personally, I am honoured to have worked under your leadership and to grow under your wings. I look forward to more years at Plenty River College.

Veronica Kioria

Chief Executive Officer



Training Report

The DVLC Training department had good results in a difficult year. COVID-19 impacted our programs immensely, it was important we re-invented ourselves and the way we delivered training.

Many classes moved to Virtual Online delivery, using Zoom, which was a learning curve for everyone!

I'm proud of the achievements of our Team and what we managed to achieve in this difficult year.

DVLC delivered approximately 42 pre-accredited classes, with approximately 340 enrolments across ACFE, FFS and VET programs.

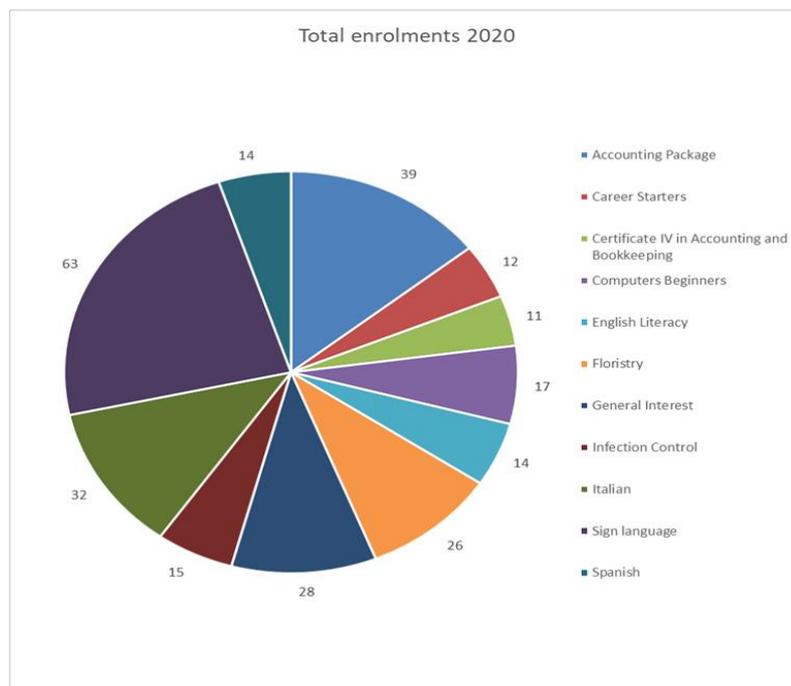
We had 11 students commence FNS40217 Cert IV in Accounting and Bookkeeping on 30 November, the course will run through until September 2021.

15 Students enrolled into HLTSS00064 Infection Control Skill Set, which also commenced in November and finishes early 2021.

Thank you to all our Teachers, Trainers, Tutors, Volunteers and Administration staff. I'm thankful for their dedication, commitment and support. We could not run our programs successfully without this valuable team.

Carol Conibear

Training, Records & Accounts Manager 2020



VCAL Report

The year started with two classes of VCAL students and this increased to three classes during Term 2. New enrolments for Term 3 and 4, did not happen due to COVID-19. We had 13 students officially withdraw from their VCAL program during the year and this left a total of 64 students enrolled at the end of the year.



VCAL Classes reverted to remote learning during Terms 2 and 3 in 2020 due to COVID-19. During this time, our teachers and wellbeing officers regularly contacted students via email, texts, telephone calls and held class and individual student Zoom meetings. Google Classroom played an important role for students and teachers for sending and receiving student work and providing feedback on students' progress.

In Term 4, students returned to face-to-face learning in the classroom and to undertake practical assessments in their VCAL and VET units of study.

An Awards Day was organised in November as an end of year celebration for the VCAL students and staff. On this day, certificates of student participation and individual student awards were presented. This was a wonderful day for both students and staff - an acknowledgement of their hard work and dedication in overcoming all the challenges of 2020.

VCAL Certificate Completions

VCAL Certificate completions for 2020 were as follows:

VCAL Certificate Level	VCAL Certificate Number of student completions
Foundation	2
Intermediate	12
Senior	13
Total	27

The Senior Secondary Completion and Achievement Information for DVLC 2020 is as follows:

Senior Secondary Completion and Achievement Information 2020					
Year	Number of VET Certificates with enrolments	Number of students enrolled in a VET Certificate	Number of students enrolled in a VCAL certificate	% of VET Units completed	% of VCAL Units completed
2020	6	64	64	46%	53%

Source: Victorian Curriculum and Assessment Authority, Senior Secondary Completion and Achievement Information 2017, 2018, 2019 and 2020

VCAL 2020 Pathways Outcomes

At the beginning of each year, the 2020 enrolled students are tracked by our Pathways and Careers Advisor to find out what they are doing in 2021. The table below is a summary of these findings:

Activity	No. of Students
Employment (PT/FT)	6
Further Study	7
Traineeships/Apprenticeships	5
School Based Apprenticeships	4
Re-enrolled at DVLC in 2021	30
Enrolled in DVLC Reconnect Program	4
Family carer/parenting	2
Unknown/unable to contact	6

Julie Hodgkins

VCAL Coordinator



VCAL students



*Daniel Preece & his Teacher
Joshua Kayll*

Student Success Story

Daniel Preece was the recipient of the 2020 DVLC Board Award. This award was an acknowledgement of the giant leaps and bounds that Daniel had taken over the time he has been at DVLC. When he first arrived at DVLC, he was a friendly presence, but rarely spoke, and took a while to settle in.

As the year progressed, staff noticed a remarkable improvement in Daniel's interactions with others, being more willing to put himself out there and share his dry sense of humour with his classmates. This increased confidence had a flow on effect in his classwork. He was always a maths whiz, but was also completing worksheets at a brutal speed.

The COVID-lockdowns and remote learning during 2020 interrupted Daniel's progress for a while. However, he overcame his anxiety, joined the zoom classroom meetings and thrived during the remote learning time. He completed all of his tasks online ahead of schedule.

Daniel came back to school in Term 4 with a spring in his step, even completing additional subjects that he was not planning to do at the start of the year. The improvement he achieved at DVLC is what we aim for with all our students. He has grown as a person, becoming more confident, independent and is interacting with others without fear.

Daniel successfully completed his VCAL Intermediate Certificate in 2020 and is taking a gap year in 2021. He hopes to commence a course in IT in 2022. We have all been so proud of his achievements and wish him all the very best for the future.



Ambassador/Grants Officer Report



2020 was a challenging year in regard to Grants and Donations, however, we are very grateful to all those who generously contributed.

Thank you to the following organisations for their partnership over the last number of years, as well as their support in 2020.

Diamond Valley Miniature Railways

Eltham Lions Club

Banyule City Council

Diamond Valley Services

Foodshare (Greenhills NH)

Banyule City Council – Recycle Division

Bunnings – Eltham

WaterMarc Greensborough

Fort Knox

Coles Greensborough

Donations included Food Hampers, Timber, Pushbikes, Plants, Seeds and Fertilizer, Tickets, Gift Cards and of course Financial contributions. The value of these donations amounts to \$7,032.

I would like to congratulate DVLC's Teachers, Students, Staff, Board Members and Volunteers who have done a fantastic job under very trying unprecedented conditions.

Remember, DVLC can issue valid tax receipts for most gifts or donations.

Bill Jeffery



Veronica receiving the DVLC Annual Donation from Diamond Valley Railway

Financial Reports

Diamond Valley Learning Centre Inc.

Statement by Committee

In the opinion of the Committee of the Association:

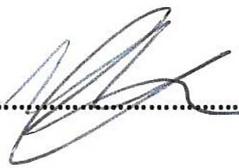
- 1. The accompanying Income and Expenditure Statement is drawn up so as to give a true and fair view of the Association's income for the year ended 31st December 2020.**
- 2. The accompanying Balance Sheet gives a true and fair view of the state of the Association for the year ended 31st December 2020**
- 3. At the date of this statement, there are reasonable grounds to believe that the Association can meet its debts as and when they fall due.**

This statement is made in accordance with the resolution of the Committee and is signed for and on behalf of the Committee by:

Member: David Ling

Sign: 

Member: Michael Jakubowski

Sign: 

Date: 26/04/2021

Diamond Valley Learning Centre Inc.
Statement of financial position
As at 31 December 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	2	610,755	276,447
Receivables	3	14,564	32,262
		625,319	308,709
Non-current Assets			
Property, Plant & Equipment	4	72,301	94,637
Intangible Assets	5	10,515	-
		82,816	94,637
Other Assets:			
Other Debtors	6	600	241,153
TOTAL ASSETS		708,735	644,498
LIABILITIES			
Current Liabilities			
Payables	7	68,093	272,327
Leases	8	7,008	-
Provisions	9	40,899	24,093
Income received in advance	10	95,850	-
Non-Current Liabilities			
Leases	8	3,665	-
TOTAL LIABILITIES		215,515	296,420
NET ASSETS		493,220	348,079
Represented By:			
MEMBERS FUNDS			
Accumulated funds at start of year		348,079	312,017
Surplus (Deficit) for the year 2020		145,140	36,063
Funds at the end of year		493,219	348,079

The accompanying notes form part of these financial statements.

Diamond Valley Learning Centre Inc.
Statement of comprehensive income
For the year ended 31 December 2020

	Note	2020 \$	2019 \$
Income:			
Student Fees		88,304	155,775
Skills Victoria (VET Funding Contract)		691,162	633,698
ACFE (Pre-accredited and REAL's Grant)		132,582	136,257
Melbourne Poly (LLN/SEE program)		24,142	8,749
Bundoora Sec. College (SRP & Disability Funding)		-	-
DHHS (Neighbourhood House Coordination)		84,957	81,143
Banyule Council Grant		31,059	30,390
Grants and Donations		12,803	16,235
Social Enterprise & Project Income		2,582	21,486
Other Income (Sundry & Interest)		107	167
Australian Government COVID-19 financial assistance			
Non taxable Cash Flow Boost		90,313	
Other Income Jobkeeper		363,450	
	Total Income	1,521,461	1,083,900
Expenditure:			
Administration & Management Salaries		305,977	269,861
Programme Related Salaries		535,808	448,656
Staff Training and Development		704	2,356
Superannuation		65,576	66,572
WorkCover insurance		10,261	7,568
		918,328	795,011
Other Expenses:			
Accounting and Audit		3,300	200
Advertising & Marketing		2,006	1,616
Amortisation of Right of Use Asset	5	3,505	-
Bank Fee		1,008	514
Bad Debts Students Fees	3	38,953	-
Board Expense		959	444
Centre Amenities		2,986	2,847
Cleaning Expense		6,365	8,811
Compliance and Scope Registration		10,072	3,607
Council Rates and Rentals		333	1,589
Department of Education Repayment	6	219,230	30,590
Depreciation	4	38,969	47,053
Donation, Events & Fundraising		2,084	2,016
Insurance		1,446	1,526
Interest Expense	8	253	-
Internet & Web Hosting		12,521	9,947
IT Support		28,157	27,716
Licence, Software and Subscriptions		7,814	7,854
Membership and Subscriptions		2,014	4,255
Photocopying & printing expenses		16,451	15,145
Postage		866	453
Professional consultation		7,350	800
Repairs and Maintenance		1,595	2,018
Rentals (Solar panels & Melbourne Poly)		15,354	23,126
Security		1,380	1,046
Stationery & Office supplies		907	156
Student resources and course costs		24,062	52,120
Travel		1,048	273
Utilities (Electricity, Gas & Water)		7,007	7,104
		457,993	252,826
Total Expenditures		1,376,321	1,047,838
Surplus (Deficit) for the year 2020		145,140	36,063

The accompanying notes form part of these financial statements.

Diamond Valley Learning Centre Inc.
Statement of changes in equity
For the year ended 31 December 2020

	Note	Retained surplus \$	Total \$
Balance at 1 January 2019		312,017	312,017
Surplus / (deficit) for the year		36,063	36,063
Balance at 31 December 2019		348,079	348,079
Balance at 1 January 2020		348,079	348,079
Surplus / (deficit) for the year		145,140	145,140
Balance at 31 December 2020		493,219	493,219

The accompanying notes form part of these financial statements.

DIAMOND VALLEY LEARNING CENTRE INC
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes:	2020 \$	2019 \$
Cash flow from operating activities			
Receipts from customers & grants (inclusive of GST)		1,669,883	1,169,022
Payments to suppliers and employees (inclusive of GST)	-	1,318,951	-
Net cash (outflow) inflow from operating activities	11	350,932	43,503
Cash flow from investing activities			
Payments for property, plant and equipment	-	16,624	-
Net cash (outflow) inflow from Investing activities	-	16,624	4,800
Net increase (decrease) in cash and cash equivalents		334,308	38,703
Cash and cash equivalents at the beginning of the year		276,447	237,744
Cash and cash equivalents at the end of the year	2	610,755	276,447

The accompanying notes form part of these financial statements.

Diamond Valley Learning Centre Inc.
Notes to the Financial Statements
For the year ended 31 December 2020

Note 2. Current assets - Cash and cash equivalents

	2020	2019
	\$	\$
CBA - Cheque Account 4551	134,467	143,223
CBA - Cheque Account 1596	466,927	123,600
CBA Online Saver 0738	6	4
CBA Term Deposit	9,347	9,263
CBA Business Online Saver	-	7
Petty Cash	7	365
Total Cash and Cash Equivalents	610,755	276,447

Note 3. Receivables

	2020	2019
	\$	\$
Rental Bond Held	14,564	31,325
Total Bonds Held	14,564	31,325

* DVLC management has reviewed the students fees receivable and have determined, due to the economic climate and the demographic of the student base that debts owing from previous years students have written off student fees as bad debts of \$38,953.

The \$38,953 represents debts owing more than 12 months.

Note 4. Fixed Assets & Intangibles

		2020	2019
		\$	\$
Computer Equipment	cost	192,975	186,422
Less: Provision for Depreciation	-	172,889	156,455
Fixtures & Fittings	cost	96,574	96,574
Less: Provision for Depreciation	-	80,862	75,624
Office Equipment	cost	31,064	20,984
Less: Provision for Depreciation	-	19,571	15,740
Building Works	cost	126,080	126,080
Less: Provision for Depreciation	-	101,071	87,604
Net Fixed Assets		72,301	94,637

Diamond Valley Learning Centre Inc.
Notes to the Financial Statements
For the year ended 31 December 2020

Note 5. Intangible Assets

		2020	2019
		\$	\$
Intangible Assets	cost	16,748	16,748
Less Provision for Depreciation	-	16,748	16,748
Right of Use Asset - Rental Lease		10,515	-
Total Intangible Assets		10,515	-

* At inception of contract, the association assesses if the contract is or contains, a lease. If there is a material lease present, a right-of-use assets and a corresponding lease liability is recognised by the association

Where lease liability is recognised, the liability is initially measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the association uses its incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use reflects that association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Note 6. Other Assets

	2020	2019
	\$	\$
Rental Bond Held *	600	-
Repayment to DEET **	-	241,153
Total Other Debtors	600	241,153

* Bond held for 2 year rental agreement with Melbourne Polytechnic

** DVLC management was in a position to repay the debt to the outstanding department this year and have therefore brought to account this year the total amount as an expense.

Diamond Valley Learning Centre Inc.
Notes to the Financial Statements
For the year ended 31 December 2020

Note 7. Accounts Payable

	2020	2019
	\$	\$
Accounts Payable	1,181	390
DEET Amount Payable ***	-	241,154
GST Payable	41,769	18,202
PAYG Payable	20,278	7,556
Superannuation Payable	4,865	5,025
Total Other Debtors Payable	68,093	272,327

*** See Note 5

Note 8. Leases

	2020	2019
	\$	\$
Current Leases ****	7,008	-
Non-Current Leases ****	3,665	-
Total Leases	10,673	-

**** Lease liability relates to Note 5 - right-of-use asset.

Note 9. Provisions

	2020	2019
	\$	\$
Provision for Annual Leave	40,899	20,018
Provision for Long Service Leave	-	4,076
Total Other Debtors Payable	40,899	24,093

Note 10. Income received in advance

	2020	2019
	\$	\$
Grants Received in advance	95,850	-
Total Other Debtors Payable	95,850	-

Note 11. Reconciliation of cash flow from operations with operating profit

	2020	2019
	\$	\$
(Loss) /Profit for the year	145,140	36,063
Add back depreciation	38,969	47,053
Changes in operating assets and liabilities	184,109	83,115
(Increase) Decrease in trade debtors & student fees	247,736	51,286
(Decrease) Increase in trade creditors and other Liabilities	- 97,719	- 74,078
(Decrease) increase in LSL & Annual Leave Provisions	16,806	- 16,820
Net cash (outflow) inflow from operating activities	350,932	43,503

Diamond Valley Learning Centre Inc.
Notes to the financial statements
For the year ended 31 December 2020

Note 1. Statement of significant accounting policies

The financial statements cover Diamond Valley Learning Centre Inc. ('DVLC') as an individual entity. DVLC is an association incorporated and domiciled in Victoria operating pursuant to the *Associations Incorporation Reform Act 2012 (Victoria)*, and a registered charity with the Australian Charities and Not-for-profits Commission (ACNC).

Basis of preparation

The committee of management of DVLC has determined that the association is not a reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012 (Victoria)* and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the Australian Accounting Standards applicable to a 'tier one association' under the *Associations Incorporation Reform Act 2012* and a 'medium registered entity' under the Australian Charities and Not-for-profits Commission Act 2012. DVLC is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, apart from cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated.

Use of judgments and estimates

The preparation of the association's financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. Estimates and assumptions are based on historical experience, best available current information and reasonable expectations of future events. Actual results may differ from estimates.

New and amended accounting standards

The association has adopted all new and amended Australian Accounting Standards which are relevant to and effective for the association's financial statements for the current period. These new and amended standards have had no significant impact on the financial performance or position of the association.

Accounting policies

The following material accounting policies have been applied in preparing the financial statements for the year ended 31 December 2020 and the comparative information for the year ended 31 December 2019.

(a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the association, and where specific performance obligations exist, those obligations have been satisfied. Revenue is measured at the fair value of the consideration received or receivable. Specific revenues are recognised as follows:

Grants

DVLC receives grants for program and project support. Where grant agreements are enforceable and have sufficiently specific performance obligations, revenue is deferred and first recognised as a liability in the statement of financial position (income received in advance) until such obligations are met, then recognised as revenue in the statement of comprehensive income as performance occurs in accordance with grant requirements. Grants are otherwise recognised as revenue when control of the underlying assets received or receivable has been obtained and it is probable that the economic benefits will flow to the entity.

Diamond Valley Learning Centre Inc.
Notes to the financial statements
For the year ended 31 December 2020

Fees

Fees are recognised as revenue when the related service is provided. If fees have been received in advance of the commencement of the service period they are recognised as a liability in the statement of financial position (income received in advance), then recognised as revenue as the service is provided.

Interest

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

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

(b) Cash and cash equivalents

Cash and cash equivalents comprise at-call and term deposits held with financial institutions and cash on hand.

(c) Receivables

Receivables comprise trade and other short-term amounts owing to the association. Receivables are recognised and carried at the nominal amounts due for settlement less any impairment losses.

(d) Property, plant and equipment

Each class of fixed asset is carried at cost or fair value less accumulated depreciation and any impairment losses. Fixed assets that have been contributed at no cost, or for nominal cost, are valued at the fair value of the asset at the date it is acquired.

Depreciation

Fixed assets are capitalised and depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use.

The following estimated useful life for each class of depreciable assets are applied:

<u>Class of property, plant and equipment</u>	<u>Useful life</u>	
	<u>2020</u>	<u>2019</u>
Leasehold improvements	5 - 10 years	5 - 20 years
Plant and equipment:		
-- Furniture and fittings	4 - 13 years	4 - 13 years
-- Office equipment excl. computers	4 - 10 years	4 - 10 years
-- Computer equipment	2 - 4 years	2 - 4 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

(e) Intangible assets

Intangible assets are carried at cost or fair value less any accumulated amortisation and impairment losses. Intangible assets that have been contributed at no cost, or a nominal cost, are valued at the fair value of the asset at the date it is acquired.

Amortisation

Intangible assets are amortised on a straight-line basis over the estimated useful lives of the assets from the date they are available for use.

Diamond Valley Learning Centre Inc.
Notes to the financial statements
For the year ended 31 December 2020

The following estimated useful lives for each class of intangible assets are applied:

<u>Class of intangible asset</u>	<u>Useful life</u>	
	<u>2020</u>	<u>2019</u>
Software	2.5 years	5 years
Licences and permits	2.5 years	5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

(f) Leases (the entity as lessee)

At inception of a contract, the association assesses if the contract is, or contains, a lease. If there is a material lease present, a right-of-use asset and a corresponding lease liability is recognised by the association. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less), leases of low value assets, and concessionary leases (described below) which the association deems are of immaterial cost to be capitalised, are recognised as an operating expense on a straight-line basis over the term of the lease.

Where a lease liability is recognised, the liability is initially measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the association uses its incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives (commonly known as peppercorn/concessionary leases), the entity has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition, or otherwise assesses the cost for materiality and if deemed immaterial recognises the annual lease amounts as operating expenses as they occur. Refer also Note 15 below.

(g) Impairment of assets

The association assesses the carrying amounts of its fixed assets at the end of each reporting period for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated, and any excess of the asset's carrying value over its recoverable amount is recognised as an impairment loss.

Impairment losses are expensed to the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation, with any excess recognised through the statement of comprehensive income.

The recoverable amount for assets is recognised at either the present value of estimated future cash flows, fair value less costs to sell or depreciated replacement cost, depending on the asset.

Diamond Valley Learning Centre Inc.
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(h) Payables

Payables represent trade and other short-term liabilities for goods and services provided to the association prior to the end of the financial year which are unpaid. Payables are stated at cost.

(i) Provisions

Provisions are made when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. The amounts recognised represent an estimate of the obligations as at the end of the reporting period.

(j) Income received in advance

Income received in advance represents liabilities for amounts received by the association in advance of the related delivery of goods or services, for which contractual obligations exist. Refer also *Note 1 (a) Revenue*.

(k) Employee benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. These benefits include salaries and wages, annual leave and long service leave.

Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, including related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Employee benefits expense comprises salaries and wages, changes to leave provisions, superannuation and workcover insurance. Superannuation Guarantee Contributions are made by the entity to employee-nominated superannuation funds and are charged as expenses when incurred.

(l) 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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for investing and financing activities, the GST component of which is disclosed as part of operating cash flow.

(m) Income tax

DVLC is endorsed as an income tax exempt charity under Division 50 of the *Income Tax Assessment Act 1997*.

(n) Comparative figures

Where necessary, comparative figures have been adjusted for consistency with current year classifications.

Diamond Valley Learning Centre Inc.
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Note 12. COVID-19 impact

The association's operating circumstances during the year were significantly impacted by the coronavirus (COVID-19) outbreak, which was declared a pandemic by the World Health Organisation in March 2020. Modifications to operations were required in response, including for the effect of government restrictions.

The impact of COVID-19 for the year has been reflected in these financial statements. DVLC experienced a temporary reduction in operating revenue, revisions to scheduled activity, and adjustments to overall service delivery. The decline in revenue was offset by Australian Government COVID-19 financial assistance, which the association qualified for and received during the year. This support allowed the organisation to retain its operating capacity and continue to directly support the community. It also helped facilitate increased agility in program delivery and helped maintain the organisation's overall financial wellbeing. The association's key funding partners also provided COVID-19 financial responses to support core operations.

Activity levels were gradually restored in the latter stages of the year and are expected to further return to more normalised levels in line with improvements in the operating environment. Notwithstanding, management continues to assess the current and potential implications of COVID-19 for the association, and invest in the association's capacity to deliver flexible services and respond to future disruptions.

Management believes the organisation has sufficient reserves to underwrite operations for a reasonable period and expects that any ongoing operating risks will continue to be mitigated by commensurate adjustments to activities in response, plus the potential for targeted support from government and funding partners, and accordingly believes the association will be able to meet its ongoing obligations.

Australian Government COVID-19 financial assistance

DVLC has received financial support under the Australian Government's COVID-19 economic stimulus packages, including the Cash Flow Boost and JobKeeper payments scheme, administered by the Australian Taxation Office (ATO). These schemes were implemented to assist eligible business and not-for-profit organisations significantly affected by COVID-19. Refer Note 2 above for details of amounts received during the year.

The Cash Flow Boost scheme provided payments to eligible employers of up to \$100,000, delivered as credits in the ATO's activity statement system. Eligibility for the boosts was on an automatic basis with lodgement of activity statements. No self-assessment was required to determine eligibility.

The JobKeeper payment scheme provided wage subsidies to eligible employers of \$1,500 per fortnight per eligible employee, from 30 March to 27 September 2020, followed by reducing payment rates from 28 September 2020 through to 28 March 2021. DVLC was required to self-assess its eligibility under the ATO guidelines including (but not limited to) demonstrating a decline in turnover, and thereafter required to report to the ATO monthly in order to receive the payments.

Auditor's Report

To the members of Diamond Valley Learning Centre Inc.:

Report on the financial report

We have audited the accompanying financial report, being a general purpose financial report of the Diamond Valley Learning Centre Inc. (the association), which comprises of the balance sheet as at 31st December 2020, the income statement, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee's report.

Committee's responsibility for the financial report

The committee of the association is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012*. The committee's responsibility also includes such internal control as the committee determines 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 have conducted our audit in accordance with Australian Auditing Standards. Those 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.

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 judgement, 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 association's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, 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 the Australian professional ethical pronouncements.

Audit's opinion

In our opinion the financial report of the association has been prepared in accordance with the *Association Incorporation Reform Act 2012* including:

- a) giving a true and fair view of the entity's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards as referred to in Note 1 to the financial statements.

Basis of accounting and restriction on distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Diamond Valley Learning Centre Inc. to meet the requirements of the *Associations Incorporation Reform Act 2012*. As a result the report may not be suitable for another purpose.



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Stephen George Le Couilliard
ASIC Registered Company Auditor No: 8579
471 Princes Highway Narre Warren Vic 3805
Telephone: (03) 9704 7661
Facsimile: (03) 9796 6711
Date: 26.04.2021

Treasurer's Report

Financially and Operationally, this has been a year of positive results for DVLC.

The COVID-19 pandemic has had a profound impact on us all, however, we have demonstrated financial resilience and are now well positioned for 2021.

We had a total income of \$1,521,461 and expenditure of \$1,376,321 which leaves us with a surplus of \$145,140.

Overall staffing costs continue to be a major component in our expense items, the Government COVID-19 JobKeeper program and Continuity Payments scheme have greatly assisted in the sound financial position we have achieved.

In regard to the balance sheet it's exciting to report that in December 2020, we were able to repay our considerable debt to the Department of Education.

Our objective is to continue to build on this success in 2021.

As Treasurer, I want to assure the Board, staff, students and all our key stakeholders that DVLC is financially viable and strong.

Thank you for your ongoing dedication and support.

Nalin Perera



Treasurer



VCAL student at work

DVLC Board Members



David Ling
Board President



Michael Jakubowski
Board Secretary



Nalin Perera
Treasurer



Jill Ramsay
Board Member



Ian Fisher
Board Member



Thomas Flitner
Board Member



Veronica Kioria
Board Member



Julie Hodgkins
Board Member



Thank
You

Araluen

Banyule City Council

Banyule/Nillumbik Tech School

BNLLEN

Bunnings Eltham

CAVE

Commonwealth Bank

Diamond Valley Community Support

Diamond Valley Mitre 10

Diamond Valley Railway Inc

Eltham Rural Group

Lions International

Living Faith Church Greensborough

Melbourne Polytechnic

Office Works Bundoora

Rotary Club of Greensborough

Rotary Club of Greensborough Central

WaterMarc