

2010

# Sowilo Community High School Annual Report





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## CHAIRPERSONS' REPORT

2010 has been a year of both change and consolidation. While the staff and students have experienced many new challenges and adventures to do with changes such as new staff members and moving into a new community and permanent premises, Sowilo's governing council has also experienced change.

Over the year membership numbers have dropped on the Council, followed by irregular attendance at meetings by some constituents. However I am pleased to be able to say that this trend has began to reverse, with a core group of Council members emerging who are committed to the regular and efficient governance of the school. This has meant an increase in the responsibilities for the remaining members, as well as limiting how much work the council has been able to undertake. Over the year, and particularly the last several months, the Council has undertaken the task of not only increasing membership, but also recruiting new members who would bring with them considerable talents and networks from their professional backgrounds.

These have included: Danielle Williams, previously an officer for the Department of child Protection; our Curriculum Coordinator Julie Williams; and Gill Porter who taught at the school in 2009, and who has returned in the form of a council member, bringing with her considerable knowledge and talents, particularly in the area of school Curriculum,.

At the moment we still lack the numbers we would like to see on council which has meant that several key positions on the council have been left unfilled, an issue which is being actively addressed by the Council with invitations to both membership of Association and Council being sent to selected pertinent members of the wider community. Some of the concerns candidates have expressed have included the travel distance, the dinner timeslot the meetings are held in, and both the frequency of the monthly meetings and possible responsibilities Council members may be asked to undertake in their own time as a member of a sub-committee. Any suggestions for potential members who would bring with them considerable expertise and/or benefit are always appreciated and will be carefully considered.

The Council has also dealt with many other matters during the course of the year, including working toward the goal of securing one or more celebrated sports personalities to act as patrons and spokespersons for the school. Suggestions include boxer Danny Green and UFC fighter and George Sotiropoulos.

Once again the issue of sufficient attendance to the Council meetings by students and parent representatives has proven a difficult one to address. I would like to commend the involvement of our two parent representatives who do take the time to give back to their children's school by serving as members of the Council, and in particular I would like to thank Fiona Fitzcharles for her dedication to this duty.

Elections for the next round of student representatives will be held during school time in Term 2, with the stipulation of both commitment and ability to regularly attend the council meetings in order to qualify. I would also like to thank Caity Nesbitt and Reece Wilson for their service as student representatives for the Council.

It is my belief that Sowilo's governing Council is growing stronger and more capable as time goes on, and I look forward to the great things I have no doubt it will achieve in 2011.

Hannah Maddrell  
Acting Chairperson

## **1 Executive Summary**

Sowilo Community High School (School) is a small, independent community high school for students in Years 8 to 12 run by Sowilo Community Inc. (Sowilo).

Sowilo caters for educationally 'at risk' youth. Its core business is to focus on young people who have fallen through the gaps in education – give them a sense of belonging, support and increased self-esteem and a value on the importance of learning.

Sowilo intends to establish itself as a leading CARE school serving the community.

### **1.1 Mission Statement**

Our purpose is the re-engagement of young people into life-long learning via an alternative, flexible and individualised process. We aim to prepare them for their life journey, empowering them to become creative, responsible adults who are able to make a positive contribution to their community.

### **1.2 Philosophy**

Sowilo aims to provide a safe and positive learning environment where students are supported in a way that enables them to take responsibility for their own learning and behaviour. Students learn on their own enquiry, discovery and creativity and at their own pace and are encouraged to assess and evaluate their learning. Teachers at Sowilo act as a learning resource in a consultative role, encouraging students to discover their own learning style. Students are respected and accepted rather than criticised or punished.

### **1.3 Values**

Sowilo ascribes to the following values:

- (a) Building community
- (b) Respect and trust
- (c) Being responsible
- (d) Learning and having knowledge
- (e) Embracing individuality
- (f) Being creative and innovative
- (g) Being flexible

### **1.4 Vision**

Sowilo has determined that the School will, ideally:

- (a) Be recognised as a centre of excellence, demonstrating best practice in innovative education based on student-centred learning
- (b) Be well-resourced, providing an inspiring learning environment in attractive, custom-built premises owned by Sowilo
- (c) Be staffed and supported by a strong team of dedicated individuals who are skilled in mentoring and supporting young people
- (d) Be an educational community which supports and empowers young people and also involve their families in life-long education
- (e) Have students who are motivated, involved and succeeding on a daily basis to become emotionally literate and intellectually skilled adults
- (f) Have strong, strategic partnerships with local organisations that provide complementary services or have similar aims
- (g) Have a steady roll of 80-100 students
- (h) Have former students consistently returning to the School as mentors to the next generation of students, and

(i) Be managed by a vibrant, motivated engaged Council.

### 1.5 Corporate Governance – Management of Sowilo

The School Council is the governing body of the school. It will ensure that appropriate systems and procedures are in place to ensure the proper management of Sowilo within the boundaries of its 'Rules of Association'. These systems include but are not limited to:

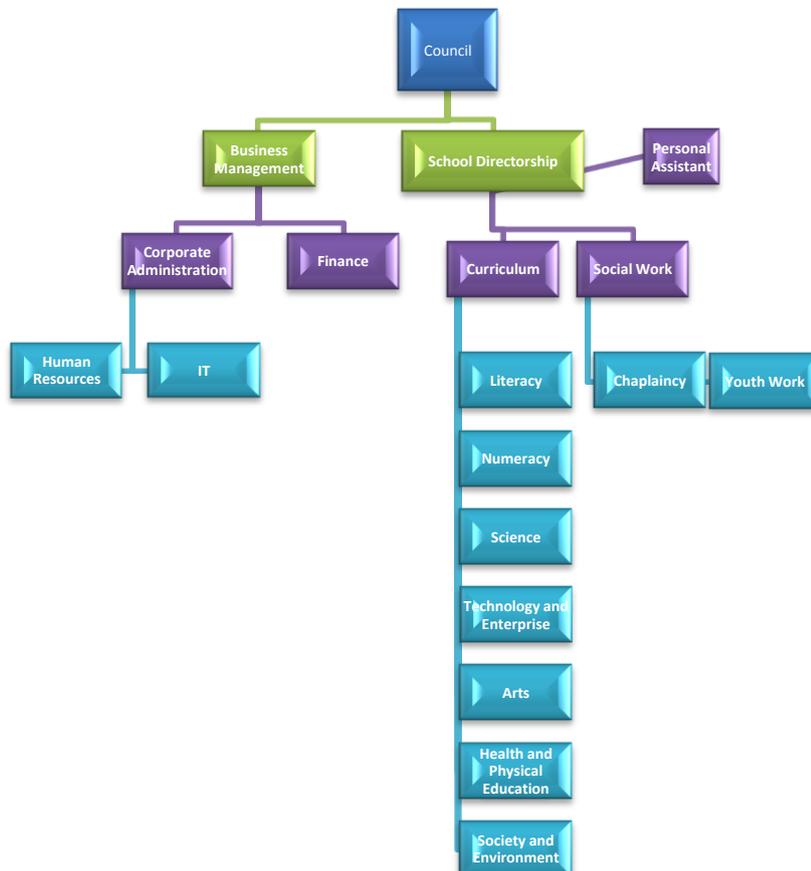
- (a) Compliance with all of Sowilo's legal and statutory obligations as per relevant Acts
- (b) Ensuring resources and staff are allocated
- (c) Complying with contractual obligations
- (d) Reviewing, amending or entering into new contractual arrangements
- (e) Identifying and managing risks, including compliance and insurance requirements
- (f) Interacting with the media
- (g) Completion of reporting requirements
- (h) Agreeing and following protocols with other organisations involved with Sowilo

### 1.6 Legal Structure

Entity Type: Incorporated under the Associations Incorporation Act 1987 (WA)  
Date of Incorporation: 9 April 2001  
Governed by: School Council under its Constituent Rules  
Registrations: School Education Act 1999 (WA)  
Charitable Institution under the Australian Taxation Office  
ABN 19 429 824 850  
Tax Endorsements: GST Concession from 1 July 2005  
FBT Rebate from 1 July 2005  
Income Tax Exemption from 30 April 2001

The School is governed by its Council under its constituent rules. The Council will review the organisational structure and the Constitution regularly to ensure that the existing structure is the most appropriate in light of Sowilo's visions, values and mission statement.

### 1.7 Organisational Chart



## 1.8 History of Sowilo

Sowilo was established by a group of parents who were concerned that their teenagers needed a learning environment that would assist them in their education as well as support their health and well-being. There were a number of intelligent students who regularly questioned the status quo and found it difficult to fit within existing school models.

In October 2000, under the guidance of Dr Adrienne Huber, a psychologist and educator working with Edith Cowan University at the time, these parents began facilitating classes for five students. In June 2001, Sowilo Community High School obtained registration in accordance with the *School Education Act 1999 (WA)* and became eligible for funding through recurring government grants.

As Sowilo's student and staff numbers gradually increased since 2001, it became apparent that the majority of students enrolling in the School were disaffected young people in need of psychological and emotional support as well as alternative education options. Sowilo was attractive to these students and their families because of its holistic approach to education, which includes catering for one-to-one counselling, family support, emotional support, health and self-care support, referral support, literacy and career advice.

Accordingly, Sowilo employed a full-time social worker to assist students' transition into the school environment and to lend extra support to young people who have lost or given up their interest in learning. The social worker also provides the first point of contact with human services organisations if required by the student.

Between 2000 and 2009, Sowilo had to move premises four times before moving to its present location in Kelmscott at the beginning 2010. Operating under a lease agreement, the School recognized the benefits to the School community and the surrounding communities. Student enrolment numbers increased from 46 in 2009 to 73 in 2010.

Towards the latter part of the year, Sowilo successfully made an offer to purchase the school building. The majority of the purchase price was funded by the Department of Education Services Low Interest Loan. Settlement occurred on 5<sup>th</sup> January 2011. The long term stability of having a secure permanent location was achieved.

The School looks forward to continuing to provide its unique service to young people in Perth.

# PRINCIPAL'S REPORT

2010 has been an exceptional growth period for Sowilo, with the exciting purchase of our premises, the past 12 months has enabled the solidification of not only staff but that of a core student and student leadership group within the school.

Our team has achieved amazing things in assisting the development of curriculum, business growth, welfare/mental/ emotional support and importantly the growth of a stable learning student community.

With input from many departments within the school, our community has also seen the implementation of several elaborate cross curriculum programs that have affected students with overwhelming success.

## 2.1 Mt Magnet/Queen Victoria Desert Trek

Our desert trek program has been running now for over 5 years, designed by myself and Peter Humbert, a primary school teacher and long serving Private in the Australian Army Reserves. Our desert trek program was initially designed for students who required re-entry to Sowilo after behavioural problems. After several treks many students were volunteering for the gruelling adventure.

### Some Desert trek aims:

- Enhance staff-student and student-student relationships
- Increase trust
- To provide a self responsibility styled learning environment within nature
- Provide alternative areas of learning otherwise not experienced in any other schooling environment
- To provide opportunities for students to realise their inner strengths and ability to get through situations that they don't like but have to endure
- Increase teamwork/communication skills amongst individuals

### How the desert trek works:

3 staff members (2 with counselling backgrounds) and 3- 6 students are driven 150km's east of Kalgoorlie in 2 vehicles with overwhelming amounts of recovery/emergency response gear and supplies.

Over 5 days, 2 of which are travelling days, students start with 40 points per day and are required to pass the following criteria:

- 10-20km's walking/day
- 2 Team work survival skills exercises /day
- Participate in rostered fire duty each night
- Get through 3 meals of mainly vegetarian based rations/day
- Lambs tongue challenge
- Value water and the environment

Students or teams are marked on the following criteria:

Communication	10 points
Respect	10 points

Team work	10 points
Successful completion of task	10 points

Once students are allocated points they use them to purchase their sleeping gear, outlined below:

Sleeping Bag	25 points
Sleeping Mat	5 points
Hutchie	5 points
Pillow	5 points

If students have not retained enough points for their sleeping gear they are taught theoretically and shown practically how to get through the night comfortably by using what nature offers them. It is then up to the student to decide if they will go through the effort to do this.

At the end of 2010 16 students had participated in the desert trek program.

### **Some other alternative/cross curriculum programs (brief descriptions)**

#### **2.2 The Chilli Program**

Whereby students learn how to grow chilli hydroponically, design graphics, market products and liaise with multiple businesses. This program takes in aspects of Science, Maths, Society and Environment and English for lower school, making links with outcomes within WACE 1a and 1b maths.

- Students have opportunities to enter into various competitions external to Sowilo showcasing designs and recipes.
- This is a whole school program that runs for 1-2 terms a year.

#### **Award winning students**

##### **Sowilo Internal Chilli program competition:**

- Imogen Schiemer earned a trip to Sydney to assist in the running of the Sydney chilli festival

##### **International chilli awards for Sowilo students: The Hot Pepper Awards New York State USA**

- Gold Medal: Industry award 2010: Imogen Schiemer/Kyle Newton
- Bronze Medal : Garlic Sauce 2009 Shantell Nesbitt
- Bronze medal: Boutique Sauce 2010 Shantell Nesbitt

#### **2.3 Brazilian Jiu Jitsu Physical Education Program**

The Brazilian Jiu Jitsu program is facilitated by our youth worker, Kyle Baker, who is also a brown belt and official instructor. Students on a voluntary basis are taken through the art form of Brazilian Jiu jitsu. This very popular form of Jiu jitsu both serves for an opportunity to learn a competitive based form of martial art, as well as a very effective form of self defence. This has been a wonderful

success in not only providing skills to students but the relationship between martial arts and life, the latter often assisting in analogies to students in regard to relationships with others.

### **Students participating in Brazilian Jiu Jitsu**

2010: 20

#### **State level competition:**

2010 Gi State Championships: 2

#### **National level competition**

Australian Cup: Gi: 1

Australian Cup: No Gi: 1

## **2.4 Our Welfare Department**

Our welfare department forms an intrinsic part to the school's make up and ability to reengage young disengaged students. The welfare group consists of 2 full time youth workers, a part time chaplain and a full time Senior Social worker/Principal. The main job of the welfare team is to deal with daily issues that would otherwise prevent engagement in education; they also have individual case loads that include ongoing counselling roles of various lengths of time.

### **Some approximate welfare statistics**

Agencies liaised with over 2010: 20-30

Conflicts resolved per week: 65

Parent interviews in regard to current student's behaviour, per week: 2

Agency meetings per week in regard to current students: 2

Ongoing counselling per week: 12

Extracurricular rapport building/emotional support activities per week: 6-8

It is important to recognise that our dedicated, passionate team here at Sowilo, has worked long and hard through 2010 to stabilise what is now a strong and growing school community. With energised, experienced staff that has innovative and creative ideas, we look forward into 2011 with the hope of increased engagement of youth within education in the local area.

David Marshall  
Principal  
Ba Social Work

## **CURRICULUM COORDINATORS REPORT**

### **3.1 Introduction**

In 2010 we successfully extended out education curriculum to include all eight areas of learning (as per the Department of Education's request) and to offer three WACE subjects. As we are a Care school, we are able to offer this extent of education in an extended study duration allowing our students to reach their full potential in a more measured and personalised pace.

In 2011 Sowilo CHS, in response to the results of our standardised testing in numeracy and literacy, employed a specialised teacher to deliver our 'Filling in the Gaps' teaching program. This program has been designed to recognise, identify and fill in the gaps in education that most students have. It is envisaged that we should see the results from this programs in our student's results within a 2-3 year period.

### **3.2 About this report**

The Annual Report to the College Community for this year provides the school community with fair, reliable and objective information about school performance measures and policies, as determined by the Minister for Education.

### **3.3 Enrolment Policy (extract)**

'...Sowilo Community High School is recognised by the State Government as a Special Education/Care School. As such it is the role of the school to enrol high school aged students who are experiencing significant difficulties while enrolled in mainstream schools...Once enrolled at Sowilo School it is expected that students will attend on a regular basis. However, it is acknowledged that not all students will be able to achieve full attendance at school...The Pastoral Care teachers will have the responsibility to monitor and negotiate attendance issues with the child. It is only when non-attendance becomes extreme that, under normal situations, outside agencies will be referred to. Non-attendance at school alone will not be a reason to terminate a child's enrolment. The lack of attendance will be recorded in the Sowilo school system...However it is acknowledge that lack of attendance at school as a factor alone, will not be allowed to be used as a reason to give up trying to re-engage the individual child with the educational process...Sowilo Community will follow the Student tracking System Guidelines...'

### **3.4 Professional Engagement**

#### **Staff Retention**

At the end of 2010 we farewelled the following teaching staff:

- 1 due to employment opportunities elsewhere

#### **Staff Employment**

At the end of 2010 we secured the services of teaching staff:

- 1 full time Maths/SOSE/French teacher
- 1 full time Low Literacy/Maths teacher

#### **Teacher Qualifications**

The school employs 3 fulltime and one part-time teacher: All teachers hold Bachelor of Education degrees as well:

All teaching staff meet the professional requirements to teach in Western Australian schools and are registered with the Western Australian College of Teaching.

All teachers have been involved in professional development activities during the year. These activities are designed to develop the skills and understandings of staff to improve student outcomes. Professional development can take many form including whole school staff days, subject specific in-services or out sourced programs, meetings and conferences.

Professional Development undertaken includes:

- Promethean e-board PD Introduction level
- short course Cert 4 maths
- Whole school curriculum expansion meetings
- 'First steps' literacy
- Curriculum implementation
- Learning area meetings

### 3.5 Expenditure and Teacher Participation in Professional Learning:

From the school's audited financial statements, \$3,103 was spent on Professional Development for teaching staff. Participation in AISWA professional development courses are also undertaken by staff where no charges apply. In 2010, 35.5 hours were logged in workshops and seminars which included Curriculum Implementation, ICT Technology Updates, software training and whole-school seminars such as 'Briefing the Board' and "Legal Guidelines'.

**School Priorities in 2010 were:**

- Literacy and Numeracy
- Student Engagement and Participation
- Student Enrolment numbers

### 3.6 Student Attendance:

<b>2010</b>			<b>2011</b>	
<b>% attendance</b>	<b>Term 1</b>	<b>Term 4</b>	<b>% attendance</b>	<b>Term 1</b>
<b>0-20%</b>	10	7	<b>0-20%</b>	7
<b>20-40%</b>	2	4	<b>20-40%</b>	4
<b>40-60%</b>	5	7	<b>40-60%</b>	5
<b>60-80%</b>	11	16	<b>60-80%</b>	14
<b>80-100%</b>	28	25	<b>80-100%</b>	32
<b>Total students</b>	<b>56</b>	<b>59</b>	<b>Total students</b>	<b>62</b>

Please note: Many students mentioned above had a 0-20% attendance rate in mainstream education

Figures based on state per capita grant

### 3.7 Literacy and Numeracy Benchmarks:

In 2010 Sowilo Community High School NAPLAN tested (the national literacy and numeracy test) a total of 13 students, the largest number in our history. As a result our results were published on the 'My School' web site (which features the results of all schools that test a minimum of 10 students).

Year 9 area tested	Our School Results	State Results
Reading	<b>500 (Average)</b> 471 - 529 (Range)	ALL (Average) <b>574</b>
Writing	<b>412 (Average)</b> 374 – 450 (Range)	ALL(Average) <b>568</b>
Spelling	<b>455 (Average)</b> 423 - 487 (Range)	ALL (Average) <b>579</b>
Grammar & Punctuation	<b>439 (Average)</b> 407 – 471 (Range)	ALL (Average) <b>579</b>
Numeracy	<b>506 (Average)</b> 481 – 531 (Range)	ALL (Average) <b>585</b>

On the back of these and in school testing results we have recognised the need for specialised low literacy & maths tuition. We have since developed and implemented our 'Filling in the Gaps' teaching program.

### 3.8 Year 11 2010 Performance Data

#### Percentage of Year 11 Students Studying 3 WACE subjects, receiving one or more 'A Grades'

Number studying 3 or more WACE subjects      **6**

Number achieving one or more A grades      **2**

Percentage achieving one or more A grades      **33.3 %**

**Percentage of Year 11 Students Studying 3 WACE subjects, receiving a pass in all subjects**

Number studying 3 or more WACE subjects      **6**

Number achieving passes in all subjects      **6**

Percentage achieving passes in all subjects      **100%**

**3.9 Year 12 2011 study Data**

Number of year 12 students      **6**      Percentage retained from 2010 = 100%

Number of students studying 3 WACE subjects      **4**      66.6%

Number of students studying 2 WACE subjects      **2**      33.3%

### Year 12 student's 2011 Intention table

Number of students	6	Equal to percentage of students – 100%
TAFE studies	4	66.6%
Apprenticeship	1	16.6%
Employment	1	16.6%

We look forward to providing an Intention 2011/Destination 2012 & variation table in our 2012 Annual report

#### 3.10 Value Added

The school offers a variety of opportunities outside of the classroom that allow students to grow and develop. Activities include:

- Brazilian Jiu-jitsu
- Desert Trek
- Chilli sauce development & marketing

#### 3.11 Standardised Assessments:

Motivated by our Naplan and in school testing results, we have developed and implemented the F.I.G (Filling in the gaps) teaching program. This enables us to run a two strand education curriculum; as a result all students are testing using nationally recognised standardised testing methods:

- PAT Maths tests
- Torch tests (Reading)
- Words Their Way (Spelling)

In keeping with our philosophy that there are many different kinds of intelligence (Howard Gardner Theory) and many different ways to teach, all students complete 'Multiple Intelligence' and 'Brain Function' questionnaires that help us to determine the best way to engage each student.

#### 3.12 Post-school Destinations

We are proud to acknowledge the continued achievement of Past Sowilo CHS students who have successfully engaged in numerous post high school studies or careers. Here are a few examples:

Bonnie	Apprentice Electrician (final year)
Alana	Live art model
Damien	Wilderness Trekker, TAFE student (nursing)
Jared	Small business owner (gardening and landscaping)
Jordan	Small business owner (gardening and landscaping)
Karren	Office Clerk, University student
Krysta	Apprentice Hair Dresser (3 <sup>rd</sup> year)
Jamie	Store attendant
Martin	TAFE student
Mia	Bar tender, TAFE (Event Planning) Past University student
Michael	Store Manager
Hannah	Youth Worker, University student, small business owner Chairperson, Sowilo School Council
Sam	Computer technician
Samantha	Child Care worker, TAFE student
Shakira	Office Administrator
Sky	University student, careworker in Residential Care for people with autism
Zoe	Store Attendant
Toby	Film and TV Industry, Multi National & International Award winner
Cassie	Community Corrections Officer
Emily	Pickled Fairy/TV advertising
Jessie	TAFE student
Cassie	University student, scholarship to New York
Libby	Pastry Chef
Megan	TAFE student
Jordy	University of Sydney; Psychology
Matt	Teacher Assistant, TAFE student

### **3.13 Satisfaction**

#### **Parent, Student and Teacher Satisfaction:**

Communication between the School (Management, teachers, youth Workers and administration), is always ongoing. The pastoral care and academic leaders within the school are in constant contact with parents and vice versa, regarding any issues that have, or may arise. Students are also offered in-school counselling if deemed necessary or helpful. Issues of dissatisfaction, concern or behaviour are raised in these or other forms of communication that take place on a daily basis.

### **3.14 Conclusion**

In 2010 Sowilo Community High School continued its proud history of providing quality education, in individualised programs, to students who for a variety of reasons have been unable to stay within the mainstream school system.

This information on the 2010 school year is provided to comply with the Annual Report required by the Federal Government and is accurate to the best of my knowledge.

Julie Williams  
B.A. Arts., Grad.Dip.

## **BUSINESS MANAGER'S REPORT**

### **4 Business Manager's Report**

I am very pleased to report that 2010 was a significant year in which the School demonstrated its commitment to growth and financial sustainability. The school's objective to build its net worth began in 2008 by implementing strategies aimed at increased funding, control over operational costs and investment in capital. This year, the results of those strategies are demonstrated by the school surpassing \$1million turnover; 71% increase in student enrolment numbers from the preceding year; creation of three new permanent part time staffing positions; major capital expenditure whilst generating an operational surplus for the year.

The operational surplus for the year ended December 2010 was \$250,078 and equity of the School is as \$486,535. These values are an increase of 88% and 106% respectively. Overall, the high performance of 2010 has generated sufficient resource to be returned to the school's operation in 2011. Creation of additional staffing positions and introduction of new program initiatives will commence in the 2011 program year.

A significant milestone was reached with the purchase of the school premises which had been previously leased. (note: actual settlement date occurred on 5<sup>th</sup> January 2011). Two medium to long-term loans were secured and the school contributed \$100,000 of its surplus cash towards the purchase. Owning the school building provides permanency of location for its students and stability in its future. The increase in funding is attributable to the higher number of enrolled students being funded by Federal and State per capita grants. Grants received in 2010 included the government's new Digital Educational Revolution (DER) initiative of 1:1 student to computer ratio. Two teacher aides and a new youth worker positions were created. Capital expenditure included the installation of an Information Technology infrastructure and procurement of quality furniture and equipment.

Whilst student enrolments did increase, revenue from Tuition Fees did not increase proportionally. Revenue from fees remains low due to increasing numbers of families experiencing financial hardship. Whilst Sowilo has an existing policy whereby a 50% discount on fees is offered to eligible families, the necessity to review individual family debts prompted the School to introduce a case-by-case assessment of financial hardship. Thereby, further discount or in some cases, waiving of fees is considered subject to the approval of the Council. This year \$17,819 was written off as bad debts. This value represents the carried forward balances mostly from 2007 where recovery would not be viable.

The financial statements of Sowilo Community Inc. for the year ended December 2010 were independently audited by Dry Kirkness, Chartered Accountants, West Perth. The Auditors Report can be found appended to this Report.

In summary, the school is financially secure and continually strives to enhance its performance by allocating resources appropriately and measuring the outcomes of its programmes whilst upholding its commitment to re-engage students in education.

Kath Wainwright  
Business Manager  
Bachelor of Business (Accounting)

#### 4.1 Financial Planning and Management

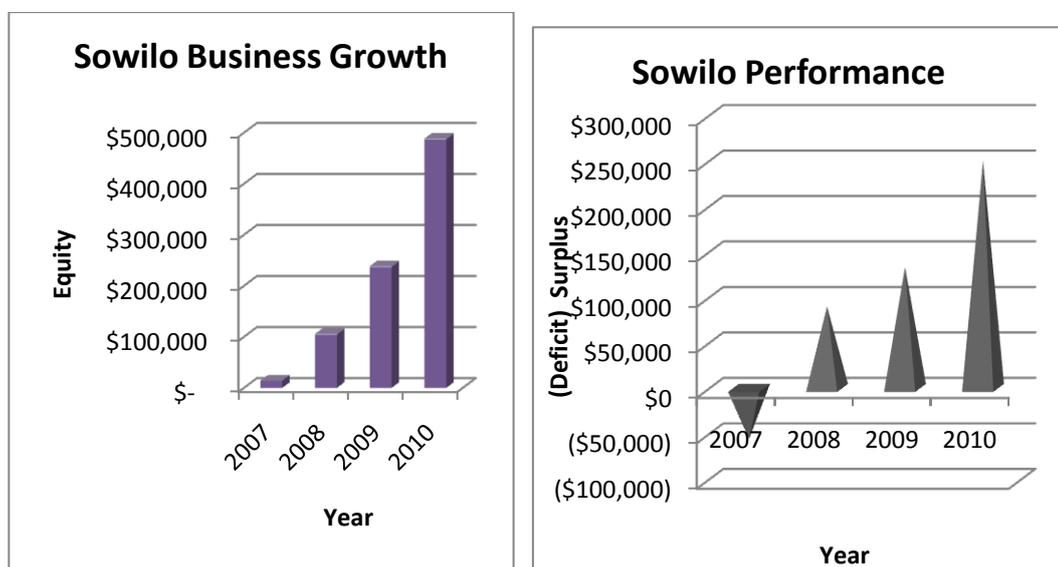
Sowilo ensures that financial planning underpins the mission, values and objectives of the School. It ensures ongoing viability of the school and successful performances educationally, student caring and financially. The school shall continue to implement strict financial controls and analysis of its growth and value in delivery of its services. With ongoing reviews of its key strategies, the school shall ensure its long term financial viability and successful learning outcomes of its students. The 2011-2015 Business Plan captures the short, medium and long-term goals of the school within the parameters of forecasted budgeting calculations. This is a separate document.

#### 4.2 Business Structure

- (a) Non-Government Independent CARE School
- (b) Funded mainly by State and Government per capita grants
- (c) Tuition Fees charged per term
- (d) Concession Card Holders entitled to 50% discount for tuition fees
- (e) Consideration given to 'hardship' status by evaluation of families' ability to pay fees.  
Evaluation is by case-by-case basis and further discount or waiver of tuition fees applied to families in severe hardship.

#### 4.3 Business Performance

Sowilo has an ongoing commitment to its growth towards establishing itself as a leading CARE school serving the community. With achieving surplus, investment into capital expenditure, professional development and learning programs support this growth. The funding it receives from governmental bodies enables the school to operate whilst it pursues potential funding from other sources. The charts below depict the growth of the school and its performance in the last four years.



The Financial Reports are annexed to this document, under section 10, Annexure.

#### 4.4 Capital Expenditure 2010

The School has an ongoing commitment to its growth and this has been reflected in the last three years in particular with Capital Expenditure. The performance of the school's financial strategy has allowed surplus funds to be injected into capital growth.

In 2010, \$178,069 was spent on capital assets. The major assets acquired include:

- A Integrated Computer System with contemporary networking; WiFi capabilities; 18 Desktop and Laptop computers; 2 electronic Activ whiteboards, \$94,359

- New quality student furniture \$53,189
- New sporting equipment including 8 kayaks trailer, pool table; 2 hydroponic kit tents; storage units; new reception area and equipment \$30,521

The school received a Capital Grant from AISWA (CGA) Grants Program of \$65,000 late 2009 which assisted with 2010 acquisitions. The school also received a \$12,000 grant from the government's initiative under the Digital Education Revolution (DER) Grant Application to meet 1:1 student computer ratio by 2012. 12 additional computers were purchased with this grant. The DER continues into 2011 of which the School will receive a further \$13,000 towards purchasing addition computer equipment.

## 2011

### Purchase of School Building

Sowilo received acceptance of its offer to purchase the building it occupies under a lease agreement. Settlement occurred on 5<sup>th</sup> January 2011. The 2010 balance sheet reflects the prepayment of \$201,158 of Settlement Fees to the Trust Account of its settlement agent, Lavan Legal. A Low Interest Loan pre-approved by the Department of Educational Services funded the majority of the cost together with small private investment loan and school cash.

Table 1 below shows the costs and funding of the building

**Table 1 – 100% of valuation financed through DES**

Cost of Acquisition		Funding	
	\$		\$
Purchase Price	950,000	Landgate Valuation \$850,000	
GST	95,000	DES LIL Loan 100% of valuation	850,000
Stamp Duty (exempt)	0	Private Investment	115,000
Associated Budgeted Costs	20,000	Sowilo Cash for GST & other	100,000
Total	1,065,000	Total	1,065,000

### Funding Arrangements – Acquisition of Building

The Low Interest Loan approved by the Education Minister is provided at 100% of the valuation of the building as conducted by Landgate. The amount of the valuation is \$850,000. The Low Interest Loan will be repaid by the school over the term of the loan which is 15 years. The first repayment is due February 2011.

The private Investor provided a loan to the school for the amount of \$115,000 for the purpose of assisting with purchasing the building. The private loan will be repaid by the school over the term of the loan which is 10 years. The first repayment occurred 17<sup>th</sup> December 2010.

Both loan repayments are factored into the Cash Flow for the five year period 2011-2015. The GST component of \$95,000 above will be claimed together with the March 2011 quarterly BAS return of which a refund from the Australian Taxation Office is calculated to be approximately \$50,000.

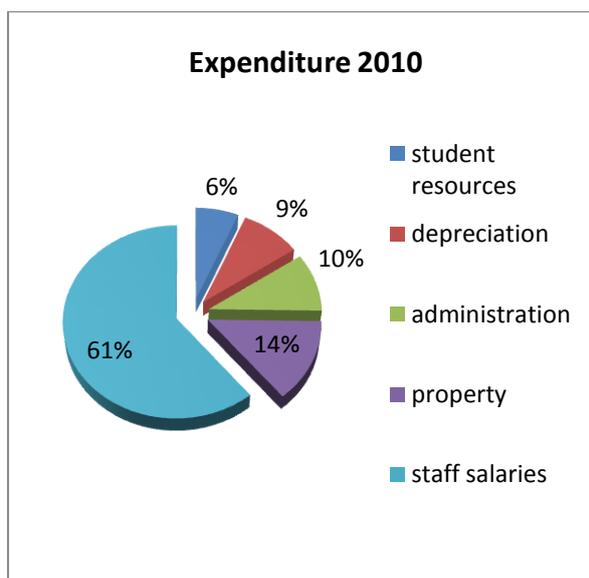
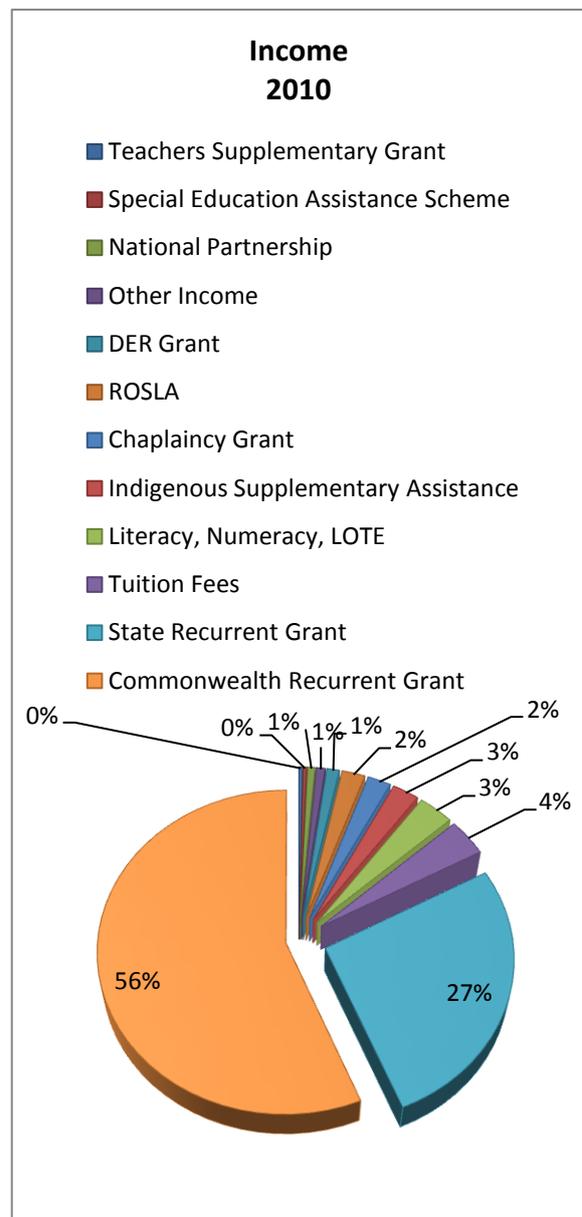
#### 4.5 Income and Expenditure

The total income of \$1,035,000 represents income which is mostly obtained from Commonwealth Government Per Capita Grant 56% and State Government Per Capita Grant 27% of total income.

These two grants equal 83% of the total funding received which highlights the school's dependency on future government funding.

Tuition Fees invoiced to families represent only 4% of the total income. The remaining 17% of income is mostly sourced through applications submitted to AISWA (Association of Independent Schools of WA).

Refer to Income Statement for further details.



61% of Expenses were Staff Salaries \$483,814.

14% of Property expenses were \$109,636. This includes major costs of rent \$57,000; Maintenance \$15,941; outgoings (rates) \$12,855 and insurance \$12,077.

Administration expenses were \$35,441.

Depreciation on Fixed Assets was \$72,008.

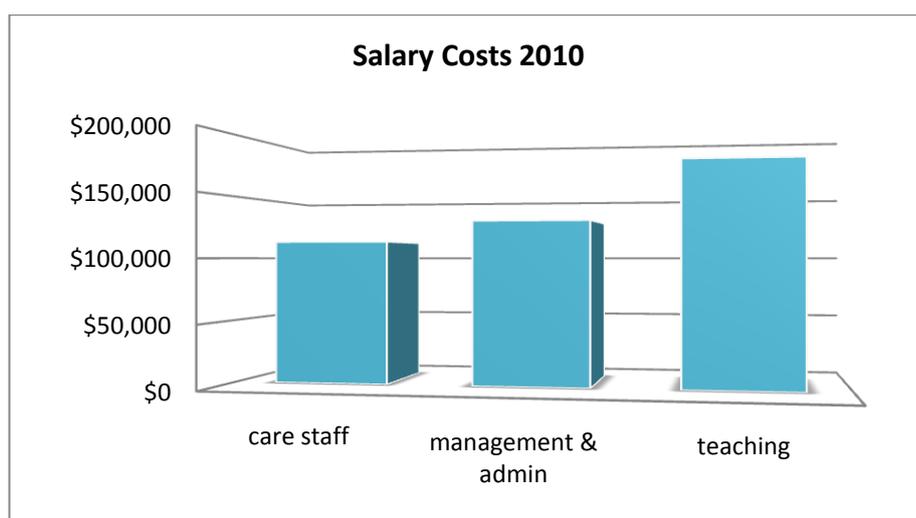
Student Resource expenses were \$50,763.

## Staff Salaries

Staff Salaries are the largest expense to the school and are depicted across the three main functions of the school.

- Teachers and their aides represent the highest cost at \$175,550. There was an increase of this cost by \$50,108 from the preceding year. This represents a 40% increase.
- Care staff includes social, youth and chaplaincy. These costs follow at \$113,154. There was an increase of this cost by \$32,852 from the preceding year. This represents a 41% increase.
- Management and Administrative costs are at \$129,354. There was an increase of this cost by \$6 from the preceding year. This represents no increase or decrease.

From these figures, teaching and care staff were increased in 2010 by 40% to meet the increase in enrolled student numbers. However, Management and Administrative costs remained the same as per 2009 year.

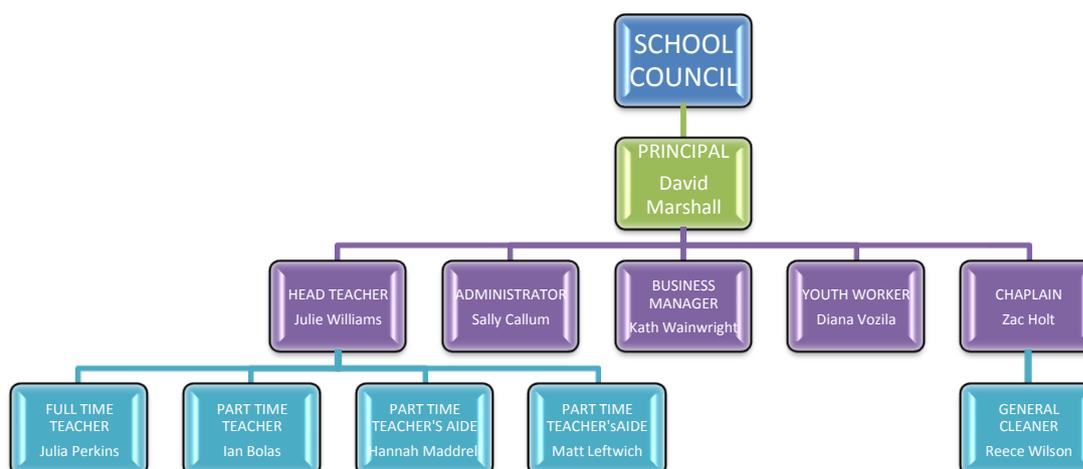


## Student Numbers

The number of student enrolled in the school is 79. Of those 79, a small percentage of students do not attend on a daily basis and are listed under special circumstances. As at last census (August 2010) 67 students were approved for funding under the State Government's Recurrent Funding criteria. As the criteria for Commonwealth Government's Recurrent Grants program for funding students is calculated under a different formula, the number of students fully funded under this scheme was 73, at the end of 2010.

Therefore, the increased percentage of enrolled students based on the Commonwealth Government's Recurrent Grants program was 59% (46 in 2009 and 73 in 2010).

## 4.6 Human Resources – Staff Relationship Chart 2010



All staff members have appropriate qualifications and/or experience for the positions held. Sowilo supports professional development of staff and encourages further professional development with accredited training/educational institutions. The ongoing professional development of staff is strategic to the enhancement of student outcomes. The school adopts a positive practical approach to staff well-being and promotes team spirit.

## 4.7 Staff Movement

In 2010, two staff left of their own volition:

Mrs Gillian Porter	Curriculum Coordinator	Feb. 2010
Mrs Julia Perkins	Teacher	Dec. 2010

In 2010, new appointments were:

Mrs Julie Williams	Curriculum Coordinator	Feb. 2010
Miss Hannah Maddrell	Teacher's Aide	Apr. 2010
Mr Matthew Leftwich	Teacher's Aide	Jul. 2010
Mr Kyle Baker	Part time Youth Worker	Dec.2010

## 4.8 Insurance

Sowilo shall ensure that it carries the appropriate insurance cover by a reputable insurer at all times. Grange Insurance Company acts as Sowilo's insurance broker and current policies held:

- (a) Workers Compensation
- (b) School Student Personal Accident
- (c) Industrial Special Risk
- (d) Liability Statutory
- (e) Professional Indemnity
- (f) Directors & Officers Liability/Co. Reimbursement
- (g) Voluntary Workers Personal Accident
- (h) Corporate Travel
- (i) Professional Fees
- (j) Property Insurance

#### **4.9 Policies and Procedures**

Sowilo shall ensure that it maintains and implements the necessary policies, procedures and related documents in order to ensure that efficient and effective operation of the School and is in compliance with all legal requirements.

Sowilo shall prepare and implement any additional policies or procedures that may be required as the need arises.

The Council with assistance from the School shall regularly:

- Review the policies and procedures

- Assess their effectiveness

- Consider whether any amendments are required, or any additional policies, procedures or related documents need to be prepared

**SOWILO COMMUNITY INC**  
**TRADING AS**  
**SOWILO COMMUNITY HIGH SCHOOL**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

**ABN: 19 429 824 850**

**DRY KIRKNESS**  
**Chartered Accountants**  
**West Perth**

## SOWILO COMMUNITY INC

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Income Statement	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to and forming part of the Financial Statements	8-14
Detailed Income Statement	15-16



**SOWILO COMMUNITY INC**

**STATEMENT BY THE COUNCIL**

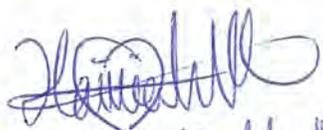
The Council has determined that the Association is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Council the financial statements as set out on pages 4 to 16:

- (i) Present fairly, in all material respects, the financial position of Sowilo Community Inc trading as Sowilo Community High School as at 31 December 2010 and its performance for the year ended on that date; and
- (ii) At the date of this statement, there are reasonable grounds to believe that Sowilo Community Inc trading as Sowilo Community High School will be able to pay its debts as and when they fall due.

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

Treasurer

  
Hannah Maddrell  
Acting Chairperson

Treasurer

Dated at Perth this 27 day of April 2011



## **SOWILO COMMUNITY INC**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF SOWILO COMMUNITY INC**

**DRY KIRKNESS**  
CHARTERED ACCOUNTANTS  
ABN 40 929 149 789

LEVEL 3, 35 OUTRAM STREET

WEST PERTH, WESTERN AUSTRALIA 6005

PO BOX 166, WEST PERTH, 6872

TELEPHONE: (08) 9481 1118

FACSIMILE: (08) 9481 5153

EMAIL: dk@drykirkness.com.au

INTERNET: www.drykirkness.com.au

Liability limited by a scheme approved  
under the Professional Standards Legislation.

We have audited the accompanying financial statements being special purpose financial statements, of Sowilo Community Inc trading as Sowilo Community High School (the '[School]'), which comprises the balance sheet as at 31 December 2010, the income statement, statement of changes in equity and statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

#### *Council's Responsibility for the Financial Statements*

The Council of Sowilo Community Inc is responsible for the preparation of the financial statements and has determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Associations Incorporation Act 1987 (WA) and is appropriate to meet the needs of the members. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial statements, 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

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

*Basis for Qualified Opinion*

We were appointed auditor of the school subsequent to balance date. The comparative figures disclosed in the financial statements were not audited by us. We are unable to and do not express any opinion on the comparative figures.

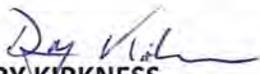
*Qualified Opinion*

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Sowilo Community Inc. as at 31 December 2010, and its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Incorporation Act 1987 (WA).

*Basis of Accounting and Restriction on Distribution*

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements have been prepared to assist Sowilo Community Inc to meet the requirements of the Associations Incorporation Act 1987 (WA). As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Sowilo Community Inc and should not be distributed to any other party.

Date: 27 April 2011  
West Perth  
Western Australia

  
**DRY KIRKNESS**  
Chartered Accountants

  
**P J LAMPRELL-JARRETT**  
Partner

**SOWILO COMMUNITY INC**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	298,886	196,053
Receivables	4	30,460	49,002
Other Current Assets	5	103,034	11,174
<b>TOTAL CURRENT ASSETS</b>		<b>432,380</b>	<b>256,229</b>
<b>NON CURRENT ASSETS</b>			
Prepayment	6	960,312	-
Property, plant and equipment	7	125,130	19,069
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,085,442</b>	<b>19,069</b>
<b>TOTAL ASSETS</b>		<b>1,517,822</b>	<b>275,298</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	8	55,900	28,240
Financial liabilities	9	59,125	-
Provisions	10	7,662	-
Other Current Liabilities	11	201	3,720
<b>TOTAL CURRENT LIABILITIES</b>		<b>122,888</b>	<b>31,960</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	12	904,913	-
Provisions	10	9,202	6,881
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>914,115</b>	<b>6,881</b>
<b>TOTAL LIABILITIES</b>		<b>1,037,003</b>	<b>38,841</b>
<b>NET ASSETS</b>		<b>480,819</b>	<b>236,457</b>
<b>ACCUMULATED FUNDS</b>			
Represented by:			
Retained Earnings		480,819	236,457
		<b>480,819</b>	<b>236,457</b>

*The accompanying notes form an integral part of these financial statements*

**SOWILO COMMUNITY INC**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
<b>Recurrent Operations</b>			
Revenue	2	1,032,701	616,654
Administration expenses		(83,359)	(58,949)
Depreciation expense		(72,009)	(17,882)
Employment expenses		(483,814)	(372,443)
Interest expense		(758)	-
Property expenses		(109,636)	(57,905)
Student expenses		(50,763)	(43,010)
<b>Surplus from recurrent operations</b>		<b>232,362</b>	<b>66,465</b>
<b>Non Recurrent</b>			
Revenue	2	12,000	66,425
Expense		-	-
<b>Surplus from non recurrent operations</b>		<b>12,000</b>	<b>66,425</b>
<b>NET OPERATING SURPLUS FOR YEAR</b>		<b>244,362</b>	<b>132,890</b>

*The accompanying notes form an integral part of these financial statements*

**SOWILO COMMUNITY INC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	<b>Retained \$</b>
<b>Balance at 1 January 2009</b>	103,567
Surplus attributable to the entity	132,890
<b>Balance at 31 December 2009</b>	<u><b>236,457</b></u>
Surplus attributable to the entity	<u>244,362</u>
<b>Balance at 31 December 2010</b>	<u><b>480,819</b></u>

*The accompanying notes form an integral part of these financial statements*

**SOWILO COMMUNITY INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
<b>Cash flows from operating activities</b>			
Receipts: -			
Government Grants and subsidies		988,906	623,529
Fees and related income		38,492	26,996
Interest		8,792	4,312
Payments:-			
Employees and suppliers		(758,256)	(535,226)
Interest		(758)	-
Net cash provided by recurrent operating activities		<u>277,176</u>	<u>119,611</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and		(1,138,381)	(36,951)
Proceeds on disposal of plant and		-	-
		<u>(1,138,381)</u>	<u>(36,951)</u>
<b>Cash flows from financing activities</b>			
Net increase in borrowings		<u>964,038</u>	-
		<u>964,038</u>	-
Net increase in cash held		102,833	82,660
Cash at the beginning of the financial year		196,053	113,393
<b>Cash at the end of the financial year</b>	14 a)	<u><u>298,886</u></u>	<u><u>196,053</u></u>

*The accompanying notes form an integral part of these financial statements*

## SOWILO COMMUNITY INC

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act WA 1987 and the constitution of Sowilo Community Inc trading as Sowilo Community High School (the 'School'). The Council has determined that Sowilo Community Inc is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

#### **(a) Property, Plant and Equipment**

Property, plant and equipment are brought to account at cost or at independent or Council's valuation, less, where applicable, any accumulated depreciation or amortisation.

The carrying amount of property, plant and equipment is reviewed annually by the Council 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, which will be received from the assets employed and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amount.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to allocate their cost against their estimated useful lives.

The depreciation rates used for each class of asset are:

<i>Furniture &amp; Fittings</i>	<i>10%</i>
<i>Office Equipment</i>	<i>10% - 25%</i>
<i>Classroom Equipment</i>	<i>12.5% - 25%</i>
<i>Sport Equipment</i>	<i>10% - 12.5%</i>
<i>Computer Equipment</i>	<i>10% - 25%</i>
<i>Items under \$1,000 are depreciated at 100%</i>	

## SOWILO COMMUNITY INC

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

##### **(b) Employee Benefits**

Provision is made in respect of the School's liability for any annual leave and long service leave at balance date at current rates of pay. Long service leave is accrued in respect of all staff with more than one year of service with the School.

Liabilities have not been discounted to their present values.

Contributions are made by the School to an employee superannuation fund and are charged as expenses when incurred. The School has no other legal obligation to provide benefits to employees on retirement.

##### **(c) Taxation**

The School is exempt from income tax.

##### **(d) Revenue**

A distinction is made between revenue from operations (recurrent income) and revenue received for capital purposes (non-recurrent income).

###### *Recurrent Income*

Income from fees is recognised when the service is delivered.

Income from per capita grants is recognised in the year to which the funding relates.

###### *Non Recurrent Income*

Government grants received for capital purposes (including BER, NSP funding) are recognised as non recurrent revenue in the year in which they are received.

Capital donations and building fund levies are recognised when due.

All revenue is stated net of GST.

**SOWILO COMMUNITY INC**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(e) Goods and Services Tax**

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 as part of the cost of acquisition of the asset or as part of an item of the expense.

**(f) Critical Accounting Estimates and Judgements**

The management evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the school.

**(g) Economic Dependency/ Going Concern**

The continuing operation of the school and hence its ability to continue as a going concern is dependent upon achieving and maintaining student enrolment numbers, and the continuity of adequate funding from the Australian Commonwealth and State Governments.

	<b>2010</b>	<b>2009</b>
	\$	\$
<b>NOTE 2. REVENUE</b>		
<b>Recurrent:</b>		
Fee Income	38,549	44,163
Grant income	976,906	557,104
Interest income	8,792	4,312
Other	8,454	11,076
	1,032,701	616,654
<b>Non Recurrent:</b>		
Capital grant received	12,000	66,425
	<b>1,044,701</b>	<b>683,079</b>

**NOTE 3. CASH AND CASH EQUIVALENTS**

Petty cash	127	550
Cash at bank	1,232	730
Online saver account	297,527	194,473
BOPO Card	-	300
	<b>298,886</b>	<b>196,053</b>

	2010 \$	2009 \$
<b>NOTE 4. RECEIVABLES</b>		
School fee debtors	41,890	54,717
Less: Provision for doubtful debts	11,430	5,715
	<u>30,460</u>	<u>49,002</u>

Prepayments	<u>103,034</u>	<u>11,174</u>
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**NOTE 6. PREPAYMENT – NON CURRENT ASSET**

Prepaid deposit on building	<u>960,312</u>	-
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**NOTE 7. PROPERTY, PLANT & EQUIPMENT**

Building – at cost	-	-
Less: Accumulated depreciation	-	-
	<u>-</u>	<u>-</u>

Furniture and fittings – at cost	54,546	1,357
Less: Accumulated depreciation	(44,564)	(1,357)
	<u>9,982</u>	<u>-</u>

Office equipment – at cost	12,785	5,679
Less: Accumulated depreciation	(3,223)	(623)
	<u>9,562</u>	<u>5,056</u>

Classroom equipment – at cost	17,568	3,434
Less: Accumulated depreciation	(7,422)	(3,434)
	<u>10,146</u>	<u>-</u>

Sports equipment– at cost	30,525	21,244
Less: Accumulated depreciation	(10,934)	(7,231)
	<u>19,591</u>	<u>14,013</u>

Computer equipment– at cost	99,596	5,236
Less: Accumulated depreciation	(23,747)	(5,236)
	<u>75,849</u>	<u>-</u>

	<u>125,130</u>	<u>19,069</u>
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**SOWILO COMMUNITY INC**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

**NOTE 7. PROPERTY, PLANT & EQUIPMENT (cont'd)**

	Opening \$	Additions \$	Disposals \$	Depreciation \$	Closing \$
Building	-	-	-	-	-
Furniture and fittings	-	53,189	-	(43,207)	9,982
Office equipment	5,056	7,106	-	(2,600)	9,562
Classroom equipment	-	14,134	-	(3,988)	10,146
Sports equipment	14,013	9,281	-	(3,703)	19,591
Computer equipment	-	94,360	-	(18,511)	75,849
	<b>19,069</b>	<b>178,070</b>	<b>-</b>	<b>(72,009)</b>	<b>125,130</b>

**NOTE 8. ACCOUNTS PAYABLE – CURRENT**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Creditors and accruals	<u><b>55,900</b></u>	<u><b>28,240</b></u>

**NOTE 9. FINANCIAL LIABILITIES - CURRENT**

Loans	<u><b>59,125</b></u>	<b>-</b>
-------	----------------------	----------

These loans are secured by registered mortgages over buildings detailed in Note 15.

**NOTE 10. PROVISIONS**

**Current**

Long service leave	<u><b>7,662</b></u>	<b>-</b>
--------------------	---------------------	----------

**Non Current**

Long service leave	<u><b>9,202</b></u>	<u><b>6,881</b></u>
--------------------	---------------------	---------------------

**NOTE 11. OTHER CURRENT LIABILITIES**

Enrolment deposits	120	3,720
Fees in advance	81	-
	<u><b>201</b></u>	<u><b>3,720</b></u>

**NOTE 12. FINANCIAL LIABILITIES - NON-CURRENT**

Loans	<u><b>904,913</b></u>	<b>-</b>
-------	-----------------------	----------

These loans are secured by registered mortgages over buildings detailed in Note 15.

**SOWILO COMMUNITY INC**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<b>2010</b>	<b>2009</b>
	\$	\$
<b>NOTE 13. COMMITMENTS</b>		
 <b>Operating Lease commitments</b>		
Payable		
-not later than 1 year	5,402	-
-later than 1 year but not later than 5 years	15,840	-
	<b>21,242</b>	-
	<b>21,242</b>	-

The operating leases are for the use of office equipment.

**NOTE 14. CASH FLOW INFORMATION**

**(a) Reconciliation of cash. For the purposes of this cash flow information, cash includes:**

- (i) cash on hand and in at call deposits
- (ii) investments in money market instruments maturing within less than two months.

Cash at the end of the year is shown in the balance sheet as:

Bank Accounts	298,759	195,503
Petty cash	127	550
	<b>298,886</b>	<b>196,053</b>
	<b>298,886</b>	<b>196,053</b>

**SOWILO COMMUNITY INC**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<b>2010</b>	<b>2009</b>
	\$	\$
<b>(b) Reconciliation of cash flow from operations with operating recurrent and non recurrent surplus</b>		
Operating surplus from school operations:	244,362	132,890
Non cash flow items in operating results:	72,009	17,882
Depreciation		
<b>Changes in assets and liabilities:</b>		
(Increase)/decrease in net receivables	18,541	(4,822)
(Increase)/decrease in net prepayments	(91,860)	(10,884)
Increase/(decrease) in creditors and accruals	27,660	(15,467)
Increase/(decrease) in provisions for leave	9,983	-
Increase/(decrease) in enrolment deposits	(3,600)	12
Increase/(decrease) in fees in advance	81	-
<b>Cashflow from operations</b>	<b>277,176</b>	<b>119,611</b>

**NOTE 15: POST BALANCE DATE EVENTS**

Subsequent to balance date, the offer to purchase the premises previously rented by the school was settled on 5 January 2011. These costs have been disclosed in the balance sheet as a non current asset described as a prepayment, pending settlement.

**NOTE 16: ASSOCIATION DETAILS**

The Association operates from premises at Unit 1/2 Gillam Drive, Kelmscott WA 6111

**SOWILO COMMUNITY INC**

**DETAILED INCOME STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<b>2010</b>	<b>2009</b>
<b>Income</b>	<b>\$</b>	<b>\$</b>
Commonwealth Recurrent Grant	582,248	287,768
State Recurrent Grant	276,977	143,446
CARE School Supplementary Grant	-	36,825
Capital Grant	12,000	66,425
Government Grants - other	117,681	89,065
Tuition Fees	38,549	44,163
Other Income	8,454	11,076
	<u><b>1,035,909</b></u>	<u><b>678,767</b></u>
 <b>Expenses</b>		
Student Expenses		
Student Activities	18,906	17,239
Camps and Excursions	12,487	9,651
Social Work	1,072	1,602
Student Apparel	2,185	-
Teaching expenses	10,952	5,703
CGEA Expenses	-	1,207
Staff Training	5,161	554
Consultancy	-	7,053
	<u>50,763</u>	<u>43,010</u>
Employment Expenses		
Salaries Teaching Staff	175,550	125,442
Salaries Care Staff	113,154	80,302
Salaries Management & Administration	129,354	129,348
Staff Wellbeing	350	-
Human Resource expenses	65,406	37,351
	<u>483,814</u>	<u>372,443</u>
Administrative Expenses		
Administrative expenses	35,441	18,973
Donations	-	100
Bad Debts	23,534	23,433
Computer Expenses	11,832	14,700
IT Support	10,577	-
Legal Costs	1,735	1,742
School Council Expenses	240	-
Property Expenses	109,636	57,905
Depreciation	72,009	17,882
	<u>265,004</u>	<u>134,736</u>
	<u><b>799,581</b></u>	<u><b>550,189</b></u>

**SOWILO COMMUNITY INC**

**DETAILED INCOME STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<b>2010</b>	<b>2009</b>
	\$	\$
Operating Surplus (Deficit)	236,328	128,578
Other Income - Interest	8,792	4,312
Other Expenses - Interest	758	-
<b>NET SURPLUS/(DEFICIT)</b>	<b><u>244,362</u></b>	<b><u>132,890</u></b>