

Brindabella Christian Education Limited

ABN 21 100 229 669

**Special Purpose Financial Statements
For the year ended 31 December 2018**

Brindabella Christian Education Limited
ABN 21 100 229 669

Contents

Directors Report.....	1
Auditor's Independence Declaration.....	3
Statement of Profit or Loss and Other Comprehensive Income.....	4
Statement of Financial Position.....	5
Statement of Changes in Equity.....	6
Statement of Cash Flows.....	7
Notes to the Financial Statements.....	8
Directors' Declaration.....	18
Independent Auditor Report.....	19

Brindabella Christian Education Limited
ABN 21 100 229 669

Directors Report

The directors present their report on Brindabella Christian Education Limited (the Company) for the financial year ended 31 December 2018.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Wendy Chesworth
Alyn Doig
Michael Kilham
David Whittle
Greg Zwajgenberg

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

Principal Activities

The principal activity of the Company during the year was to provide Christian Education.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating Results

The surplus of the Company for the year amounted to \$1,798,356 (2017: \$1,706,418).

Key Performance Measures

The Company measures its performance including revenues, expenses and cash flows to budget.

Review of Operations

The Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Events After the Reporting Date

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

Likely Developments

The Company continues to expand its operation at both its Lyneham and Charnwood campuses. Significant capital expenditure is planned over the coming years to further develop the school's facilities.

Directors Report (continued)

Information on Directors

Wendy Chesworth

Qualifications: B. App. Sc. (Physio) Syd, BA Qld, PhD (med) Syd, GCHE UC,
PGCert Physio (Cont & Pelvic Floor Rehab) Melb

Alyn Doig

Qualifications: LLB, CPLS

Michael Kilham

Qualifications: Associate B.Bus (USQ)
Advanced Diploma of Applied Science
Advanced Diploma of Personnel and Operations Management
Advanced Diploma of Management
Advanced Diploma of Air Force Studies

David Whitem

Qualifications: Dip Theology, Real Estate Sales, Real Estate Agent, Real Estate
Management, Agent's Licence ACT and NSW.

Greg Zwajgenberg

Special Responsibilities: Chairman

Meeting of Directors

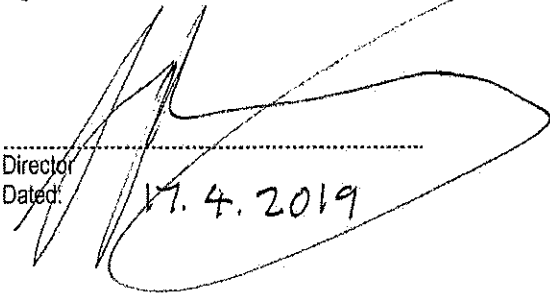
During the financial year, meetings of directors were held. Attendances by each director during the year were as follows:

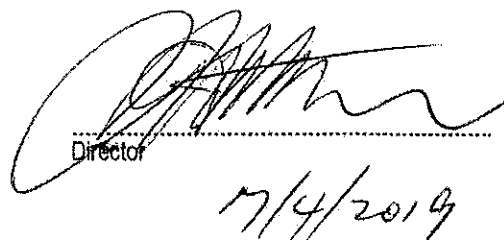
	Director's Meetings	
	Number eligible to attend	Number attended
Wendy Chesworth	10	10
Alyn Doig	10	9
Michael Kilham	6	6
David Whitem	10	5
Greg Zwajgenberg	10	10

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2018 has been received and can be found on the following page of this financial report.

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


Director
Dated: 17.4.2019


Director
17/4/2019

Level 1
251 Elizabeth Street
SYDNEY NSW 2000

K.S. Black & Co.

ABN 48 117 620 556

20 Grose Street
NORTH PARRAMATTA NSW 2151

75 Lyons Road
DRUMMOYNE NSW 2047


PO Box 2210
NORTH PARRAMATTA NSW 1750

Auditors Independence Declaration Brindabella Christian Education Limited

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Brindabella Christian Education Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b. No contraventions of any applicable code of professional conduct in relation to the audit.

KS Black & Co
Chartered Accountants



Scott Bennison
Partner – Audit & Assurance
Sydney, 23/4/ 2019

Brindabella Christian Education Limited
ABN 21 100 229 669

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2018

	Notes	2018 \$	2017 \$
Revenue			
Tuition fees		5,250,465	6,474,450
Government operating grants	2	8,970,161	9,475,292
Government capital grants		562,500	-
Enrolment and application fees		202,225	168,397
Student activities		399,595	410,294
Early Learning Centre income		3,370,524	2,605,942
Capital levies		930,619	-
Interest		-	3,378
Other income		525,298	356,156
		<u>20,211,387</u>	<u>19,493,909</u>
Expenses			
Administration costs		61,204	113,950
Bad and Doubtful debts		52,612	61,190
Consumables		914,946	852,454
Depreciation and amortisation expense		513,704	765,028
Employee benefits expense		11,151,438	12,656,710
Finance costs		360,585	31,484
Rent		233,190	169,237
Early Learning Centre expenses		2,417,907	-
Other expenses	3	<u>2,707,445</u>	<u>3,137,438</u>
		<u>18,413,031</u>	<u>17,787,491</u>
Surplus before income tax		1,798,356	1,706,418
Income tax expense	1(b)	<u>-</u>	<u>-</u>
Surplus for the year		<u>1,798,356</u>	<u>1,706,418</u>
Total comprehensive income for the year		<u>1,798,356</u>	<u>1,706,418</u>

The accompanying notes form part of these financial statements

Brindabella Christian Education Limited
ABN 21 100 229 669

Statement of Financial Position
As at 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	296,997	58,339
Trade and other receivables	5	570,762	1,186,653
Other assets	6	316,556	526,704
TOTAL CURRENT ASSETS		1,184,315	1,771,696
NON-CURRENT ASSETS			
Property, plant and equipment	7	30,482,853	22,339,311
TOTAL NON-CURRENT ASSETS		30,482,853	22,339,311
TOTAL ASSETS		31,667,168	24,111,007
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	1,592,885	2,004,100
Borrowings	9	1,290,178	700,376
Provisions	10	402,050	545,781
Other liabilities	11	-	141,636
TOTAL CURRENT LIABILITIES		3,285,113	3,391,893
NON-CURRENT LIABILITIES			
Borrowings	9	10,667,253	5,182,001
Provisions	10	462,010	40,752
Other liabilities	11	-	41,925
TOTAL NON-CURRENT LIABILITIES		11,129,263	5,264,678
TOTAL LIABILITIES		14,414,376	8,656,571
NET ASSETS		17,252,792	15,454,436
EQUITY			
Reserves	12	-	1,173,978
Retained earnings		17,252,792	14,280,458
TOTAL EQUITY		17,252,792	15,454,436

The accompanying notes form part of these financial statements

Brindabella Christian Education Limited
ABN 21 100 229 669

Statement of Changes in Equity
For the year ended 31 December 2018

	Reserves \$	Retained Earnings \$	Total \$
Balance at 1 January 2017	1,173,978	12,574,040	13,748,018
Total other comprehensive income for the year	-	1,706,418	1,706,418
Balance at 31 December 2017	1,173,978	14,280,458	15,454,436
Balance at 1 January 2018	1,173,978	14,280,458	15,454,436
	(1,173,978)	1,173,978	-
Total other comprehensive income for the year		1,798,356	1,798,356
Balance at 31 December 2018	-	17,252,792	17,252,792

The accompanying notes form part of these financial statements

Brindabella Christian Education Limited
ABN 21 100 229 669

Statement of Cash Flows
For the year ended 31 December 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from fees, grants and other		22,232,525	20,203,550
Payments to suppliers and employees		(18,933,090)	(18,598,194)
Interest received		-	3,378
Finance costs		(360,585)	(31,484)
Net cash provided by/(used in) operating activities		<u>2,938,850</u>	<u>1,577,250</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(8,680,138)	(8,484,676)
Net cash provided by/(used in) investing activities		<u>(8,680,138)</u>	<u>(8,484,676)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from borrowings		6,075,054	6,131,754
Repayment of borrowings		-	(544,485)
Net cash provided by/(used in) financing activities		<u>6,075,054</u>	<u>5,587,269</u>
Net increase/(decrease) in cash and cash equivalents held		333,766	(1,320,157)
Cash and cash equivalents at beginning of year		(36,769)	1,283,388
Cash and cash equivalents at end of financial year	4	<u>296,997</u>	<u>(36,769)</u>

The accompanying notes form part of these financial statements

Brindabella Christian Education Limited
ABN 21 100 229 669

Notes to the Financial Statements
For the year ended 31 December 2018

Brindabella Christian Education Limited (the Company) is a company limited by guarantee, incorporated and domiciled in Australia. The financial statements cover the Company as an individual entity.

1. Summary of Significant Accounting Policies

Basis of Preparation

The directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Australian Charities and not-for-profits Commission Act 2012 (ACNC Act). The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and No-for-profits Commission Act 2012 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. The standards have had no material impact on the entity.

The financial statements are presented in Australian dollars which is the entity's functional and presentation currency. The amounts presented in the financial statements have been rounded to the nearest dollar.

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

The following is a summary of the material accounting policies adopted in the preparation of the financial statements.

(a) Income Tax

The Company is exempt from income tax under the relevant provisions of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

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

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

Brindabella Christian Education Limited
ABN 21 100 229 669

Notes to the Financial Statements
For the year ended 31 December 2018

1. Summary of Significant Accounting Policies

(b) Property, Plant and Equipment (cont.)

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

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

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

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land, is depreciated on a straight-line basis from the date that management determine that the asset is available for use.

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

Fixed asset class	Depreciation rate
Leasehold buildings and improvements	2.5% - 10%
Plant and equipment	10% - 33%
Furniture, fixtures and fittings	10%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(c) Leases

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Brindabella Christian Education Limited
ABN 21 100 229 669

Notes to the Financial Statements
For the year ended 31 December 2018

1. Summary of Significant Accounting Policies (cont.)

(d) Financial Instruments

Initial recognition and measurement

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

Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

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

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve.

Financial liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

The Company's financial liabilities include borrowings and trade and other payables, which are measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of the reporting period an assessments made whether there is any objective evidence that a financial instrument has been impaired. In the case of an available-for-sale financial instrument, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the profit or loss.

Notes to the Financial Statements
For the year ended 31 December 2018

1. Summary of Significant Accounting Policies (cont.)

(e) **Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

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

(f) **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(g) **Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs and are disclosed as current liabilities. Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

(h) **Provisions**

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

(i) **Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, less bank overdrafts.

(j) **Revenue and other income**

Revenue is measured at the fair value if the consideration received or receivable after taking into account any discounts allowed.

Revenue from tuition fees and Early Learning Centre are recognised in the period that the fees relate to.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Brindabella Christian Education Limited
ABN 21 100 229 669

Notes to the Financial Statements
For the year ended 31 December 2018

1. Summary of Significant Accounting Policies (cont.)

(j) Revenue and other income

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue is deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered, otherwise the grant is recognised as income on receipt.

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

(k) Comparative amounts

Comparative figures have been adjusted, where necessary to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgements

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

The directors do not believe that there were any key estimates or key judgements used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

Key Estimates

Provision for Doubtful Debts

The provision for doubtful debts has been estimated after review of individual debts outstanding at reporting date. There is a risk that this estimate may require adjustment in the future as further action is taken to recover outstanding balances.

Brindabella Christian Education Limited
ABN 21 100 229 669

Notes to the Financial Statements
For the year ended 31 December 2018

	2018	2017
	\$	\$
2. Government Operating Grants		
Commonwealth Government		
Commonwealth Government – Recurrent Grant	6,851,544	6,549,164
Commonwealth Government – Other Operating Grants	19,754	888,863
Total Commonwealth Government Operating Grant	6,871,298	7,438,027
ACT Government		
ACT Government – Recurrent Grant	2,098,863	2,037,265
ACT Government – Other Operating Grant	-	-
Total ACT Government Operating Grant	2,098,863	2,037,265
Total Government Operating Grant	8,970,161	9,475,292
3. Other Expenses		
Accounting and audit fees	4,664	124,475
Bank charges	39,575	33,255
Cleaning	120,919	77,876
Computer and web expenses	496,805	373,200
Consultancy expenses	12,294	400,196
Electricity	92,614	140,450
Insurance	117,323	413,841
Lease payments	339,563	159,816
Legal expenses	89,549	85,410
Marketing	288,689	220,402
Motor vehicle expenses	13,800	35,119
Rates and taxes	39,200	34,938
Repairs and maintenance	233,305	320,975
Security costs	60,210	43,321
Sundry expenses	703,431	629,187
Travelling expenses	21,607	18,037
Waste disposal	33,897	27,940
	2,707,445	3,137,438

Brindabella Christian Education Limited
ABN 21 100 229 669

Notes to the Financial Statements
For the year ended 31 December 2018

	2018	2017
	\$	\$
4. Cash and cash equivalents		
Cash on hand	965	800
Cash at bank	296,032	57,539
	<u>296,997</u>	<u>57,539</u>
For the purpose of the statement of cash flows, cash and cash equivalents includes:		
Cash on hand	965	800
Cash at bank	296,032	57,539
Bank overdrafts	-	(95,108)
	<u>296,997</u>	<u>(36,769)</u>
5. Trade and Other Receivables		
Trade debtors	882,036	1,486,653
Allowance for doubtful debts	(311,274)	(300,000)
	<u>570,762</u>	<u>1,186,653</u>
6. Other Assets		
Prepayments	3,925	347,993
GST receivable/(payable)	293,696	133,590
Other assets	18,935	45,121
	<u>316,556</u>	<u>523,704</u>
7. Property, Plant and Equipment		
Leasehold buildings and improvements		
At cost	33,814,832	16,511,704
Accumulated depreciation	(5,328,899)	(4,706,686)
	<u>28,485,933</u>	<u>11,805,018</u>
Plant and equipment		
At cost	3,819,336	1,360,868
Accumulated depreciation	(1,822,416)	(999,847)
	<u>1,996,920</u>	<u>361,021</u>

Brindabella Christian Education Limited
ABN 21 100 229 669

Notes to the Financial Statements
For the year ended 31 December 2018

	2018	2017
	\$	\$
7. Property, Plant and Equipment (cont.)		
Furniture, fixtures and fittings		
At cost	-	1,432,613
Accumulated depreciation	-	(908,186)
	<hr/>	<hr/>
	-	524,427
Work in progress	-	9,648,845
	<hr/>	<hr/>
	30,482,853	22,339,311
8. Trade and Other Payables		
Trade payables	-	211,094
Accruals and other payables	1,592,885	1,754,006
Building fund	-	39,000
	<hr/>	<hr/>
	1,592,885	2,004,100
9. Borrowings		
CURRENT		
Bank overdraft	-	95,108
Secured bank loans	1,062,199	605,268
Lease liabilities	227,979	-
	<hr/>	<hr/>
	1,290,178	700,376
NON-CURRENT		
Secured bank loans	10,343,645	5,182,001
Lease liabilities	323,608	-
	<hr/>	<hr/>
	10,667,253	

Brindabella Christian Education Limited
ABN 21 100 229 669

Notes to the Financial Statements
For the year ended 31 December 2018

9. Borrowings (cont.)

The secured bank loans are secured by way of registered mortgage over the property of the Company located at Bringalow Street, Lyneham ACT. In addition the bank holds a general security over all existing and future assets and undertakings of Brindabella Christian Education Limited. Standard covenants and undertakings have also been agreed to in relation to financial reporting to the bank and financial ratios.

	2018	2017
	\$	\$
10. Provisions		
CURRENT		
Provision for annual leave	60,363	100,753
Provision for long service leave	341,687	445,028
	402,050	545,781
NON-CURRENT		
Provision for long service leave	462,010	40,752
11. Other Liabilities		
CURRENT		
Income in advance	-	141,636
NON-CURRENT		
Deposits	-	41,925
12. Reserves		
General reserves	-	1,173,978

The general reserve was used in prior years to record amounts set aside to fund the future expansion of the Company.

13. Key Management Personnel Disclosures

Key management personnel is defined by AASB 124 "Related Party Disclosures" as those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director of the Company.

The total remuneration paid to key management personnel of the Company was \$458,281 (2017: \$442,525).

Brindabella Christian Education Limited
ABN 21 100 229 669

Notes to the Financial Statements
For the year ended 31 December 2018

14. Events After the Reporting Period

The financial report was authorised for issue by the directors on the date of signing the attached Directors' Declaration.

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

Brindabella Christian Education Limited
ABN 21 100 229 669

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes for the year ended 31 December 2018 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - (a) comply with Accounting Standards to the extent outlined in Note 1 to the financial statements; and
 - (b) give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director

Director

Dated: 17/4/19

Independent Auditor's Report

To the members of Brindabella Christian Education Limited

We have audited the financial report of Brindabella Christian Education Limited, which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities declaration.

In our opinion the financial report of Brindabella Christian Education Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profit Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profit 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 registered entity in accordance with the ethical requirements of the Accounting Professional and ethical Standards Board APES 110 Code of Ethics for Professional Accountants (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of the Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities Not-for-profit Commission Act 2012* and the members. The responsible entities' responsibility also includes such internal controls as the responsible entities determine are necessary to enable the preparation of a 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 responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

The responsible entities are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibility 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 Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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 management.
- Conclude on the appropriateness of management's 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 company'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 company to cease to continue as a going concern.

Level 1
251 Elizabeth Street
SYDNEY NSW 2000

K.S. Black & Co.

ABN 48 117 620 556

20 Grose Street
NORTH PARRAMATTA NSW 2151

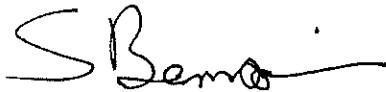
75 Lyons Road
DRUMMOYNE NSW 2047

PO Box 2210
NORTH PARRAMATTA NSW 1750

- 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 evidence regarding the financial information of the business activities within the company to express and opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our opinion.

We communicate with those charged with governance 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.

KS Black & Co
Chartered Accountants



Scott Bennison
Partner – Audit & Assurance
Sydney, 23/4/2019

