

CHRISTIAN SCHOOLS TASMANIA

(A COMPANY LIMITED BY GUARANTEE)

ABN 53 009 481 485

FINANCIAL STATEMENTS

31 December 2022

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 2022 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 K Bourne (appointed 27.10.2022)
Mrs S Cann (resigned 10.1.2022)	Mr D Cottuli
Mr T de Kievit	Mr W Downie
Mrs N-M Hartog	Mr J Kuipers (appointed 31.3.2022)
Mr A Laning	Mrs Y Sypkes (resigned 29.6.2022)
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 \$1,628,150 (2021: \$1,757,252).
3. A review of the operations of the Company during the financial year ended 31 December 2022 and the results of those operations found that capital government grants of \$118,000 (2021: \$100,000) 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. It is not believed that there will be a significant financial impact.
- 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	10	9	1	1
Mrs K Bourne (appointed 27.10.2022)	2	2		
Mrs S Cann (resigned 10.1.2022)	0	0		
Mr D Cottuli	10	10		
Mr T de Kievit	10	10		
Mr W Downie	10	9	8	7
Mrs N-M Hartog	10	10		
Mr J Kuipers (appointed 31.3.2022)	9	9	4	4
Mr A Laning	10	8	8	5

**CHRISTIAN SCHOOLS TASMANIA
DIRECTORS' REPORT**

8. (continued) DIRECTOR	BOARD MEETINGS		COMMITTEE MEETINGS	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mrs Y Sypkas (resigned 29.6.2022)	5	3		
Mr R van der Kley	10	9	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 - Board Chair - Remuneration Committee Chair	Bachelor of Commerce Director Commercial Services, Department of Health Fellow CPA Australia Member of Christian Reformed Church, Kingston
Mrs K Bourne (appointed 27.10.2022)	Bachelor of Laws Deputy Secretary, Justice and Reform, Department of Justice Member of Christian Reformed Church, Kingston
Mrs S Cann (resigned 10.1.2022)	Bachelor of Journalism Bachelor of Business Management (Marketing) Graduate Certificate in Business (Integrated Marketing Communication) Marketing and communications management Attends Kingdomcity Hobart
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 - School Council delegate	Diploma of Building and Construction Managing Director of TDK Construction P/L Member of Christian Reformed Church, Kingston
Mr W Downie - Finance & Audit Committee Chair - Remuneration Committee member	Fellow AICD Director, Hazelwood P/L Co-Founder, RAISE Cambodia Member of Grace Church, Clarence Plains
Mrs N-M Hartog - School Council delegate	Bachelor of Education (Commerce), CELTA Acting Assistant Principal / Teacher Member of Christian Reformed Church, Kingston
Mr J Kuipers (appointed 31.3.2022) - Finance & Audit Committee member	Bachelor of Engineering Engineering Manager, Nyrstar Hobart Member of St Johns Presbyterian Church, Hobart
Mr A Laning - Finance & Audit Committee member	Bachelor of Law Partner of Ogilvie Jennings, Barristers & Solicitors Member of Christian Reformed Church, Kingston
Mrs Y Sypkas - School Council delegate (resigned 29.6.2022)	Master of Educational Studies (University of Tasmania) Retired Teacher with over 30 years' experience Member of St Clements Anglican Church, Kingston

**CHRISTIAN SCHOOLS TASMANIA
DIRECTORS' REPORT**


9. (continued)

Mr R van der Kley Bachelor of Engineering (University of Tasmania)
- Finance & Audit Committee member Specialist Engineer, Hydro Electric Corporation T/a Entura Hydro
- Remuneration Committee member 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 corroboration 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 2022.

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

Director


S PARNHAM

Director


W DOWNIE

Dated this

27th day of April 2023 in Hobart, Tasmania

Board Members
Christian Schools Tasmania
299 Macquarie Street
Hobart Tasmania 7000

27 April 2023

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 2022. 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

DELOITTE TOUCHE TOHMATSU



Carl Harris
Partner
Chartered Accountants

**CHRISTIAN SCHOOLS TASMANIA
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
<u>INCOME</u>			
Tuition fees and charges		4,156,683	3,583,003
Commonwealth government recurrent grants		14,124,112	12,596,703
State government general education grants		3,795,783	3,604,331
State government interest subsidy		28,476	53,531
Other grants received		227,964	249,955
Donations – recurrent		311,325	2,315
Donations – capital		71,403	102,398
Interest received		2,653	11,905
Other income	5	28,511	(15,617)
		22,746,910	20,188,524
 <u>LESS EXPENDITURE</u>			
<u>EDUCATIONAL</u>			
Information technology		394,528	331,061
Library expenses		44,118	43,856
Other grants expenses		1,338,609	1,096,155
Salaries and related expenses		10,652,949	9,453,741
Staff training		178,847	135,079
Teaching resources		1,063,743	724,444
		13,672,794	11,784,336
 <u>SCHOOL OCCUPANCY</u>			
Cleaning		339,488	323,094
Depreciation and amortisation		1,875,769	1,586,316
Grounds and garden expenses		518,769	443,119
Insurance		306,928	235,904
Rates and utilities		230,379	238,586
Maintenance and development		373,773	273,507
		3,645,106	3,100,526
 <u>ADMINISTRATION</u>			
After school care support		41,918	11,911
Audit and accountancy		30,531	33,485
Bad and doubtful debts		7,998	23,980
Bank charges		25,220	23,245
Board and committee expenses		18,386	19,829
Charges foregone for non-current receivables		9,774	15,798
Interest paid		189,436	105,421
Legal and consultancy		23,494	50,857
Marketing and communication		155,869	152,543
People and culture		49,306	87,401
Postage, printing and stationery		101,389	83,339
Salaries and related expenses		2,281,366	2,164,383
Student transport costs		531,966	430,442

**CHRISTIAN SCHOOLS TASMANIA
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
<u>EXPENDITURE - ADMINISTRATION (continued)</u>			
Subscriptions		115,990	111,869
Sundry		34,997	55,618
Telephone		30,216	30,964
Travelling		23,074	11,478
Work health and safety		129,930	133,847
		3,800,860	3,546,410
TOTAL OPERATING EXPENDITURE		21,118,760	18,431,272
SURPLUS / (DEFICIT) BEFORE INCOME TAX EXPENSE		1,628,150	1,757,252
Income tax expense		-	-
NET SURPLUS / (DEFICIT) AFTER INCOME TAX EXPENSE		1,628,150	1,757,252

CHRISTIAN SCHOOLS TASMANIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	6	1,780,255	136,937
Trade and other receivables	7	256,911	398,692
Prepayments		538,603	530,215
Inventories	8	220,154	-
TOTAL CURRENT ASSETS		2,795,923	1,065,844
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	9	30,545,605	28,346,115
Trade and other receivables	7	78,774	106,114
TOTAL NON-CURRENT ASSETS		30,624,379	28,452,229
TOTAL ASSETS		33,420,302	29,518,073
<u>CURRENT LIABILITIES</u>			
Trade and other payables	10	585,056	525,490
Loans and borrowings	11	1,733,015	1,907,590
Employee benefits	12	1,056,319	824,981
Deferred income	13	12,200	6,150
Other	14	48,264	40,494
TOTAL CURRENT LIABILITIES		3,434,854	3,304,705
<u>NON-CURRENT LIABILITIES</u>			
Loans and borrowings	11	6,891,725	4,734,049
Employee benefits	12	545,502	525,811
Other	14	92,900	126,337
TOTAL NON-CURRENT LIABILITIES		7,530,127	5,386,197
TOTAL LIABILITIES		10,964,981	8,690,902
NET ASSETS		22,455,321	20,827,171
<u>EQUITY</u>			
Reserves	15	571,836	560,198
Retained earnings	16	21,883,485	20,266,973
TOTAL EQUITY		22,455,321	20,827,171

**CHRISTIAN SCHOOLS TASMANIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash receipts from operations		24,706,655	22,667,961
Cash paid to suppliers and employees		(21,015,249)	(19,584,204)
Interest received		2,653	11,905
Interest and other costs of finance paid		(188,917)	(104,571)
Net cash from operating activities		3,505,142	2,991,091
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Capital grants received		118,000	100,000
Proceeds from sale of property, plant and equipment		15,068	12,847
Acquisition of property, plant and equipment		(4,113,917)	(8,056,438)
Net cash provided by / (used in) investing activities		(3,980,849)	(7,943,591)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from borrowings		19,560,862	7,503,564
Repayment of borrowings		(17,441,837)	(3,049,702)
Net cash provided by / (used in) financing activities		2,119,025	4,453,862
Net increase / (decrease) in cash and cash equivalents		1,643,318	(498,638)
Cash and cash equivalents at 1 January		136,937	635,575
Cash and cash equivalents at 31 December	21	1,780,255	136,937

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 27 April 2023.

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.

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

During 2022, the Company wound up the operation of the School Councils, replacing them with Community Engagement Committees (CEC's). As part of this process, all assets and liabilities of the Councils were transferred within the operations of the Company by way of donations income from the Councils, to be recognised as cash assets or uniform stock. The ongoing operations of the CEC's will be included in the Company's accounts going forward.

Separate financial statements detailing the results, assets and liabilities for the following School Councils are prepared for the 2022 financial year and are available to all members of the Company:

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

Such statements are subject to annual independent review by a certified auditor.

**CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 fair value through profit or loss (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.

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2(g) Impairment of financial assets (continued)

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.

2(i) Inventories

Inventories comprise uniform stocks for sale and are stated at cost or, where those stocks have been donated to the Company, at net realisable value. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price.

2(j) 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(k) 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(l) 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.

**CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2(l) Employee Benefits (continued)

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(m) 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(n) 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(o) Comparative Figures

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

NOTE 3: WORKING CAPITAL

As at 31 December 2022, the Company had a working capital deficiency of \$638,931 (2021: \$2,238,861). 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 \$24 million in 2023.

It is noted that current liabilities include \$7,000 (2021: \$181,575) 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 2023. 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 (2021: \$1 million) is available to meet any short-term cash flow needs. At 31 December 2022, this had been drawn to the extent of \$1 million (2021: \$1 million). 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 2023 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.

**CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 378 members at 31 December 2022 (2021: 376 members).

	2022	2021
	\$	\$
NOTE 5: OTHER INCOME		
Gain / (Loss) from disposal of property, plant and equipment	(33,517)	(103,896)
Sundry Income	62,028	88,279
	28,511	(15,617)

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand	1,850	2,250
Cash at bank	1,776,475	133,257
Cash on deposit		
- CST OJ Hofman Scholarship Fund	159	159
- CST School Building Fund	1,771	1,271
	1,780,255	136,937

NOTE 7: TRADE AND OTHER RECEIVABLES

CURRENT

Trade debtors	387,541	430,063
Less: Impairment of trade debtors	(197,650)	(224,795)
	189,891	205,268
Other debtors	67,020	193,424
	256,911	398,692

NON-CURRENT

Trade debtors	78,774	106,114
	78,774	106,114

NOTE 8: INVENTORIES

Finished goods		
- uniform stock at net realisable value	220,154	-
	220,154	-

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

9(a) Land at cost	444,046	444,046
	444,046	444,046
Buildings and improvements at:		
- cost	30,298,513	28,417,323
- less accumulated depreciation	(6,427,779)	(5,665,102)
	23,870,734	22,752,221
Plant and equipment at:		
- cost	5,812,202	5,399,539
- less accumulated depreciation	(3,065,401)	(2,785,498)
	2,746,801	2,614,041
Furniture and fittings at:		
- cost	1,946,163	1,768,438
- less accumulated depreciation	(849,419)	(758,400)
	1,096,744	1,010,038

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT (continued)		
Motor vehicles and buses at:		
- cost	711,686	721,724
- less accumulated depreciation	(452,543)	(416,738)
	259,143	304,986
Leased assets		
- cost	383,998	383,998
- less accumulated amortisation	(264,820)	(226,265)
	119,178	157,733
Work in progress at cost	2,008,959	1,063,050
	2,008,959	1,063,050
TOTAL PROPERTY, PLANT AND EQUIPMENT	30,545,605	28,346,115
9(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	22,752,221	16,065,283
Additions	330,082	73,990
Transfer from Work in Progress	1,596,087	7,307,989
Disposals	(44,979)	(255,274)
Depreciation expense	(783,864)	(589,375)
Depreciation write back on disposals	21,187	149,608
	23,870,734	22,752,221
<u>PLANT AND EQUIPMENT</u>		
Carrying amount at beginning	2,614,041	2,140,042
Additions	569,023	680,616
Transfer from Work in Progress	374,570	559,299
Disposals	(530,929)	(1,284,734)
Depreciation expense	(806,855)	(749,160)
Depreciation write back on disposals	526,951	1,267,978
	2,746,801	2,614,041
<u>FURNITURE AND FITTINGS</u>		
Carrying amount at beginning	1,010,038	695,130
Additions	110,166	176,938
Transfer from Work in Progress	183,598	304,925
Disposals	(116,038)	(391,616)
Depreciation expense	(200,214)	(164,599)
Depreciation write back on disposals	109,194	389,260
	1,096,744	1,010,038

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT (continued)		
<u>MOTOR VEHICLES</u>		
Carrying amount at beginning	304,986	291,335
Additions	12,409	60,245
Transfer from Work in Progress	2,000	-
Disposals	(24,447)	-
Depreciation expense	(46,281)	(46,594)
Depreciation write back on disposals	10,476	-
	259,143	304,986
 <u>LEASED ASSETS</u>		
Carrying amount at beginning	157,733	183,176
Additions	-	8,843
Transfer from Work in Progress	-	-
Disposals	-	-
Depreciation expense	(38,555)	(34,286)
Depreciation write back on disposals	-	-
	119,178	157,733
 <u>WORK IN PROGRESS</u>		
Carrying amount at beginning	1,063,050	2,165,561
Additions	3,132,194	7,118,151
Transfer to completed assets	(2,156,055)	(8,172,213)
Expensed	(30,230)	(48,449)
	2,008,959	1,063,050
 NOTE 10: TRADE AND OTHER PAYABLES		
<u>CURRENT</u>		
Trade creditors	129,010	130,978
Sundry creditors and accruals	456,046	394,512
	585,056	525,490
 NOTE 11: LOANS AND BORROWINGS		
<u>CURRENT</u>		
Bank overdraft – secured	-	-
Business Line of Credit drawdown – secured	1,000,000	1,000,000
Better Business Loan – secured	540,015	540,015
Market Rate Loan – secured	186,000	186,000
Members loans – unsecured	7,000	181,575
	1,733,015	1,907,590
 <u>NON-CURRENT</u>		
Better Business Loan – secured	5,547,225	3,203,549
Market Rate Loan – secured	1,344,500	1,530,500
	6,891,725	4,734,049

The Company has a bank overdraft limit of \$50,000 (2021: \$50,000). As at 31 December 2022 this had been drawn to the extent of \$nil (2021: \$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 2022

NOTE 11: LOANS AND BORROWINGS (continued)

The Company also has a Business Line of Credit facility for \$1 million (2021: \$1 million). At 31 December 2022, this had been drawn to the extent of \$1 million (2021: \$1 million). 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 2022, this had been drawn to the extent of \$6,087,240 (2021: \$3,743,564). The repayment schedule is based on the expectation of refinancing for a further term of 5 years.

	2022	2021
	\$	\$
NOTE 12: EMPLOYEE BENEFITS		
<u>CURRENT</u>		
Annual leave	198,923	126,959
Long service leave	857,396	698,022
	1,056,319	824,981
<u>NON-CURRENT</u>		
Long service leave	498,943	502,789
Deferred salary	46,559	23,022
	545,502	525,811
 NOTE 13: DEFERRED INCOME		
Government grants in advance	12,200	6,150
	12,200	6,150
 NOTE 14: OTHER LIABILITIES		
<u>CURRENT</u>		
Lease liabilities	33,284	35,441
Contract retentions	14,980	5,053
	48,264	40,494
<u>NON-CURRENT</u>		
Lease liabilities	92,900	126,337
	92,900	126,337
 NOTE 15: RESERVES		
CST OJ Hofman Scholarship Fund Reserve	480,970	470,099
CST School Building Fund Reserve	90,866	90,099
	571,836	560,198
 NOTE 16: RETAINED EARNINGS		
Retained earnings at the beginning of the financial year	20,266,973	18,522,414
Effect of changes in accounting policies	-	-
Net surplus/(deficit) attributable to the Company	1,628,150	1,757,252
Transfer from Reserves		
Transfer (to)/from CST OJ Hofman Scholarship Fund Reserve	(10,871)	(11,139)
Transfer (to)/from CST School Building Fund Reserve	(767)	(1,554)
Retained earnings at the end of the financial year	21,883,485	20,266,973

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
NOTE 17: CAPITAL EXPENDITURE AND LEASING COMMITMENTS		
17(a) <u>Capital Expenditure Commitments</u>		
Capital expenditure projects contracted for at balance date but not recognised as liabilities:		
- not later than 1 year	627,871	652,185
- later than 1 year but not later than 5 years	-	-
	627,871	652,185
17(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	36,294	39,398
- later than 1 year but not later than 5 years	97,015	133,309
	133,309	172,707
NOTE 18: KEY MANAGEMENT PERSONNEL COMPENSATION		
18(a) <u>Directors</u>		
No director received remuneration in connection with their position as director.		
18(b) <u>Other Key Management Personnel Compensation</u>		
Compensation to other members of key management personnel of the Company	453,697	418,196
	453,697	418,196

NOTE 19: RELATED PARTY TRANSACTIONS

19(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.

19(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 Slick Branding, a related party of Mr W Downie, for Marketing items, amounting to \$10,475 (2021: \$nil).
- payments to Ogilvie Jennings, a related party of Mr A Laning, for legal advice and services, amounting to \$1,056 (2021: \$3,302).
- 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 \$65,075 (2021: \$65,259).
- 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) 2022.
- 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) 2022.
- 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) 2022.

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 19: RELATED PARTY TRANSACTIONS (continued)

- salary and associated payments to Miss E Parnham, a related party of Mr S Parnham, in line with her position and the Christian Schools Tasmania Enterprise Agreement (General Staff) 2022.

19(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 2022 (2021: \$nil). The interest paid on these loans during the year totalled \$nil (2021: \$nil).

	2022	2021
	\$	\$
NOTE 20: AUDIT FEES		
Financial statement audits	17,585	16,950
Other services	12,915	11,975
	30,500	28,925

Other services provided include Review of School Council financial statements, grant acquittals and Agreed Upon Procedures for the Schools Registration Board submissions.

NOTE 21: CASH FLOW INFORMATION

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash on hand	1,850	2,250
Cash at bank	1,776,475	133,257
Cash on deposit	1,930	1,430
Overdrafts and other cash borrowings	-	-
	1,780,255	136,937

NOTE 22: CONTINGENCIES

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

NOTE 23: EVENTS AFTER THE REPORTING PERIOD

The Company restructured its borrowings during March 2023. This resulted in the pre-existing borrowings facilities being refinanced and extended into four new facilities with the Commonwealth Bank of Australia, as detailed below. All facilities are based on the expectation of refinancing for subsequent terms.

- The Business Line of Credit facility was refinanced with a Better Business Loan of \$1 million with a 3 year term.
- The Market Rate Loan was refinanced with a Better Business Loan of \$1,530,500 with a 3 year term.
- The Better Business Loan was refinanced to \$6,087,240 with a 5 year term.
- An additional Better Business Loan facility was financed to \$5 million with a 3 year term.

The outbreak of COVID-19 caused disruption to businesses and economic activity across Australia. The company recorded all additional government funding and costs associated with COVID-19 for the years ended 31 December 2021 and 2022. 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 any financial impact of COVID-19 on the financial statements, whilst not expected to be significant, 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 19, 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 2022 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



S PARNHAM

Director



W DOWNIE

Dated this 27th day of April 2023 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 2022, 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 2022 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 2022 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, 1 May 2023