

---

**THE OUTDOOR EDUCATION GROUP**  
**ABN 85 073 741 796**

Financial Statements  
For the year ended 31 December 2016

# THE OUTDOOR EDUCATION GROUP

<b>Contents</b>	<b>Page No.</b>
Directors' Report	3
Auditor's Independence Declaration	7
Independent Auditor Report	8
Directors' Declaration	9
Income Statement - by Nature	10
Balance Sheet	11
Statement of Cash Flows	12
Notes to the Financial Statements	13
Detailed Trading Account	29

# THE OUTDOOR EDUCATION GROUP

## Directors Report

Your directors present this report on the company for the financial year ended 31 December 2016.

### Directors

The names of the directors in office at any time during or since the end of the year are:

Mrs Margaret Webb

Ms. Lorraine Smith

Mr. Robert Pascoe

Mr. Craig Mitchell

Mr. Chris O'Farrell

Mr. Nigel Thomson

Ms. Peggy Mahy

Ms. Jenny Holliday

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

### Directors' Meetings

During the year five Directors' meetings were held which were attended by directors as detailed below:

Name of directors	Date appointed	Number Eligible To Attend	Number Meetings Attended
Mrs Margaret Webb	26.07.2010	5	5
Ms Lorraine Smith	07.03.2011	5	3
Mr Robert Pascoe	07.03.2011	5	5
Mr Craig Mitchell	26.07.2013	5	5
Mr Chris O'Farrell	11.08.2014	5	5
Mr Nigel Thomson	05.09.2016	1	1
Ms. Jenny Holliday	05.12.2016	0	0
Ms Peggy Mahy	05.12.2016	0	0

### Operating Surplus

The profit of the company for the financial year, on which no income tax was payable, amounted to:

<i>Year ended</i>	<i>Year ended</i>
<b>31 December 2016</b>	<b>31 December 2015</b>
\$401,842	\$503,935

# THE OUTDOOR EDUCATION GROUP

## Directors Report

### Review of Operations

The Company is a not for profit organisation providing outdoor education programs in the Community. A review of the operations of the company during the financial year and the results of those operations disclose a continued robust operating performance.

### Significant Changes in the State of Affairs

There were no significant changes in the company's state of affairs during the financial year.

### Principal Activities

The principal activities of the company during the course of the year were the provision of outdoor education programs to the community. School curricular or co-curricular programs form the majority of the programs.

There was no significant change in the nature of these activities during the year.

### After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

### Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

### Environmental Issues

The company has a policy of complying with all relevant Federal and State Law environmental performance obligations. No environmental breaches have been notified by any government agency during the financial year ended 31 December 2016.

### Dividends

No dividends are declared by the Company.

### Directors' Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, or a firm which a director is a member or an entity in which a director has a substantial financial interest.

# THE OUTDOOR EDUCATION GROUP

## Directors Report

### **Indemnifying Officer or Auditor**

No indemnities have been given or agreed to be given, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

Insurance premiums are paid for Management Liability Insurance covering the actions of Directors and Officers.

### **Proceedings on Behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

# THE OUTDOOR EDUCATION GROUP

## Information on Directors

Mrs Margaret Webb OAM	Appointed 26 July 2010 Chairperson
Qualifications	Graduate Diploma Business Management (Monash) Bachelor of Education (LaTrobe), Diploma in Physical Education (Melbourne)
Experience	Former Principal of Toorak College, Mt. Eliza Director Invergowrie Foundation Director of MITS (Melbourne Indigenous Transition School) Director of The Mac.Rob Foundation Member of MacRobertson Girls High School Council President of The Palladians Association Inc – MacRobertson Girls’ High School Board member of the Lyceum Club
Dr Lorraine Smith	Appointed 7 March 2011
Qualifications	Diploma of Physical Education (Melbourne), Bachelor of Education (Monash), Master of Science – Outdoor Education (Oregon USA), Doctor of Education – Outdoor Education (Indiana USA)
Experience	Head of Outdoor Recreation, Victoria University of Technology, Vic. Bogong Outdoor Education Centre Head of Outdoor Education and Nature Tourism, LaTrobe University Executive of NSW Directorate at OEG Head Teacher, Outdoor Recreation, TAFE Western, NSW

## THE OUTDOOR EDUCATION GROUP

Mr. Robert Pascoe	Appointed 7 March 2011 Deputy Chairperson
Qualifications	Bachelor of Economics (Monash University)
Experience	Managing Director Closed Loop Environmental Solutions P/L Director Closed Loop UK Ltd Director Sydney Swans Ltd Director The Farmer's Place P/L
Mr. Craig Mitchell	Appointed 26 July 2013
Qualifications	Bachelor of Economics (Monash University) Master of Business-Sports Management (Deakin) Member of the Institute of Chartered Accountants
Experience	Associate Director, Ernst & Young Managing Director Crank Sports CEO Stride Sports Management General Manager Closed Loop Environment Solutions P/L
Mr. Chris O'Farrell	Appointed 11 August 2014
Qualifications	Bachelor of Business – Accounting (RMIT) CPA Australia
Experience	Director Executive Services & Governance - Victoria Police Chief Financial Officer – Department of Primary Industries Victoria Corporate Services Director – Department of Premier and Cabinet Victoria Financial Management Roles – Department of Treasury and Finance Victoria Consultant/Insolvency Accountant – Coopers and Lybrand
Mr. Nigel Thomson	Appointed 5 September 2016 Resigned 29 November 2016
Ms. Peggy Mahy	Appointed 5 December 2016
Qualifications	Bachelor of Arts (Hons) (Monash University) Diploma of Education (Monash University) Master of Arts (Monash University) Post-Graduate Certificate in Education (International Baccalaureate) (University of Melbourne) Graduate of the Australian Institute of Company Directors Australian Council of Educational Leaders - Fellow (ACT) OEG Board Member – 2006-2
Experience	Deputy Principal – Radford College – ACT Principal of The Scots School Albury

## THE OUTDOOR EDUCATION GROUP

Ms. Jenny Holliday (OM)	Appointed 5 December 2016
Qualifications	Bachelor of Education (Health, Science, Physical Education) Olympic medal winner in Softball, Atlanta 1996
Experience	Head of Community Service, Caulfield Grammar School Sanyo (Japan), Softball player and relationship management Ernst and Young, Program Manager Victorian Olympic Council, Executive Director People and Parks Foundation, Chief Executive Officer Australian Sport commission, Director of planning, Sports Leadership Matrix on Board, General Manager Non Profit Training

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

---

**Mrs Margaret Webb**

Director

---

**Mr Chris O'Farrell**

Director

Dated:



# THE OUTDOOR EDUCATION GROUP

## Auditor's Independence Declaration

**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
To THE DIRECTORS OF: THE OUTDOOR EDUCATION GROUP**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the Audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

**Phillip Taylor**  
Accountant  
Healesville  
Victoria

**Appointed OEG Auditors 12<sup>th</sup> December 2011**

Dated:

# THE OUTDOOR EDUCATION GROUP

## Independent Auditor Report

### Scope

We have audited the financial report, being the Statement by Directors, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements of The Outdoor Education Group for the financial year ended 31 December 2016. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

### Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration has not changed as at the date of providing our audit opinion.

### Audit opinion

In our opinion, the financial report of The Outdoor Education Group is in accordance with:

1. the Corporations Act 2001, including:
  - (a) giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
  - (b) complying with Accounting Standards and the Corporations Regulations; and
2. other mandatory professional reporting requirements.

Signed on:

---

**Phillip Taylor**

Accountant

Healesville

Victoria

## THE OUTDOOR EDUCATION GROUP

The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:

(a) comply with Accounting Standards and the Corporations Regulations; and

(b) give a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the year ended on that date;

2. in the directors' 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 Board of Directors.

---

**Mrs Margaret Webb**

Director

---

**Mr Chris O'Farrell**

Director

Dated:

# THE OUTDOOR EDUCATION GROUP

## Income Statement – by Nature For the year ended 31 December 2016

	Note	2016 \$	2015 \$
<b>Classification of Income and Expenses by Nature</b>			
Revenues from operating activities	2	22,318,463	21,576,036
Course Expenditure		3,854,169	3,684,413
Personnel Costs		13,573,634	12,716,211
Borrowing Costs Expense	3	52,870	85,043
Depreciation and Amortisation Expenses	3	1,684,770	1,791,747
Overheads		2,740,978	2,784,488
<b>Profit from ordinary activities</b>		<b>412,042</b>	<b>514,135</b>
Write down of Goodwill		10,200	10,200
<b>Net Surplus</b>		<b>401,842</b>	<b>503,935</b>

## Statement of change of Equity For the year ended 31 December 2016

<b>Total equity at commencement of Year</b>	<b>7,015,050</b>	<b>6,511,116</b>
Increase in equity from full retention of Annual Net Surplus	401,842	503,935
Write back of provisions prior to 2010	0	0
<b>Total Equity at Completion of Year</b>	<b>7,416,892</b>	<b>7,015,050</b>

# THE OUTDOOR EDUCATION GROUP LIMITED

## Balance Sheet as at 31 December 2016

	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash assets	14(a)	1,790,645	1,659,701
Receivables	4	1,248,007	616,242
Inventories	5	131,424	167,474
Other	4	280,407	286,088
<b>Total Current Assets</b>		<b>3,450,483</b>	<b>2,729,505</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6	11,480,639	11,676,674
Property rental deposits		19,625	14,167
Intangible asset – Goodwill at cost		50,998	61,197
<b>Total Non-Current Assets</b>		<b>11,551,262</b>	<b>11,752,038</b>
<b>Total Assets</b>		<b>15,001,745</b>	<b>14,481,543</b>
<b>Current Liabilities</b>			
Payables	7	4,983,870	3,648,036
Financial liabilities	8	2,255,000	326,418
Employee entitlements	9	302,777	403,313
<b>Total Current Liabilities</b>		<b>7,541,647</b>	<b>4,377,767</b>
<b>Non-Current Liabilities</b>			
Financial liabilities	8	0	3,066,000
Funds held for Charitable Purposes		0	0
Employee entitlements	9	43,208	22,723
<b>Total Non-Current Liabilities</b>		<b>43,208</b>	<b>3,088,723</b>
<b>Total Liabilities</b>		<b>7,584,855</b>	<b>7,466,491</b>
<b>Net Assets</b>		<b>7,416,890</b>	<b>7,015,050</b>
<b>Equity</b>			
Retained Surplus		7,416,890	7,015,050
<b>Total Equity</b>		<b>7,416,890</b>	<b>7,015,050</b>

# THE OUTDOOR EDUCATION GROUP LIMITED

## Statement of Cash Flows For the year ended 31 December 2016

	Note	2016 \$	2015 \$
<b>Cash Flow From Operating Activities</b>			
Receipts from customers		21,655,099	21,583,111
Payments to Suppliers and employees		(18,880,184)	(19,932,588)
Interest received		16,143	25,216
Interest and other costs of finance		(52,870)	(85,043)
<b>Net cash provided by (used in) operating Activities</b>	<b>14(b)</b>	<b>2,738,188</b>	<b>1,590,696</b>
<b>Cash Flow From Investing Activities</b>			
Payments for property, plant and equipment		(1,480,027)	(1,821,216)
<b>Net cash used in investing activities</b>		<b>(1,480,027)</b>	<b>(1,821,216)</b>
<b>Cash Flow From Financing Activities</b>			
Adjustment in earnings/ Write down Goodwill		10,200	10,200
Proceeds from new borrowings		2,121,582	0
Repayment of borrowings		(3,259,000)	(431,365)
<b>Net cash provided by (used in) financing activities</b>		<b>(1,127,218)</b>	<b>(441,165)</b>
<b>Net increase (decrease) in cash held</b>		<b>130,943</b>	<b>(671,685)</b>
Cash at the beginning of the year		1,659,701	2,331,390
<b>Cash at the end of the year</b>	<b>14(a)</b>	<b>1,790,644</b>	<b>1,659,705</b>

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

### **Note 1: Statement of Significant Accounting Policies**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers The Outdoor Education Group as an individual entity. The Outdoor Education Group is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report of The Outdoor Education Group comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety

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

#### **(A) Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented. The entity has however elected to adopt exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer the Notes for further details.

#### *Reporting Basis and Conventions*

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

#### **(B) Accounting Policies**

##### **Revenue received in advance – School Camps**

Revenue relating to the provision of school camps which is received in advance is deferred and recognised in the balance sheet as a liability. It is recognised in the revenue account over the period in which the service is provided.

Rental income is recognised when the right to receive the income is established.

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

#### **Inventories**

Inventories are measured at the lower of cost and net realisable value.

#### **Property, Plant and Equipment**

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

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

### **a) Property**

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

### **b) Plant and equipment**

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

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

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

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

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 assets original cost is transferred from the revaluation reserve to retained earnings.

### **c) Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to The Outdoor Education Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.



# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

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

<b><i>Class of Asset</i></b>	<b><i>Depreciation Rate %</i></b>	<b><i>Depreciation basis</i></b>
Buildings	3% to 33%	Straight line
Plant and equipment	16% to 33%	Straight line
Motor vehicles	16%	Straight line
Furniture, Fixtures and Fittings	7% to 50%	Straight line

The assets residual values and useful lives are reviewed, and adjusted if appropriate.

An assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

### **Leases**

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that The Outdoor Education Group Limited will obtain ownership of the asset or over the term of the lease

### **Financial Instruments**

#### ***a) Recognition***

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

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

### ***b) Financial assets at fair value through profit and loss***

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in fair value of these assets are included in the income statement in the period in which they arise.

### ***c) Loans and receivables***

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

### ***d) Held-to-maturity investments***

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments are stated at amortised cost using the effective interest rate method.

### ***e) Available-for-sale financial assets***

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

### ***f) Financial liabilities***

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

### **Impairment of Assets**

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

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

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

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

### Intangibles

#### Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

### Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

### Provisions

Provisions are recognised when The Outdoor Education Group has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

### Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks or financial institutions, 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.

### Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

### Taxation

The Outdoor Education Group is exempt from paying Income Tax under Section 50-145 of the Income Tax Act 1997.

### Goods and Service 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 Taxation Office. In these circumstances, the GST is recognised

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

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.

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

### Comparative Figures

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

### Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

Unresolved claims against the Group have been considered by the Board and, where necessary, legal opinion has been sought. In their opinion the resolution of these claims will not result in a material change to the financial position of the Group.

### Key estimates - Impairment

The directors assess impairment as an ongoing action at the Finance Assets and Governance subcommittee meetings by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

### Key judgments - Doubtful debts provision

The directors have made no provision for doubtful debts as they believe that the full amount of the debts owed to the company are recoverable and there are no needs for a doubtful debt provision at 31<sup>st</sup> December 2016.

	2016	2015
	\$	\$
<b>Note 2: Revenue</b>		
<b>Operating Activities:</b>		
Trading revenue	21,760,425	20,857,044
Rents	41,832	38,324
Interest revenue on investments held	16,143	25,216
Regional Development Grant	0	150,000
Own Embedded Staff in Schools	361,000	345,000
Other Income	19,879	74,201
	<b>22,199,279</b>	<b>21,489,785</b>

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

	2016	2015
	\$	\$
<b>Non-Operating Activities:</b>		
Members Annual fee	130	130
Proceeds on disposal of property, plant and equipment	119,054	86,122
<b>Total Revenue</b>	<b>22,318,463</b>	<b>21,576,036</b>

### Grants Received

A further Grant was received in 2016 for \$44,563 (2015 \$44,563). This was from Rural Finance Victoria and was for interest costs support on the bank loan for the development of Camp Marysville.

### Note 3: Surplus from Ordinary Activities

Surplus/(Deficit) from ordinary activities before income tax has been determined after:

#### Crediting as Income:

Net gain/loss on disposal of property, plant & equipment	119,054	86,122
--	---------	--------

#### Charging as Expense:

Bad debts written off	0	1,675
Borrowing costs - Other persons	52,870	85,043
Depreciation of non-current assets:		
- Buildings, Infrastructure, Plant and equipment	1,684,770	1,791,747
Research and development costs	3,083	21,964

### Note 4: Receivables

#### Current

Trade debtors	1,248,007	616,242
Other debtors (including security deposits)	280,407	286,088
	<b>1,528,414</b>	<b>902,330</b>

### Note 5: Inventories

#### Current

Food at cost	131,424	167,474
	<b>131,424</b>	<b>167,474</b>

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

	2016	2015
	\$	\$
<b>Note 6: Property, Plant and Equipment</b>		
Freehold land:		
- At cost	4,115,471	4,115,471
	<b>4,115,471</b>	<b>4,115,471</b>
Buildings:		
- At cost	6,055,380	5,802,631
- Less: Accumulated depreciation	(1,462,875)	(1,175,135)
	<b>4,592,505</b>	<b>4,627,496</b>
Equipment and Camp Facilities:		
- At cost	6,870,179	6,646,423
- Less: Accumulated depreciation	(4,998,955)	(4,301,601)
	<b>1,871,224</b>	<b>2,344,822</b>
Fixtures and Fittings:		
- At cost	252,456	200,701
- Less: Accumulated depreciation	(179,247)	(154,488)
	<b>73,209</b>	<b>46,212</b>
Motor vehicles:		
- At cost	1,208,533	2,192,259
- Less: Accumulated depreciation	(430,533)	(1,635,419)
	<b>778,000</b>	<b>556,840</b>
Asset Clearing Account	50,250	0
<b>Net Fixed Assets</b>	<b>11,480,639</b>	<b>11,690,841</b>

**(a) Adjustment to Gross Book Values and Accumulated Depreciation from 31<sup>st</sup> December 2009**

In December 2009 OEG changed its computer based accounting system and imported cost values at net book value, only; rather than importing the gross cost value and appropriate accumulated depreciation as at that date. Depreciation since that date has been charged correctly. This did not affect the Balance Sheet Net Assets, however, it understated the asset cost value, and accumulated depreciation by the same amount.

To ensure the veracity of this adjustment the fixed asset valuation, in terms of both quantum as well as useful life, will be assessed in a rolling review of OEG's asset base during the years ending 31<sup>st</sup> December 2016 and 2017.

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

### **(b) Valuation**

The company engages the services of Geoffrey Pope & Associates, WMCL Carpenter & Associates, and Roger M Porter & Associates, who are all accredited external valuers, to assess the fair value of its land and buildings. Such valuations are performed on an open market value basis, being the amounts for which the assets could be exchanged between knowledgeable willing sellers and knowledgeable willing buyers in an arm's length transaction at the valuation date.

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

### (c) Movements in carrying amounts

	Land & Buildings	Equipment & Camp Facilities	Motor Vehicles	Furniture & Fixtures	Total
Balance 31 Dec 2015	8,742,967	2,344,822	556,840	46,212	11,690,840
Additions	252,748	596,491	525,881	49,246	1,424,366
Disposals			(46)		
Depreciation	280,063	1,067,578	312,371	24,759	1,684,771
Transfer Asset Class	(7,676)	(2,510)	7,676	2,510	0
<b>Balance 31 Dec 2016</b>	<b>8,707,976</b>	<b>1,871,224</b>	<b>777,980</b>	<b>73,209</b>	<b>11,430,389</b>

2016

\$

2015

\$

### Note 7: Payables

Unsecured:

Trade creditors	366,818	297,947
Other creditors & accruals	4,617,052	3,350,090
	<b>4,983,870</b>	<b>3,648,037</b>

### Note 8: Borrowings

Current

Secured:

Bank Loans	2,255,000	326,418
Motor Vehicle & Equipment Finance	0	0
Loans From other persons	0	0
	<b>2,255,000</b>	<b>326,418</b>

Non-Current

Secured:

Bank loans	0	3,066,000
Motor Vehicle & Equipment Finance	0	0
Loans from other persons	0	0
	<b>0</b>	<b>3,066,000</b>



# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

	2016	2015
	\$	\$
<b>Total Current and Non-Current Secured Liabilities</b>		
Bank loans	2,255,000	3,392,418
Motor Vehicle & Equipment Finance	0	0
Loans from other persons	0	0
	<b>2,255,000</b>	<b>3,392,418</b>

### Security Provided:

- (a) First registered mortgage over rural property situated at 105-109 Goulburn Valley Highway, Eildon Vic.
- (b) First registered mortgage over rural property situated at 726 Back Eildon Road, Eildon Vic.
- (c) First registered equitable mortgage over the whole of the company's assets and undertakings.
- (d) First registered mortgage over rural property situated at Lots 29, 30 and 110 Bunny galore Road Belanglo NSW
- (e) First registered mortgage over rural property situated at Lot 1 and Lots 78,153,& 154 "Wombaroo" Black Spring Road, High Range, NSW
- (f) Chattel mortgage liabilities are secured against the asset subject to finance purchase arrangement.
- (g) First registered mortgage over rural property situated at 959 Buxton-Marysville Road, Marysville, Victoria 3779.

### Note 9: Provision for Employee Entitlements

	2016	2015
	\$	\$
<b>Current</b>		
Employee entitlements*	302,777	403,313
	<b>302,777</b>	<b>403,313</b>
<b>Non Current</b>		
Employee entitlements*	43,208	22,723
	<b>43,208</b>	<b>22,723</b>
* Aggregate employee entitlements liability	<b>345,985</b>	<b>426,036</b>

### Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to long service leave for employees. In calculating the present value and future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1: Statement of significant accounting policies.

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

	2016	2015
	\$	\$
<b>Note 10: Capital and Leasing Commitments</b>		
<b>(a) Hire purchase commitments</b>		
Payable		
- Not later than one year	0	0
- Later than one year and not later than five years	0	0
Minimum hire purchase payments	0	0
Less future finance charges	0	0
Total hire purchase liability	<b>0</b>	<b>0</b>
Represented By:		
Current liability	<b>0</b>	<b>0</b>
Non-current liability	<b>0</b>	<b>0</b>

### **Note 11: Auditors' Remuneration**

Remuneration of the auditor of the company for:

Auditing or reviewing the financial report	12,000	11,000
	<b>12,000</b>	<b>11,000</b>

### **Note 12: Contingent Liabilities**

Estimates of material amounts of contingent liabilities not provided for in the accounts; none.

### **Note 13: Related Parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties; none

### **Note 14: Cash Flow Information**

#### **(a) Reconciliation of cash**

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with the banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

(a) Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2016	2015
	\$	\$
Cash on hand	7,522	7,200
Cash at bank	103,123	147,501
Cash on investment	1,680,000	1,505,000
	<b>1,790,645</b>	<b>1,659,701</b>

(b) Reconciliation of cash flows from operations with surplus from ordinary activities.

Surplus from ordinary activities	299,388	492,435
Non cash flows	0	0
Depreciation	1,684,770	1,791,746
Net Surplus/Deficit on sale of fixed assets	102,454	11,500
	<b>2,086,612</b>	<b>2,295,681</b>

### *Changes in assets and liabilities*

(Increase) Decrease in trade debtors	(639,556)	72,543
(Increase) Decrease in other debtors	822	5,033
(Increase) Decrease in prepayments	(8,487)	9,615
(Increase) Decrease in stock	36,050	(39,637)
Increase (Decrease) in trade creditors	68,871	(762,520)
Increase (Decrease) in other creditors & accruals	(8,347)	(272,273)
Increase (Decrease) in income received in advance	1,265,580	235,856
Increase (Decrease) in employee provisions	(80,051)	46,395
<b>Cash flow from operations</b>	<b>2,738,188</b>	<b>1,590,696</b>

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

### Note 15: Segment Reporting

The company primarily operates in the curricular outdoor education programs business in Australia. It operates from the same geographical location on the basis of the internal organisational and management structure, and the internal reporting system to the chief executive officer and the governing body. All products and segments have similar risks and returns, and the operation in the economic environment also has similar risks and returns.

### Note 16: Financial instruments

#### (a) Interest rate risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on classes of financial assets and financial liabilities, is as follows:

#### (i) Financial Assets

<b>2016</b> Financial Instruments	Floating interest rate	Fixed interest rate maturing in 1 year or less	Fixed interest rate maturing in over 1 to 5 years	Non interest bearing	Total carrying amount as per balance sheet	Weighted average effective interest rate
(i) Financial asset: Cash Trade Debtors	1,680,000	0		110,645	1,790,645 1,125,174	1.0
<b>Total financial assets</b>					<b>2,915,819</b>	
<b>2015</b> Financial Instruments	Floating interest rate	Fixed interest rate maturing in 1 year or less	Fixed interest rate maturing in over 1 to 5 years	Non interest bearing	Total carrying amount as per balance sheet	Weighted average effective interest rate
(i) Financial asset: Cash Trade Debtors	1,490,000	15,000		147,501	1,652,501 616,242	1.6
<b>Total financial assets</b>	<b>1,490,000</b>	<b>15,000</b>		<b>147,501</b>	<b>2,268,743</b>	

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

### (ii) Financial Liabilities

<b>2016</b> Financial Instruments	Floating interest rate	Fixed interest rate maturing in 1 year or less	Fixed interest rate maturing in over 1 to 5 years	Non interest bearing	Total carrying amount as per balance sheet	Weighted average effective interest rate
(ii) Financial liabilities: Bank Overdraft Trade creditors Hire purchase Loan – bank Loan - Other		2,255,000			2,255,000	5.75%
<b>Total financial liabilities</b>		<b>2,255,000</b>			<b>2,255,000</b>	

<b>2015</b> Financial Instruments	Floating interest rate	Fixed interest rate maturing in 1 year or less	Fixed interest rate maturing in over 1 to 5 years	Non interest bearing	Total carrying amount as per balance sheet	Weighted average effective interest rate
(ii) Financial liabilities: Bank Overdraft Trade creditors Hire purchase Loan – bank Loan - Other				297,947	297,947	
	995,418		2,397,000		3,392,418	5.35%
<b>Total financial liabilities</b>	<b>995,418</b>		<b>2,397,000</b>	<b>297,947</b>	<b>3,690,365</b>	

# THE OUTDOOR EDUCATION GROUP LIMITED

## Notes to the Financial Statements For the year ended 31 December 2016

### **(b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

### **(c) Net fair values**

The net fair value of financial assets and financial liabilities approximates their carrying values as disclosed in the statement of financial position and notes to the financial statements.

### **Note 17: Members Guarantee**

The Company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding liabilities of the company. At 31 December 2016 the number of members was 5 (2013: 4)

### **Note 18: Events Subsequent to Reporting Date**

Since the end of the financial year no significant material event has occurred that will affect the operations of the company.

# THE OUTDOOR EDUCATION GROUP

## Detailed Profit and Loss Statement For the year ended 31 December 2016

	2016	2015
	\$	\$
<b>Income</b>		
Fee and Related Activities Income	21,760,425	21,202,044
Equipment Sales	16,600	74,622
Income Other	379,479	195,418
Interest Received	16,143	25,216
Profit/Loss on Sale of Asset	102,454	11,500
Rent	41,832	38,324
Risk Resolve	1,400	28,913
<b>Total Income</b>	<b>22,318,463</b>	<b>21,576,036</b>
 <b>Salary &amp; Wages</b>		
Term Staff	2,026,142	2,220,814
Permanent Staff	10,200,621	9,205,903
Invoiced wages	77,661	157,982
Superannuation	1,112,691	1,075,578
Other Staffing Costs	156,519	55,933
<b>Total salary and Wages</b>	<b>13,573,634</b>	<b>12,716,211</b>
 <b>Course Direct Costs</b>		
Food	1,365,950	964,953
Fuel	129,519	149,566
Others	0	200
<b>Total Course Direct Costs</b>	<b>1,495,469</b>	<b>1,114,719</b>
 <b>Course Overheads</b>		
<b>Course Vehicles</b>	67,451	99,146
<b>Course Equipment</b>	104,343	55,135
<b>Total Course Direct Costs</b>	<b>1,667,264</b>	<b>1,268,999</b>
 <b>Indirect Costs</b>		
Accommodation	524,251	565,827
Special Expenses	962,777	766,782
Coach Hire	693,185	753,984
Other Indirects	6,692	328,821
<b>Total Indirect Costs</b>	<b>2,186,905</b>	<b>2,415,414</b>
 <b><u>Total Course Costs</u></b>	 <b>17,427,803</b>	 <b>16,400,623</b>

## THE OUTDOOR EDUCATION GROUP

### Detailed Profit and Loss Statement For the year ended 31 December 2016

	2016	2015
	\$	\$
<b>Overheads</b>		
Accounting	12,000	11,250
Advertising (Staff)	11,000	9,238
Occupational Health Safety	0	314
Bad Debts Written Off	0	1,675
Bank / Finance Charges	68,033	84,653
Bin Hire	40,312	37,528
Board Expenses	18,445	12,396
Catering Admin	45,607	46,218
CHP Interest	0	8,889
Cleaning & Gardening	65,949	65,246
Computers	110,170	105,170
Conferences/Seminars	37,074	49,263
Consultancy	107,002	128,576
Curriculum	421	772
Depreciation	1,380,076	1,513,064
Donations	1061	0
Educator of the Year	0	2,244
Electricity	140,507	137,002
Employee Assistance	12,022	2,938
End of Year Function	6,531	0
Expendable Stores	15,062	17,526
Fire Preparation	10,026	10,592
Freight	7,581	8,285
Fringe Benefit Tax	14,888	15,275
Fuel Admin	111,372	130,243
Gas	24,309	32,315
General Expenses	10,862	8,935
Insurance	129,633	112,327
Legal Fees	7,193	23,611
Licences & Registrations	63,941	32,198
Interest	52,870	76,154
Maintenance-Facilities	240,743	263,482
Marketing	71,838	88,014
Materials & Equipment	24,646	19,850
Memberships	1,982	3,516
Mobile phones (office)	61,872	87,451
Office Equipment Maintenance	68	854
Phones	47,716	44,172
Photocopier	29,901	32,888
Postage	3,540	2,326



## THE OUTDOOR EDUCATION GROUP

### Detailed Profit and Loss Statement For the year ended 31 December 2016

	2016	2015
	\$	\$
Printing/stationery	25,270	22,426
Prof Development	52,795	80,739
Publications	211	3,528
Rates/Services	57,372	31,350
Vehicle Registration	32,969	28,143
Rent	105,959	104,665
Research & Development	3,083	21,964
Risk Management	12,543	3,052
Sanitary Clean	10,159	9,197
Small Tools & Equipment	9,481	7,270
Staff costs	118,242	117,987
Tolls/Citilink	16,695	14,131
Travel Expenses	207,946	137,237
Vehicle Insurance	41,418	52,507
Vehicles-Depreciation	304,695	278,683
Vehicle Lease	0	0
Vehicle Maintenance	218,789	188,265
Visa Applications	0	6,504
Water Treatment	26,114	19,114
Work care	237,037	287,002
Client Expenses	11,416	20,837
Weather Updates	178	223
Goodwill Write Down	10,200	10,200
<b>Total Overheads</b>	<b>4,488,819</b>	<b>4,671,478</b>
<b><u>Total Costs</u></b>	<b>21,916,621</b>	<b>21,072,101</b>
<b><u>Recurring Surplus For Year</u></b>	<b><u>401,842</u></b>	<b><u>503,935</u></b>