

CHRISTIAN SCHOOLS TASMANIA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

| | Note | 2015 \$ | 2014 \$ |
|--|------|------------|------------|
| <u>INCOME</u> | | | |
| Tuition fees and charges | | 3,232,376 | 3,445,546 |
| Commonwealth government recurrent grants | | 6,022,548 | 6,153,334 |
| State government general education grants | | 1,842,415 | 1,938,196 |
| State government interest subsidy | | 3,641 | 8,975 |
| Other grants received | | 46,776 | 84,084 |
| Donations – recurrent | | 18,639 | 3,195 |
| Donations – capital | | 283,383 | 12,648 |
| Interest received | | 9,422 | 17,673 |
| Other income | 5 | 89,201 | 36,824 |
| | | 11,548,401 | 11,700,475 |
| <u>LESS EXPENDITURE</u> | | | |
| <u>EDUCATIONAL</u> | | | |
| Salaries and related expenses | | 6,702,508 | 6,668,198 |
| Teaching resources | | 578,793 | 703,166 |
| Other grants expenses | | 353,958 | 389,323 |
| Computer expenses | | 115,815 | 166,044 |
| Library expenses | | 20,625 | 25,546 |
| Staff training | | 125,313 | 105,153 |
| | | 7,897,012 | 8,057,430 |
| <u>SCHOOL OCCUPANCY</u> | | | |
| Cleaning | | 220,863 | 212,926 |
| Depreciation | | 724,035 | 712,459 |
| Grounds and garden expenses | | 245,270 | 242,619 |
| Insurance | | 91,786 | 79,033 |
| Light and power | | 123,726 | 110,867 |
| Rates and taxes | | 74,117 | 73,070 |
| Repairs and maintenance | | 107,370 | 114,518 |
| | | 1,587,167 | 1,545,492 |
| <u>ADMINISTRATION</u> | | | |
| Advertising | | 95,730 | 64,251 |
| Audit and accountancy | | 16,614 | 15,560 |
| Bad and doubtful debts | | 29,276 | 71,467 |
| Bank charges | | 27,545 | 20,941 |
| Board and committee expenses | | 18,747 | 13,992 |
| Charges foregone for non-current receivables | | (19,570) | 9,935 |
| Interest paid | | 66,548 | 35,837 |
| Legal and consultancy | | 102,893 | 40,693 |
| Office rent | | 35,014 | 27,407 |
| Postage | | 15,315 | 13,001 |
| Salaries and related expenses | | 1,368,864 | 1,349,613 |
| Stationery | | 43,340 | 54,935 |
| Student transport costs | | 98,120 | 96,726 |

The notes on pages 9 to 18 are an integral part of these financial statements

CHRISTIAN SCHOOLS TASMANIA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

| | Note | 2015 | 2014 |
|---|------|------------|------------|
| | | \$ | \$ |
| EXPENDITURE - <u>ADMINISTRATION</u> (continued) | | | |
| Subscriptions and donations | | 67,392 | 75,827 |
| Sundry | | 51,895 | 60,637 |
| Telephone | | 32,071 | 29,814 |
| Travelling | | 15,824 | 28,932 |
| Work health and safety | | 66,239 | 42,729 |
| | | 2,131,857 | 2,052,297 |
| | | | |
| TOTAL OPERATING EXPENDITURE | | 11,616,036 | 11,655,219 |
| | | | |
| (DEFICIT) / SURPLUS BEFORE INCOME TAX EXPENSE | | (67,635) | 45,256 |
| | | | |
| Income tax expense | | - | - |
| | | | |
| NET (DEFICIT) / SURPLUS AFTER INCOME TAX EXPENSE | | (67,635) | 45,256 |
| | | | |
| Other comprehensive income for the year, net of tax | | - | - |
| | | | |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | (67,635) | 45,256 |

The notes on pages 9 to 18 are an integral part of these financial statements

CHRISTIAN SCHOOLS TASMANIA
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

| | Note | 2015 \$ | 2014 \$ |
|---------------------------------------|------|-------------------|-------------------|
| <u>CURRENT ASSETS</u> | | | |
| Cash and cash equivalents | 6 | 2,450 | 53,972 |
| Trade and other receivables | 7 | 597,727 | 259,086 |
| Investments | 8 | 29,699 | 21,998 |
| Prepayments | | 181,191 | 66,957 |
| TOTAL CURRENT ASSETS | | 811,067 | 402,013 |
| <u>NON-CURRENT ASSETS</u> | | | |
| Property, plant and equipment | 9 | 16,246,757 | 13,421,239 |
| Trade and other receivables | 7 | 189,616 | 236,928 |
| TOTAL NON-CURRENT ASSETS | | 16,436,373 | 13,658,167 |
| TOTAL ASSETS | | 17,247,440 | 14,060,180 |
| <u>CURRENT LIABILITIES</u> | | | |
| Trade and other payables | 10 | 918,526 | 584,642 |
| Loans and borrowings | 11 | 1,790,017 | 720,764 |
| Employee benefits | 12 | 535,725 | 637,582 |
| Deferred income | 13 | 977,493 | 1,020,630 |
| Other | 14 | 5,000 | 15,638 |
| TOTAL CURRENT LIABILITIES | | 4,226,761 | 2,979,256 |
| <u>NON-CURRENT LIABILITIES</u> | | | |
| Loans and borrowings | 11 | 2,031,705 | - |
| Employee benefits | 12 | 327,335 | 351,650 |
| TOTAL NON-CURRENT LIABILITIES | | 2,359,040 | 351,650 |
| TOTAL LIABILITIES | | 6,585,801 | 3,330,906 |
| NET ASSETS | | 10,661,639 | 10,729,274 |
| <u>EQUITY</u> | | | |
| Reserves | 15 | 456,722 | 329,667 |
| Retained earnings | 16 | 10,204,917 | 10,399,607 |
| TOTAL EQUITY | | 10,661,639 | 10,729,274 |

The notes on pages 9 to 18 are an integral part of these financial statements

CHRISTIAN SCHOOLS TASMANIA
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

| | Note | 2015 \$ | 2014 \$ |
|----------------------------------|------|-------------------|-------------------|
| <u>RETAINED EARNINGS</u> | | | |
| | 16 | | |
| Balance at 1 January | | 10,399,607 | 10,367,704 |
| ADD / (LESS) | | | |
| Other comprehensive income | | - | - |
| (Deficit) / Surplus for the year | | (67,635) | 45,256 |
| Total comprehensive income | | <u>(67,635)</u> | <u>45,256</u> |
| Transfer from Reserves | | - | - |
| Transfer to Reserves | | (127,055) | (13,353) |
| Balance at 31 December | | <u>10,204,917</u> | <u>10,399,607</u> |
| <u>RESERVES</u> | | | |
| | 15 | | |
| Balance at 1 January | | 329,667 | 316,314 |
| ADD / (LESS) | | | |
| Transfer from Reserves | | - | - |
| Transfer to Reserves | | 127,055 | 13,353 |
| Balance at 31 December | | <u>456,722</u> | <u>329,667</u> |

CHRISTIAN SCHOOLS TASMANIA
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

| | Note | 2015 \$ | 2014 \$ |
|--|------|--------------------|------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Cash receipts from operations | | 12,230,400 | 12,594,951 |
| Cash paid to suppliers and employees | | (11,780,622) | (11,363,618) |
| Interest received | | 9,422 | 17,673 |
| Interest and other costs of finance paid | | (62,331) | (33,789) |
| Net cash from operating activities | | <u>396,869</u> | <u>1,215,217</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Proceeds from sale of property, plant and equipment | | 61,734 | 2,600 |
| Acquisition of property, plant and equipment | | (3,599,165) | (916,613) |
| Net cash provided (used) by investing activities | | <u>(3,537,431)</u> | <u>(914,013)</u> |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Proceeds from borrowings | | 11,495,375 | 3,335,121 |
| Repayment of borrowings | | (8,422,280) | (3,904,221) |
| Net cash provided (used) in financing activities | | <u>3,073,095</u> | <u>(569,100)</u> |
| Net increase (decrease) in cash and cash equivalents | | (67,467) | (267,896) |
| Cash and cash equivalents at 1 January | | 75,970 | 343,866 |
| Cash and cash equivalents at 31 December | 20 | <u>8,503</u> | <u>75,970</u> |

The notes on pages 9 to 18 are an integral part of these financial statements

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 and Australian Accounting Standards – Reduced Disclosure Requirements, 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 17 March 2016.

The financial statements have been prepared on an accruals basis and are based on historical costs and does 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.

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.

Application of new and revised Accounting Standards

In the current year, the Company has applied a number of new and revised AASBs issued by the Australian Accounting Standards Board (AASB).

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The amendments have been applied retrospectively. As the Company does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments does not have any material impact on the disclosures or on the amounts recognised in the Company's financial statements.

AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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.

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 audited financial statements for the above School Councils are available to all members of the Company.

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. Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are recognised as deferred income when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant. 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).

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.

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 2015

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 / Diminishing value |
| Plant, equipment, furniture and fittings | 5 – 33.34% | Straight line / Diminishing value |
| Motor vehicles and buses | 10 – 25% | Straight line / Diminishing value |

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.

f. Loans and Receivables

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

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.

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.

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.

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

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.

NOTE 3: WORKING CAPITAL

As at 31 December 2015, the Company had a working capital deficiency of \$3,415,694 (2014: \$2,577,243). The working capital deficiency has arisen due to the timing of the receipt of funds from grant funding providers and 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 \$11 million in 2016.

It is noted that current liabilities include \$472,278 (2014: \$315,764) 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 2016. 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 \$2.185 million (2014: \$2.2 million) is available to meet any short-term cash flow needs. At 31 December 2015, this had been drawn to the extent of \$1,294,093 (2014: \$405,000). 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 drawn funds from this facility have been fully repaid subsequent to year-end.

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 3: WORKING CAPITAL (continued)

Significant cash receipts were received in January 2016 to correct the working capital deficiency, including Commonwealth grants. Deferred income shown in the Statement of Financial Position is to be recognised as revenue with the continued operation of the Company in 2016.

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 \$2 per member. The Company had 529 members at 31 December 2015 (2014: 524 members).

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

| | Note | 2015 \$ | 2014 \$ |
|--|------|-------------|-------------|
| NOTE 5: OTHER INCOME | | | |
| Gain / (Loss) from disposal of property, plant and equipment | | 15,621 | (39,230) |
| Bus charges | | 9,149 | 11,905 |
| Sundry Income | | 64,431 | 64,149 |
| | | 89,201 | 36,824 |
| NOTE 6: CASH AND CASH EQUIVALENTS | | | |
| Cash on hand | | 2,450 | 2,800 |
| Cash at bank | | - | 51,172 |
| | | 2,450 | 53,972 |
| NOTE 7: TRADE AND OTHER RECEIVABLES | | | |
| <u>CURRENT</u> | | | |
| Trade debtors | | 680,339 | 588,255 |
| Less: Impairment of trade debtors | | (258,759) | (246,111) |
| | | 421,580 | 342,144 |
| Other debtors | | 176,147 | (83,058) |
| | | 597,727 | 259,086 |
| <u>NON-CURRENT</u> | | | |
| Trade debtors | | 189,616 | 236,928 |
| | | 189,616 | 236,928 |
| NOTE 8: INVESTMENTS | | | |
| Cash on deposit | | 4,058 | 16,640 |
| OJ Hofman Memorial Gift Fund | | 191 | 5,358 |
| CST Building Fund | | 25,450 | - |
| | | 29,699 | 21,998 |
| NOTE 9: PROPERTY, PLANT AND EQUIPMENT | | | |
| 9(a) Land at: | | | |
| - cost | | 444,046 | 488,900 |
| | | 444,046 | 488,900 |
| Buildings and improvements at: | | | |
| - cost | | 15,261,585 | 14,840,482 |
| - less accumulated depreciation | | (3,477,329) | (3,206,978) |
| | | 11,784,256 | 11,633,504 |
| Plant and equipment at: | | | |
| - cost | | 2,795,486 | 2,964,025 |
| - less accumulated depreciation | | (2,143,687) | (2,250,872) |
| | | 651,799 | 713,153 |
| Furniture and fittings at: | | | |
| - cost | | 970,596 | 964,159 |
| - less accumulated depreciation | | (719,399) | (700,520) |
| | | 251,197 | 263,639 |

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

| | Note | 2015 | 2014 |
|--|---|------------|------------|
| | | \$ | \$ |
| NOTE 9: PROPERTY, PLANT AND EQUIPMENT (continued) | | | |
| Motor vehicles and buses at: | | | |
| - cost | | 490,894 | 576,989 |
| - less accumulated depreciation | | (301,204) | (349,402) |
| | | 189,690 | 227,587 |
| | | | |
| Work in Progress at cost | | 2,925,769 | 94,456 |
| | | 2,925,769 | 94,456 |
| | | | |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | | 16,246,757 | 13,421,239 |
| | | | |
| 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 | | 488,900 | 488,900 |
| Additions | | - | - |
| Transfer to Buildings and Improvements | | (44,854) | - |
| | | 444,046 | 488,900 |
| | | | |
| <u>BUILDINGS AND IMPROVEMENTS</u> | | | |
| Carrying amount at beginning | | 11,633,504 | 11,267,313 |
| Additions | | 49,355 | 155,123 |
| Transfer from Land | | 44,855 | |
| Transfer from Work in Progress | | 331,223 | 452,584 |
| Disposals | | (4,330) | (36,559) |
| Depreciation expense | | (271,195) | (220,389) |
| Depreciation write back on disposals | | 844 | 15,432 |
| | | 11,784,256 | 11,633,504 |
| | | | |
| <u>PLANT AND EQUIPMENT</u> | | | |
| Carrying amount at beginning | | 713,153 | 922,113 |
| Additions | | 272,034 | 196,786 |
| Transfer from Work in Progress | | 15,848 | 3,288 |
| Disposals | | (456,422) | (351,954) |
| Depreciation expense | | (349,236) | (390,951) |
| Depreciation write back on disposals | | 456,422 | 333,871 |
| | | 651,799 | 713,153 |
| | | | |
| <u>FURNITURE AND FITTINGS</u> | | | |
| Carrying amount at beginning | | 263,639 | 297,481 |
| Additions | | 42,541 | 46,094 |
| Transfer from Work in Progress | | 17,885 | - |
| Disposals | | (53,989) | (75,604) |
| Depreciation expense | | (72,868) | (73,463) |
| Depreciation write back on disposals | | 53,989 | 69,131 |
| | | 251,197 | 263,639 |

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

| | Note | 2015 \$ | 2014 \$ |
|--|------|------------|------------|
| NOTE 9: PROPERTY, PLANT AND EQUIPMENT (continued) | | | |
| <u>MOTOR VEHICLES</u> | | | |
| Carrying amount at beginning | | 227,587 | 182,139 |
| Additions | | 35,465 | 80,752 |
| Transfer from Work in Progress | | - | - |
| Disposals | | (121,560) | (23,376) |
| Depreciation expense | | (30,735) | (27,656) |
| Depreciation write back on disposals | | 78,933 | 15,728 |
| | | 189,690 | 227,587 |
| <u>WORK IN PROGRESS</u> | | | |
| Carrying amount at beginning | | 94,456 | 90,331 |
| Additions | | 3,199,770 | 459,997 |
| Transfer to completed assets | | (364,956) | (455,872) |
| Expensed | | (3,501) | |
| | | 2,925,769 | 94,456 |
| NOTE 10: TRADE AND OTHER PAYABLES | | | |
| <u>CURRENT</u> | | | |
| Trade creditors | | 545,170 | 204,190 |
| Sundry creditors and accruals | | 373,356 | 380,452 |
| | | 918,526 | 584,642 |
| NOTE 11: LOANS AND BORROWINGS | | | |
| <u>CURRENT</u> | | | |
| Bank overdraft – secured | | 23,646 | - |
| Business Line of Credit drawdown – secured | | 1,294,093 | 405,000 |
| Members loans – unsecured | | 472,278 | 315,764 |
| | | 1,790,017 | 720,764 |
| <u>NON-CURRENT</u> | | | |
| Market Rate Loan | | 2,031,705 | - |
| | | 2,031,705 | - |
| | | | |
| <p>The Company has a bank overdraft limit of \$40,000 (2014: \$40,000). As at 31 December 2015 this had been drawn to the value of \$23,647 (2014: \$nil). The bank overdraft is secured by a registered first mortgage over the freehold properties of the Company.</p> | | | |
| <p>The Company also has a Business Line of Credit facility for \$2.185 million (2014: \$2.2 million). At 31 December 2015, this had been drawn to the extent of \$1,294,093 (2014: \$405,000). 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 drawn funds from this facility have been fully repaid subsequent to year-end.</p> | | | |
| NOTE 12: EMPLOYEE BENEFITS | | | |
| <u>CURRENT</u> | | | |
| Annual leave | | 82,359 | 72,175 |
| Long service leave | | 453,366 | 565,407 |
| | | 535,725 | 637,582 |

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

| Note | 2015 \$ | 2014 \$ |
|---|-------------------|-------------------|
| NOTE 12: EMPLOYEE BENEFITS (continued) | | |
| <u>NON-CURRENT</u> | | |
| Long service leave | 327,335 | 351,650 |
| | <u>327,335</u> | <u>351,650</u> |
| NOTE 13: DEFERRED INCOME | | |
| Government grants in advance | 977,493 | 1,020,630 |
| | <u>977,493</u> | <u>1,020,630</u> |
| NOTE 14: OTHER CURRENT LIABILITIES | | |
| Rental property security bond | 5,000 | 5,000 |
| Contract retentions | - | 10,638 |
| | <u>5,000</u> | <u>15,638</u> |
| NOTE 15: RESERVES | | |
| OJ Hofman Memorial Gift Fund Reserve | 359,814 | 329,667 |
| CST Building Fund Reserve | 96,908 | - |
| | <u>456,722</u> | <u>329,667</u> |
| NOTE 16: RETAINED EARNINGS | | |
| Retained earnings at the beginning of the financial year | 10,399,607 | 10,367,704 |
| Net surplus/(deficit) attributable to the Company | (67,635) | 45,256 |
| Transfer from Reserves | - | - |
| Transfer to OJ Hofman Memorial Gift Fund Reserve | (30,147) | (13,353) |
| Transfer to CST Building Fund Reserve | (96,908) | - |
| Retained earnings at the end of the financial year | <u>10,204,917</u> | <u>10,399,607</u> |
| NOTE 17: CAPITAL AND LEASING COMMITMENTS | | |
| 17(a) <u>CAPITAL EXPENDITURE COMMITMENTS</u> | | |
| balance date but not recognised as liabilities: | | |
| - not later than 1 year | 122,489 | 336,745 |
| - later than 1 year but not later than 5 years | - | - |
| | <u>122,489</u> | <u>336,745</u> |
| 17(b) <u>OPERATING LEASE COMMITMENTS</u> | | |
| Rent of offices, equipment and information communication technology, payable: | | |
| - not later than 1 year | 53,102 | 50,004 |
| - later than 1 year but not later than 5 years | 91,066 | 27,144 |
| - later than 5 years | - | - |
| | <u>144,168</u> | <u>77,148</u> |

The property lease is a non-cancellable lease with a three year term expiring 30 June 2016, with rent payable monthly in advance.

NOTE 18: KEY MANAGEMENT PERSONNEL COMPENSATION

18(a) DIRECTORS

No director received remuneration in connection with their position as director.

CHRISTIAN SCHOOLS TASMANIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 18: KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

18(b) OTHER KEY MANAGEMENT PERSONNEL COMPENSATION

| | 2015 | 2014 |
|--|-------------|-------------|
| | \$ | \$ |
| Compensation to other members of key management personnel of the Company | 252,838 | 244,959 |
| | 252,838 | 244,959 |
| | 252,838 | 244,959 |

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 Board of Directors in the normal course of business.

19(b) INTEREST IN CONTRACTS

A number of Directors, 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.

19(c) LOANS PAYABLE TO RELATED PARTIES

The aggregate amount of loans from Directors and related parties of Directors to the Company totalled \$25,000 as at 31 December 2015 (2014: \$25,000). The interest paid on these loans during the year totalled \$468 (2014: \$600).

| | 2015 | 2014 |
|--|-------------|-------------|
| | \$ | \$ |
| NOTE 20: CASH FLOW INFORMATION | | |
| <u>RECONCILIATION OF CASH AND CASH EQUIVALENTS</u> | | |
| Cash on hand | 2,450 | 2,800 |
| Cash at bank | - | 51,172 |
| Cash on deposit | 29,699 | 21,998 |
| Overdrafts and other cash borrowings | (23,646) | - |
| | 8,503 | 75,970 |
| | 8,503 | 75,970 |

NOTE 21: CONTINGENCIES

On 20 March 2015, the Company issued a Media Release regarding reported allegations of sexual misconduct at Calvin Christian School which occurred more than 25 years ago. The allegations were referred to the Police to be fully investigated. To date there has been no further action or claims arising from this matter.

NOTE 22: EVENTS AFTER THE REPORTING PERIOD

There has not been any matter or circumstance thereto, that has arisen since the end of the financial year, that has 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 years.