

CHRISTIAN SCHOOLS TASMANIA

(A COMPANY LIMITED BY GUARANTEE)

ABN 53 009 481 485

FINANCIAL STATEMENTS

31 December 2021

Contents

Directors' Report
Auditor's Independence Declaration
Statement of Profit or Loss
Statement of Financial Position
Statement of Cash Flows
Notes to the Financial Statements
Directors' Declaration
Independent Auditor's Report

**CHRISTIAN SCHOOLS TASMANIA
DIRECTORS' REPORT**

The directors present their report together with the financial report of Christian Schools Tasmania, ABN 53 009 481 485, ("the Company") for the year ended 31 December 2021 and the auditor's report thereon.

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

Mr S Parnham	Mrs S Cann (appointed 24.6.2021; resigned 10.1.2022)
Mr D Cottuli (appointed 24.6.2021)	Mr T de Kievit
Mr W Downie	Mrs N-M Hartog
Mr J Kuipers (appointed 31.3.2022)	Mr A Laning
Mr C Rayner (resigned 25.11.2021)	Mrs Y Sypkes
Mr R van der Kley	

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

2. The surplus for the financial year was \$1,757,252 (2020: \$1,235,916).
3. A review of the operations of the Company during the financial year ended 31 December 2021 and the results of those operations found that capital government grants of \$100,000 (2020: \$20,000) contributed to the overall result for the year.
4. The objective of the Company is the provision of highest quality Christ-centred education and this was the principal activity of the Company during the financial year. To achieve this, the Company operates four Christian schools in Southern Tasmania, providing education for students from Kindergarten to Year 12. There was no significant change in the nature of the activities of the Company during the year.
Management, the Board and Committees hold regular meetings considering both education and financial data and results. Such meetings consider performance of the schools in achieving the objective of the Company and also strategically plan for future operations. Progress is measured with reference to strategic planning and annual budgets for each school and the Company as a whole.
5. The Company is exempt from the payment of income tax under Division 50 of the Income Tax Assessment Act 1997.
6. On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. Christian Schools Tasmania is continuing to monitor developments, including any requirements imposed by both the Australian and Tasmanian Governments and the impact on its operations and people. While it is not believed that there will be a significant financial impact, given the present economic uncertainties, the full potential impact is unknown at this time.
No other matters or circumstances have arisen, since the end of the financial year which, in the opinion of the directors of the Company, 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 future financial years.
7. The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.
8. The number of Board meetings and meetings of Committees during the year that each Director was eligible to attend, and the number of meetings attended by each Director, were:

DIRECTOR	BOARD MEETINGS		COMMITTEE MEETINGS	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr S Parnham	9	9	1	1
Mrs S Cann (appointed 24.6.2021; resigned 10.1.2022)	6	5		
Mr D Cottuli (appointed 24.6.2021)	6	6		
Mr T de Kievit	9	9		
Mr W Downie	9	7	8	8
Mrs N-M Hartog	9	9		
Mr J Kuipers (appointed 31.3.2022)	-	-		
Mr A Laning	9	8	7	6

**CHRISTIAN SCHOOLS TASMANIA
DIRECTORS' REPORT**

8. (continued) DIRECTOR	BOARD MEETINGS		COMMITTEE MEETINGS	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr C Rayner (resigned 25.11.2021)	9	9		
Mrs Y Sypkes	9	8		
Mr R van der Kley	9	8	8	8

The Board Chair, while not a regular member, may attend any committee meeting and participate as a full member of the committee at those meetings. There is no expectation or requirement for the Board Chair to attend committee meetings.

9. Directors' Qualifications, Experience and Special Responsibilities

Mr S Parnham	Bachelor of Commerce
- Board Chair	Director Commercial Services, Department of Health
- Remuneration Committee Chair	Fellow CPA Australia Member of Christian Reformed Church, Kingston
Mrs S Cann	Bachelor of Journalism Bachelor of Business Management (Marketing) Graduate Certificate in Business (Integrated Marketing Communication) Marketing and communications management Attends Kingdomcity Hobart
(appointed 24.6.2021; resigned 10.1.2022)	
Mr D Cottuli	Bachelor of Education Diploma of Christian Ministries (Distinction) Diploma of Community Services Senior Minister, Grace Church, Clarence Plains Manager, The Grace Centre, Clarence Plains Owner, iDesign Hobart Websites
Mr T de Kievit	Diploma of Building and Construction Managing Director of TDK Construction P/L Member of Christian Reformed Church, Kingston
- School Council delegate	
Mr W Downie	Fellow AICD Director, Hazelwood P/L Co-Founder, RAISE Cambodia Member of Grace Church, Clarence Plains
- Finance & Audit Committee Chair	
- Remuneration Committee member	
Mrs N-M Hartog	Bachelor of Education (Commerce), CELTA AST / Teacher Member of Christian Reformed Church, Kingston
- School Council delegate	
Mr J Kuipers	Bachelor of Engineering Engineering Manager, Nyrstar Hobart Member of St Johns Presbyterian Church, Hobart
(appointed 31.3.2022)	
Mr A Laning	Bachelor of Law Partner of Ogilvie Jennings, Barristers & Solicitors Member of Christian Reformed Church, Kingston
- Finance & Audit Committee member	
Dr C Rayner	Doctor of Philosophy (PhD) Bachelor of Science, Bachelor of Teaching (Hons) Academic Director of Professional Experience, University of Tasmania Faculty Member, National Institute for Christian Education Member of Lighthouse on Federal (church), North Hobart
- School Council delegate (resigned 25.11.2021)	

**CHRISTIAN SCHOOLS TASMANIA
DIRECTORS' REPORT**

9. (continued)

Mrs Y Sypkes - School Council delegate	Master of Educational Studies (University of Tasmania) Retired Teacher with over 30 years' experience Member of St Clements Anglican Church, Kingston
Mr R van der Kley - Finance & Audit Committee member - Remuneration Committee member	Bachelor of Engineering (University of Tasmania) Specialist Engineer, Hydro Electric Corporation T/a Entura Hydro Tasmania Director – Cascade Renewable Energy PL Director – Frome Renewable Energy PL Member Institute of Engineers Australia, CPEng, NER, RPEQ Member of Christian Reformed Church, Kingston

10. Apart from matters referred to elsewhere in these financial statements, since the end of the financial year no director has received, or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he/she is a member or with a Company in which he/she has a substantial financial interest.
11. No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company with the exception of the following matter:
During the financial year the Company has paid a premium in respect of an insurance policy covering the liability of all current directors and officers of the Company. Disclosure of further details is prohibited by a confidentiality clause.
12. 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.
13. The liability of the members of the Company is limited by guarantee in accordance with the Constitution to an amount of \$10 per member.
14. A copy of the auditor's independence declaration as required under Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 5 and forms part of the directors' report for the financial year ended 31 December 2021.

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

Director 
_____ W DOWNIE

Director 
_____ R VAN DER KLEY

Dated this 28th day of April 2022 in Hobart, Tasmania

Board Members
Christian Schools Tasmania
299 Macquarie Street
Hobart Tasmania 7000

28 April 2022

Dear Board Members

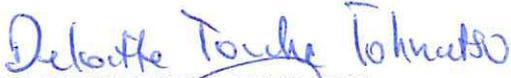
Christian Schools Tasmania

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

As lead audit partner for the audit of the financial statements of Christian Schools Tasmania for the financial year ended 31 December 2021. I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely


DELOITTE TOUCHE TOHMATSU

Carl Harris
Partner
Chartered Accountants

**CHRISTIAN SCHOOLS TASMANIA
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
<u>INCOME</u>			
Tuition fees and charges		3,583,003	3,025,401
Commonwealth government recurrent grants		12,596,703	11,408,898
State government general education grants		3,604,331	3,433,327
State government interest subsidy		53,531	50,057
Other grants received		249,955	232,716
Donations – recurrent		2,315	1,992
Donations – capital		102,398	14,217
Interest received		11,905	26,394
Other income	5	(15,617)	(231,813)
		20,188,524	17,961,189
 <u>LESS EXPENDITURE</u>			
<u>EDUCATIONAL</u>			
Information technology		331,061	293,681
Library expenses		43,856	37,398
Other grants expenses		1,096,155	1,008,509
Salaries and related expenses		9,453,741	8,642,722
Staff training		135,079	117,983
Teaching resources		724,444	604,694
		11,784,336	10,704,987
 <u>SCHOOL OCCUPANCY</u>			
Cleaning		323,094	325,750
Depreciation and amortisation		1,586,316	1,326,191
Grounds and garden expenses		443,119	409,269
Insurance		235,904	187,362
Rates and utilities		238,586	240,287
Maintenance and development		273,507	236,873
		3,100,526	2,725,732
 <u>ADMINISTRATION</u>			
After school care support		11,911	49,080
Audit and accountancy		33,485	24,955
Bad and doubtful debts		23,980	(15,104)
Bank charges		23,245	25,474
Board and committee expenses		19,829	18,149
Charges foregone for non-current receivables		15,798	(29,963)
Interest paid		105,421	112,593
Legal and consultancy		50,857	9,172
Marketing and communication		152,543	129,741
People and culture		87,401	50,179
Postage, printing and stationery		83,339	101,375
Salaries and related expenses		2,164,383	2,119,255
Student transport costs		430,442	408,120

**CHRISTIAN SCHOOLS TASMANIA
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
<u>EXPENDITURE - ADMINISTRATION (continued)</u>			
Subscriptions		111,869	83,220
Sundry		55,618	44,295
Telephone		30,964	31,476
Travelling		11,478	12,122
Work health and safety		133,847	120,416
		<u>3,546,410</u>	<u>3,294,555</u>
TOTAL OPERATING EXPENDITURE		<u>18,431,272</u>	<u>16,725,273</u>
SURPLUS / (DEFICIT) BEFORE INCOME TAX EXPENSE		<u>1,757,252</u>	<u>1,235,916</u>
Income tax expense		-	-
NET SURPLUS / (DEFICIT) AFTER INCOME TAX EXPENSE		<u>1,757,252</u>	<u>1,235,916</u>

CHRISTIAN SCHOOLS TASMANIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	6	136,937	635,575
Trade and other receivables	7	399,743	447,298
Prepayments		530,215	557,477
TOTAL CURRENT ASSETS		1,066,895	1,640,350
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	8	28,346,115	21,984,573
Trade and other receivables	7	106,114	179,082
TOTAL NON-CURRENT ASSETS		28,452,229	22,163,655
TOTAL ASSETS		29,519,124	23,804,005
<u>CURRENT LIABILITIES</u>			
Trade and other payables	9	526,541	1,140,820
Loans and borrowings	10	1,907,590	436,725
Employee benefits	11	824,981	801,848
Deferred income	12	6,150	3,800
Other	13	40,494	29,227
TOTAL CURRENT LIABILITIES		3,305,756	2,412,420
<u>NON-CURRENT LIABILITIES</u>			
Loans and borrowings	10	4,734,049	1,716,500
Employee benefits	11	525,811	447,756
Other	13	126,337	157,410
TOTAL NON-CURRENT LIABILITIES		5,386,197	2,321,666
TOTAL LIABILITIES		8,691,953	4,734,086
NET ASSETS		20,827,171	19,069,919
<u>EQUITY</u>			
Reserves	14	560,198	547,505
Retained earnings	15	20,266,973	18,522,414
TOTAL EQUITY		20,827,171	19,069,919

CHRISTIAN SCHOOLS TASMANIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash receipts from operations		22,667,961	20,255,261
Cash paid to suppliers and employees		(19,584,204)	(17,454,468)
Interest received		11,905	26,394
Interest and other costs of finance paid		(104,571)	(109,583)
Net cash from operating activities		<u>2,991,091</u>	<u>2,717,604</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Capital grants received		100,000	-
Proceeds from sale of property, plant and equipment		12,847	17,919
Acquisition of property, plant and equipment		(8,056,438)	(4,955,738)
Net cash provided by / (used in) investing activities		<u>(7,943,591)</u>	<u>(4,937,819)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from borrowings		7,503,564	-
Repayment of borrowings		(3,049,702)	(181,748)
Net cash provided by / (used in) financing activities		<u>4,453,862</u>	<u>(181,748)</u>
Net increase / (decrease) in cash and cash equivalents		(498,638)	(2,401,963)
Cash and cash equivalents at 1 January		635,575	3,037,538
Cash and cash equivalents at 31 December	20	<u>136,937</u>	<u>635,575</u>

**CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE 1: BASIS OF PREPARATION

These financial statements are general purpose financial statements which have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards – Simplified Disclosures, and the *Australian Charities and Not-for-profits Commission Regulation 2013* and comply with other requirements of the law. For the purposes of these financial statements, the Company is a not-for-profit organisation.

The financial statements were authorised for issue by the Board of Directors on 28 April 2022.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

These financial statements are presented in Australian dollars, which is the Company's functional currency.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring the substance of the underlying transaction and other events is reported.

1(a) Key sources of estimation uncertainty

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

As described in Note 2(d), the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. During the financial year, the directors made no change to the useful lives of the property, plant and equipment held.

The property lease is a non-cancellable lease with a three year term plus options, with rent payable monthly in advance. The first option expired 30 June 2018, the second option expired 30 June 2021 and the third option expires 30 June 2026. The valuation of the related leased asset and liability is based on the firm expectation that the third option run for its full term.

1(b) New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

A number of new standards and amendments to the standards are effective for annual periods beginning on or after 1 January 2022. At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The Company has considered the impact of these new or amended standards and the potential changes to the financial statements in the period of initial application, and no material impact is expected upon adoption.

1(c) New and amended standards adopted by the Company

The Company has elected to apply AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities prior to its mandatory effective date (annual reporting periods beginning on or after 1 July 2021).

As a result of the early application of AASB 1060, these financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures.

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied to all periods presented in the financial statements, unless otherwise stated. Certain comparative amounts have been reclassified to conform with the current year's presentation.

2(a) School Councils

The results, assets and liabilities of the following operations of the Company are not included in these accounts:

Calvin Christian School – School Council

Calvin Christian School – School Council – Oliebollen / Fundraising Committee

Channel Christian School – School Council

Emmanuel Christian School – School Council

Northern Christian School – School Council

Separate financial statements for the above School Councils are available to all members of the Company. Such statements are subject to annual independent review by a certified auditor.

2(b) Revenue

Revenue from the rendering of education services is recognised upon the delivery of the education to students.

The Company's educational activity is supported by grants received from the Commonwealth and State Governments. Where the requirements attached to the grant funding are not sufficiently specific to identify performance obligations and to determine when those performance obligations are satisfied, these are recognised when received. For all other grants where performance obligations are sufficiently specific, revenue is recognised as services are performed or conditions fulfilled.

Interest income is recognised as it accrues, using the effective interest method.

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

2(c) Borrowing costs

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

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

2(d) Property, plant and equipment

Property, plant and equipment are brought to account at cost, less, where applicable, any accumulated depreciation or amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Work in progress is valued at cost.

The carrying amount of property, plant and equipment is reviewed annually by the Company to ensure it is not in excess of the recoverable amount from those assets. The depreciable amount of all fixed assets including buildings, but excluding freehold land, are depreciated over their useful lives commencing from the time the asset is held ready for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant or equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2(d) Property, plant and equipment (continued)

Depreciation is recognised as an expense on a straight line and/or diminishing value basis. The depreciation rates and basis used for each class of depreciable asset are:

<u>Class of Asset</u>	<u>Rate</u>	<u>Basis</u>
Buildings and improvements	1.5 – 20%	Straight line
Plant, equipment, furniture and fittings	2.5 – 50%	Straight line
Motor vehicles and buses	10 – 20%	Straight line

2(e) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2(f) Loans and Receivables

Trade receivables, loans and other receivables are recorded at amortised cost less impairment.

2(g) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

2(h) Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. The value in use is the depreciated replacement cost. The depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation (to reflect the already consumed or expired economic benefits of the asset).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2(i) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade payables are normally settled within thirty (30) days. The net fair value of Creditors approximates their carrying amounts.

2(j) Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant.

2(k) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year, together with benefits arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs.

The Company's net obligation in respect of long service leave benefits which will be settled after one year is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

2(l) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

2(m) Taxation

The Company is exempt from the payment of income tax under Division 50 of the Income Tax Assessment Act 1997. This exemption has been confirmed by the Australian Taxation Office.

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the Australian Taxation Office are classified as operating cash flows.

2(n) Comparative Figures

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

**CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE 3: WORKING CAPITAL

As at 31 December 2021, the Company had a working capital deficiency of \$2,238,861 (2020: \$929,480). The working capital deficiency has arisen due to the timing of the receipt of tuition fee income, combined with the expenditure of short term resources on long term assets.

The Company will finance its ongoing operations through recurrent government grants and tuition fees income anticipated to exceed \$21.3 million in 2022.

It is noted that current liabilities include \$181,575 (2019: \$250,725) of short-term loans to the Company. These loans are provided on rolling fixed terms of 6 months and the current term is due to expire on 30 June 2022. The Company's going concern position is based on the firm expectation that these loans will continue to be rolled over.

A Business Line of Credit facility for \$1 million (2020: \$1 million) is available to meet any short-term cash flow needs. At 31 December 2021, this had been drawn to the extent of \$1 million (2020: \$nil). This loan has an indefinite term and is subject to annual review. It can be cancelled by the Commonwealth Bank of Australia with 30 days' notice.

Significant cash receipts were received in January 2022 to correct the working capital deficiency, including Commonwealth grants.

As a result of the above, the directors are of the opinion that the basis upon which the financial statements are prepared is appropriate, and the company will be able to realise its assets and settle its liabilities in the ordinary course of business.

NOTE 4: LIABILITY OF MEMBERS

The liability of the members of the Company is limited by guarantee in accordance with the Constitution to an amount of \$10 per member. The Company had 376 members at 31 December 2021 (2020: 360 members).

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
NOTE 5: OTHER INCOME		
Gain / (Loss) from disposal of property, plant and equipment	(103,896)	(255,948)
Sundry Income	88,279	24,135
	(15,617)	(231,813)
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on hand	2,250	2,250
Cash at bank	133,257	92,441
Cash on deposit	-	530,000
- CST OJ Hofman Scholarship Fund	159	13
- CST School Building Fund	1,271	10,871
	136,937	635,575
NOTE 7: TRADE AND OTHER RECEIVABLES		
<u>CURRENT</u>		
Trade debtors	430,063	354,563
Less: Impairment of trade debtors	(224,795)	(197,673)
	205,268	156,890
Other debtors	194,475	290,408
	399,743	447,298
<u>NON-CURRENT</u>		
Trade debtors	106,114	179,082
	106,114	179,082
NOTE 8: PROPERTY, PLANT AND EQUIPMENT		
8(a) Land at:		
- cost	444,046	444,046
	444,046	444,046
Buildings and improvements at:		
- cost	28,417,323	21,290,379
- less accumulated depreciation	(5,665,102)	(5,225,096)
	22,752,221	16,065,283
Plant and equipment at:		
- cost	5,399,539	5,446,483
- less accumulated depreciation	(2,785,498)	(3,306,441)
	2,614,041	2,140,042
Furniture and fittings at:		
- cost	1,768,438	1,675,743
- less accumulated depreciation	(758,400)	(980,613)
	1,010,038	695,130
Motor vehicles and buses at:		
- cost	721,724	661,479
- less accumulated depreciation	(416,738)	(370,144)
	304,986	291,335

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT (continued)		
Leased assets		
- cost	383,998	375,155
- less accumulated amortisation	(226,265)	(191,979)
	157,733	183,176
Work in progress at cost	1,063,050	2,165,561
	1,063,050	2,165,561
TOTAL PROPERTY, PLANT AND EQUIPMENT	28,346,115	21,984,573
8(b) Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial years are as follows:		
<u>LAND</u>		
Carrying amount at beginning	444,046	444,046
Additions	-	-
	444,046	444,046
<u>BUILDINGS AND IMPROVEMENTS</u>		
Carrying amount at beginning	16,065,283	14,635,405
Additions	73,990	62,755
Transfer from Work in Progress	7,307,989	2,125,983
Disposals	(255,274)	(511,675)
Depreciation expense	(589,375)	(518,983)
Depreciation write back on disposals	149,608	271,798
	22,752,221	16,065,283
<u>PLANT AND EQUIPMENT</u>		
Carrying amount at beginning	2,140,042	1,695,455
Additions	680,616	912,604
Transfer from Work in Progress	559,299	179,602
Disposals	(1,284,734)	(225,816)
Depreciation expense	(749,160)	(620,271)
Depreciation write back on disposals	1,267,978	198,468
	2,614,041	2,140,042
<u>FURNITURE AND FITTINGS</u>		
Carrying amount at beginning	695,130	514,377
Additions	176,938	69,295
Transfer from Work in Progress	304,925	222,194
Disposals	(391,616)	(8,437)
Depreciation expense	(164,599)	(110,736)
Depreciation write back on disposals	389,260	8,437
	1,010,038	695,130

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT (continued)		
<u>MOTOR VEHICLES</u>		
Carrying amount at beginning	291,335	238,512
Additions	60,245	99,545
Transfer from Work in Progress	-	-
Disposals	-	(29,593)
Depreciation expense	(46,594)	(38,083)
Depreciation write back on disposals	-	20,954
	304,986	291,335
 <u>LEASED ASSETS</u>		
Carrying amount at beginning	183,176	48,920
Additions	8,843	170,377
Transfer from Work in Progress	-	-
Disposals	-	(105,244)
Depreciation expense	(34,286)	(36,121)
Depreciation write back on disposals	-	105,244
	157,733	183,176
 <u>WORK IN PROGRESS</u>		
Carrying amount at beginning	2,165,561	890,538
Additions	7,118,151	3,837,285
Transfer to completed assets	(8,172,213)	(2,527,779)
Expensed	(48,449)	(34,483)
	1,063,050	2,165,561
 NOTE 9: TRADE AND OTHER PAYABLES		
<u>CURRENT</u>		
Trade creditors	130,978	720,385
Sundry creditors and accruals	395,563	420,435
	526,541	1,140,820
 NOTE 10: LOANS AND BORROWINGS		
<u>CURRENT</u>		
Bank overdraft – secured	-	-
Business Line of Credit drawdown – secured	1,000,000	-
Better Business Loan – secured	540,015	-
Market Rate Loan – secured	186,000	186,000
Members loans – unsecured	181,575	250,725
	1,907,590	436,725
 <u>NON-CURRENT</u>		
Better Business Loan – secured	3,203,549	-
Market Rate Loan – secured	1,530,500	1,716,500
	4,734,049	1,716,500

The Company has a bank overdraft limit of \$50,000 (2020: \$50,000). As at 31 December 2021 this had been drawn to the extent of \$nil (2020: \$nil). The bank overdraft is secured by a registered first mortgage over the freehold properties of the Company.

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 10: LOANS AND BORROWINGS (continued)

The Company also has a Business Line of Credit facility for \$1 million (2020: \$1 million). At 31 December 2021, this had been drawn to the extent of \$1 million (2020: \$nil). This loan has an indefinite term and is subject to annual review. It can be cancelled by the Commonwealth Bank of Australia with 30 days' notice. The Company's Market Rate Loan was refinanced during 2020 with a 5.25 year term, which is due to mature in 2026. The repayment schedule is based on the expectation of refinancing for a further term of 5 years.

The Company's Better Business Loan was refinanced during 2021 to \$6.558 million. At 31 December 2021, this had been drawn to the extent of \$3,743,564 (2020: \$nil). The repayment schedule is based on the expectation of refinancing for a further term of 5 years.

	2021	2020
	\$	\$
NOTE 11: EMPLOYEE BENEFITS		
<u>CURRENT</u>		
Annual leave	126,959	125,867
Long service leave	698,022	675,981
	824,981	801,848
<u>NON-CURRENT</u>		
Long service leave	502,789	447,756
Deferred salary	23,022	-
	525,811	447,756
NOTE 12: DEFERRED INCOME		
Government grants in advance	6,150	3,800
	6,150	3,800
NOTE 13: OTHER LIABILITIES		
<u>CURRENT</u>		
Lease liabilities	35,441	29,227
Contract retentions	5,053	-
	40,494	29,227
<u>NON-CURRENT</u>		
Lease liabilities	126,337	157,410
	126,337	157,410
NOTE 14: RESERVES		
CST OJ Hofman Scholarship Fund Reserve	470,099	458,960
CST School Building Fund Reserve	90,099	88,545
	560,198	547,505
NOTE 15: RETAINED EARNINGS		
Retained earnings at the beginning of the financial year	18,522,414	17,312,668
Effect of changes in accounting policies	-	-
Net surplus/(deficit) attributable to the Company	1,757,252	1,235,916
Transfer from Reserves		
Transfer (to)/from CST OJ Hofman Scholarship Fund Reserve	(11,139)	(15,319)
Transfer (to)/from CST School Building Fund Reserve	(1,554)	(10,851)
Retained earnings at the end of the financial year	20,266,973	18,522,414

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
NOTE 16: CAPITAL EXPENDITURE AND LEASING COMMITMENTS		
16(a) <u>Capital Expenditure Commitments</u>		
Capital expenditure projects contracted for at balance date but not recognised as liabilities:		
- not later than 1 year	652,185	3,494,058
- later than 1 year but not later than 5 years	-	-
	652,185	3,494,058
16(b) <u>Future Minimum Lease Payments</u>		
The future minimum lease payments arising under the Company's lease contracts at the end of the reporting period are as follows:		
- not later than 1 year	39,398	
- later than 1 year but not later than 5 years	133,309	
	172,707	
NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION		
17(a) <u>Directors</u>		
No director received remuneration in connection with their position as director.		
17(b) <u>Other Key Management Personnel Compensation</u>		
Compensation to other members of key management personnel of the Company	418,196	420,359
	418,196	420,359

NOTE 18: RELATED PARTY TRANSACTIONS

18(a) No director has received or has become entitled to receive a benefit by reason of a contract made with the Company, other than contracts entered into by the Company and firms or employees of directors in the normal course of business.

18(b) Interest In Contracts

A number of directors and key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

The terms and conditions of the transactions entered into during the year between the Company and directors, or their related parties, were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to other members, employees, customers or suppliers. These include:

- school fees and related charges in line with published schedules and standard charges.
- payments to Interact IT, a related party of Mr W Downie, for ICT equipment and services, amounting to \$669,393 (2020: \$757,534).
- payments to Ogilvie Jennings, a related party of Mr A Laning, for legal advice and services, amounting to \$3,302 (2020: \$7,053).
- payments to SFO Property Pty Ltd, a related party of Mrs Y Sypkes, for property lease of offices at 299 Macquarie Street, Hobart, amounting to \$65,259 (2020: \$62,948).
- salary and associated payments to Mrs S Gillman, a related party of Mr D Gillman, in line with her position and the Christian Schools Tasmania Enterprise Agreement (General Staff) 2019.
- salary and associated payments to Mrs C van der Kley, a related party of Mr R van der Kley, in line with her position and the Christian Schools Tasmania Enterprise Agreement (General Staff) 2019.

**CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE 18: RELATED PARTY TRANSACTIONS (continued)

- salary and associated payments to Miss E Bosveld, a related party of Mr B Bosveld, in line with her position and the Christian Schools Tasmania Enterprise Agreement (General Staff) 2019.
- salary and associated payments to Mrs A Laning, a related party of Mr A Laning, in line with her position and the Christian Schools Tasmania Enterprise Agreement (General Staff) 2019.

18(c) LOANS PAYABLE TO RELATED PARTIES

The aggregate amount of loans from directors and related parties of directors to the Company totalled \$nil as at 31 December 2021 (2020: \$nil). The interest paid on these loans during the year totalled \$nil (2020: \$nil).

	2021	2020
	\$	\$
NOTE 19: AUDIT FEES		
Financial statement audits	16,950	
Others	11,975	
	28,925	
NOTE 20: CASH FLOW INFORMATION		
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS</u>		
Cash on hand	2,250	2,250
Cash at bank	133,257	92,441
Cash on deposit	1,430	540,884
Overdrafts and other cash borrowings	-	-
	136,937	635,575

NOTE 21: CONTINGENCIES

There are no potential contingent liabilities that the directors are aware of that have not been previously disclosed.

NOTE 22: EVENTS AFTER THE REPORTING PERIOD

The outbreak of COVID-19 has caused disruption to businesses and economic activity across Australia. The company has recorded all additional government funding and costs associated with COVID-19, for the year ended 31 December 2021. As the situation remains fluid due to evolving changes in government policy and ongoing COVID-19 cases across Australia, as at the date these financial statements are authorised for issue, the directors considered that the financial impact of COVID-19 on the financial statements cannot be reasonably estimated for future financial periods. The company continue to monitor the developments, including any requirements imposed by both the Australian and Tasmanian Governments and the impact on operations.

**CHRISTIAN SCHOOLS TASMANIA
DIRECTORS' DECLARATION**

In the opinion of the directors of Christian Schools Tasmania ("the Company"):

1. The financial statements and notes, as set out on pages 6 to 20, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (a) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
 - (b) complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors and made pursuant to s 60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Director



W DOWNIE

Director



R VAN DER KLEY

Dated this 28th day of April 2022 in Hobart, Tasmania

Independent Auditor's Report to the Members of Christian Schools Tasmania

Opinion

We have audited the financial report of Christian Schools Tasmania (the "Entity") which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

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

- Giving a true and fair view of the Entity's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards – Simplified disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (*including Independence Standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

(a) The directors are responsible for the other information. The other information comprises the Directors' report for the year ended 31 December 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified disclosures and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Carl Harris
Partner
Chartered Accountants

Hobart, 28 April 2022