

Our Reference: IJ:KJ:/Audit/ANNCCA/Management Letter  
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21 April 2016

The Directors  
Townsville Christian Education Association Limited  
PO Box 1366  
Aitkenvale QLD 4814

Dear Directors

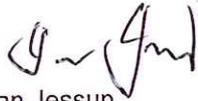
### 31 DECEMBER 2015 AUDIT

We have recently completed the final visit for the audit of the financial report of Townsville Christian Education Association Limited for the year ending 31 December 2015. We have prepared this letter to thank staff for their time and to advise that we did not become aware of any matters that would need to be brought to your attention.

We are also pleased to note that there are no adjusting journals required for the 2015 year end.

We take this opportunity to thank Bill Tuckwell and Lisa Regan for the assistance they have given us during our visit. Should you have any queries in relation to these matters, please contact Mrs Kathryn Jensen of this office.

Yours faithfully



Ian Jessup  
Principal

Jessups

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TOWNSVILLE CHRISTIAN EDUCATION ASSOCIATION  
LIMITED

ABN 33 010 333 418

FINANCIAL REPORT FOR YEAR ENDING 31 DECEMBER  
2015

**Townsville Christian Education Association Limited**

**ABN 33 010 333 418**

Financial Report for year ending 31 December 2015

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Townsville Christian Education Association Limited

ABN 33 010 333 418

Townsville Christian Education Association Limited

ABN 33 010 333 418

Financial Report for the Year Ended 31 DECEMBER 2015

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 December 2015.

**Directors**

The names of each person who has been a director during the year are:

Heather Anne COLLINS (Resigned 23-03-2015)

Garry Mark JOHNSON (Resigned 31-12-2015)

Anthony Dean FISHER (Chairman)

Brian William MATTHEWS (Treasurer)

Rebecca Louise EVANS (on Leave of Absence until 31-12-2015)

Desmond Paul MOSELEY

Andrew Geoffrey DUTTON (Resigned 12-12-2015)

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

**Company Secretary**

The following person held the position of entity secretary at the end of the financial year:

William Humphrey TUCKWELL

**Principal Activities**

The principal activity of the entity during the financial year was:

Provide full time education for Prep to Year 12 students and half time education to Kindergarten students.

**Strategic Direction**

Annandale Christian College seeks to provide quality Christ-centred education through a partnership of parents, teachers and students, which recognizes the Lordship of Christ and the integrity of the Scriptures (God's word the Bible).

**Strategies**

The strategies for the operation of the College are outlined in the published Strategic Plan. The defined strategies within that Plan are;

**Community**

To continue developing and celebrating the strong relationships that exist within the college and amongst the wider community.

**Parents**

To assist each parent to understand their primary responsibility for the nurture and education of their children, and to enable them to become active and Prayerful partners with the college in that process.

**Staff**

To maintain professional and passionate Christian staff who care about people and are dedicated and equipped to educate students towards excellence and from a distinctly Christian perspective.

# Townsville Christian Education Association Limited

ABN 33 010 333 418

Financial Report for year ending 31 December 2015

DIRECTORS' REPORT (Cont.)

## Students

To provide a consistent Christ-centred College environment which encourages all students to accept Christ as Lord and to strive together for excellence in all aspects of life, to the glory of God and in service of others.

## Culture

To promote and maintain the uncompromisingly Christian character of the College.

## Curriculum

To provide the highest quality curriculum, preparing students for active and informed Christian citizenship in the context of Australian society and the global community, and prepared for eternity, and to optimise the opportunities for curricular and extra-curricular experiences available to all students Pre-Prep to Year 12.

## Physical Resources

To continue the development and maintenance of College facilities to maximise the educational experiences and outcomes for all students

## Finances

To continue to be responsible stewards of the College's finances in order to achieve the College's goals and initiatives.

## Promotion And Development

To actively, and with integrity, promote the College as a Christ-centered college of excellence and develop all aspects of the College in pursuit of that goal.

## Key Performance Measures

The College uses parameters determined by outside Authorities and uses these to compare its operation to other similar Colleges / Schools. Of the 50+ College / School involved in the process Annandale Christian College is rated the third best performing College nationally.

## Information on Directors

Heather Anne COLLINS

Director

Qualifications

Pathology Technician

Experience

Appointed Director 23 March 2004

Resigned 23 March 2015

Garry Mark JOHNSON

Director

Qualifications

Minister of Religion

Experience

Appointed Director 27 March 2006

Resigned 31 December 2015

Special Responsibilities

Deputy Chairman from 14 May 2012

Anthony Dean FISHER

Director

Qualifications

Medical Practitioner

Experience

Appointed Director 25 March 2007

Special Responsibilities

Chairman

# Townsville Christian Education Association Limited

ABN 33 010 333 418

Financial Report for year ending 31 December 2015

## DIRECTORS' REPORT (Cont.)

Brian William MATTHEWS	Director
Qualification	Accountant / CEO Nursing Home
Experience	Appointed Director 21 April 2008
Special responsibilities	Treasurer
Rebecca Louise EVANS	Director
Qualifications	Bank Manager
Experience	Appointed Director 13 Jun 2012
Desmond Paul MOSELEY	Director
Qualifications	Civil Engineer
Experience	Appointed Director 13 May 2013
Andrew Geoffrey DUTTON	Director
Qualifications	MBA, Graduate Certificate Business Management,
Experience	Appointed Director 10 March 2014 Resigned 12 December 2015

### Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendances by each director were as follows:

	Number eligible to attend	Number attended
Heather Anne COLLINS	2	2
Garry Mark JOHNSON	11	9
Anthony Dean FISHER (Chairman)	11	11
Brian William MATTHEWS (Treasurer)	11	8
Rebecca Louise EVANS	11	1 (Leave of Absence 7 Meetings)
Desmond Paul MOSELEY	11	10
Andrew Geoffrey DUTTON	10	8

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity. At 31 December 2015, the total amount that members of the company are liable to contribute if the company is wound up is \$6,500.

Townsville Christian Education Association Limited

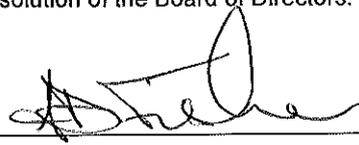
ABN 33 010 333 418

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 31 December 2015 has been received and can be found on page 7 of the financial report.

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

Director

A handwritten signature in black ink, appearing to read 'Anthony Dean Fisher', is written over a horizontal line.

Anthony Dean FISHER (Chairman)

Dated this 21st April 2016

AUDITOR'S INDEPENDENCE DECLARATION  
UNDER S 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF TOWNSVILLE CHRISTIAN EDUCATION ASSOCIATION  
LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2015 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Jessups



Ian David Jessup

Date: 21st April 2016

Level 1, 19 Stanley Street, Townsville, QLD 4810

**Townsville Christian Education Association Limited**

**ABN 33 010 333 418**

Financial Report for year ending 31 December 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2015	2014
		\$	\$
Revenue – Recurrent		7,837,241	7,095,053
Revenue – Capital		247,346	939,849
Other Income		60,832	58,598
Employee Costs		(5,381,747)	(4,675,554)
Depreciation, Amortisation and Impairments	2(a)	(418,442)	(406,979)
Other Expenses		(1,260,297)	(1,219,906)
		1,084,933	1,791,061
<b>Profit for the year</b>		<b>1,084,933</b>	<b>1,791,061</b>
<b>Other comprehensive income:</b>			
Other comprehensive income for the year, net of tax			-
<b>Total comprehensive income for the year</b>		<b>1,084,933</b>	<b>1,791,061</b>
Total comprehensive income attributable to members of the entity		<b>1,084,933</b>	<b>1,791,061</b>

The accompanying notes form part of these financial statements.

**Townsville Christian Education Association Limited**

**ABN 33 010 333 418**

Financial Report for year ending 31 December 2015

STATEMENT OF FINANCIAL POSITION

	Note	2015	2014
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	916,828	198,693
Trade and other receivables	4	107,378	107,516
Inventories	5	112,525	140,607
<b>TOTAL CURRENT ASSETS</b>		<b>1,136,731</b>	<b>446,816</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	20,026,547	19,720,688
<b>TOTAL NON-CURRENT ASSETS</b>		<b>20,026,547</b>	<b>19,720,688</b>
<b>TOTAL ASSETS</b>		<b>21,163,278</b>	<b>20,176,504</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7(a)	281,544	219,833
Fees in advance		77,299	81,775
Bank Loan (Commercial Bill)			-
Provisions	7(b)	101,792	200,485
<b>TOTAL CURRENT LIABILITIES</b>		<b>460,635</b>	<b>502,093</b>
<b>NON-CURRENT LIABILITIES</b>			
Bank Loan (Commercial Bill)		2,000,000	2,030,000
Provision for Long Service Leave		300,024	317,725
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,300,024</b>	<b>2,347,725</b>
<b>TOTAL LIABILITIES</b>		<b>2,760,659</b>	<b>2,849,818</b>
<b>NET ASSETS</b>		<b>18,402,619</b>	<b>17,317,686</b>
<b>EQUITY</b>			
Reserves		80,740	36,826
Retained earnings		18,321,879	17,280,860
<b>TOTAL EQUITY</b>		<b>18,402,619</b>	<b>17,317,686</b>

The accompanying notes form part of these financial statements.

Townsville Christian Education Association Limited

ABN 33 010 333 418

Financial Report for year ending 31 December 2015

STATEMENT OF CHANGES IN EQUITY

	Accumulated Surplus and Reserves \$
<b>Balance at 1 January 2014</b>	<u>15,606,625</u>
<b>Comprehensive income</b>	
Surplus for the year attributable to members of the entity	1,791,061
Other comprehensive income for the year	-
<b>Total comprehensive income attributable to members of the entity</b>	<u>1,791,061</u>
<b>Balance at 31 December 2014</b>	<u>17,317,686</u>
<b>Comprehensive income</b>	
Surplus for the year attributable to members of the entity	1,084,933
Other comprehensive income for the year	-
<b>Total comprehensive income attributable to members of the entity</b>	<u>1,084,933</u>
<b>Balance at 31 December 2015</b>	<u><u>18,402,619</u></u>

The accompanying notes form part of these financial statements.

Townsville Christian Education Association Limited

ABN 33 010 333 418

Financial Report for year ending 31 December 2015

STATEMENT OF CASH FLOWS

	Note	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,582,605	2,386,503
Receipts from grants		5,577,283	5,608,026
Interest received		460	520
Payments to Suppliers and Employees		(6,668,025)	(5,730,505)
Interest Paid		(20,163)	(70,059)
Net cash (used in)/generated from operating activities	8	<u>1,472,160</u>	<u>2,194,485</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(724,025)	(1,775,160)
Net cash used in investing activities		<u>(724,025)</u>	<u>(1,775,160)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(Decrease) in borrowings		(30,000)	(500,000)
Net cash used in financing activities		<u>(30,000)</u>	<u>(500,000)</u>
Net increase/(decrease) in cash held		718,135	(172,058)
Cash at the beginning of the financial year		198,693	370,751
Cash at the end of the financial year	3	<u>916,828</u>	<u>198,693</u>

The accompanying notes form part of these financial statements.

# Townsville Christian Education Association Limited

ABN 33 010 333 418

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 *Corporations Act 2001*. 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 *Corporations Act 2001* 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 those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 10<sup>th</sup> February 2015 by the directors of the company.

### Accounting Policies

#### a. Revenue

Non-reciprocal grant revenue is recognised in profit or loss 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 it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly 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 to the contributor, otherwise the grant is recognised as income on receipt.

Tuition fees are recognised at the fair value of the consideration received or receivable after taking into account any concessions allowed. Revenue is recognised in the applicable period (school year) to which the tuition fees relate. Any tuition fees received in advance are recognised as a liability.

Donations and bequests are recognised as revenue when received.

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

#### b. Inventories

Inventories are measured at current replacement cost.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost.

#### c. Property, Plant and Equipment

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

##### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

# Townsville Christian Education Association Limited

ABN 33 010 333 418

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

## Depreciation

The depreciable amount of all fixed assets, excluding freehold land and BGA funded buildings, are depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Asset	Depreciation Rate
Buildings	0 - 2.5%
Resource Centre (Library Books, etc)	10 – 20%
Furniture & Equipment (General)	10%
Office Equipment (F & E)	10 - 15%
Computer Equipment (F & E)	25 - 100%
Plant & Machinery	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

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

## d. Financial Instruments

### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss..

# Townsville Christian Education Association Limited

ABN 33 010 333 418

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

*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.

(i) *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, derivatives not held for hedging purposes, 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 in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in Statement of Comprehensive Income

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

## Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") that has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

# Townsville Christian Education Association Limited

ABN 33 010 333 418

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

## **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

## **e. Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been 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. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

## **f. 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. Employee benefits payable later than one year have not been discounted to their present value and are only recognised once an employee has reached seven years of service. In determining the liability, consideration is given to the probability that the employee may not satisfy vesting requirements.

Contributions are made by the entity to an employee's nominated superannuation fund and are charged as expenses when incurred.

# Townsville Christian Education Association Limited

ABN 33 010 333 418

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

**g. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

**h. Trade and Other Receivables**

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**i. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**j. Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

**k. Comparative Figures**

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

**l. Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 28 days of recognition of the liability.

**m. Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments 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.

**n. Economic Dependence**

Townsville Christian Education Association Limited is dependent on the Commonwealth Department of Education, Employment and Work Place Relations and State Department of Education, Training and the Arts for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe these Government Departments will not continue to support Townsville Christian Education Association Limited.

## Townsville Christian Education Association Limited

ABN 33 010 333 418

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

**o. New Accounting Standards for Application in Future Periods.**

AASB9: Financial Instruments (December 2010) and AASB 2010-7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (applicable for reporting periods commencing on or after 1 January 2015).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements that may impact the company are:

- Simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; and
- Allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

The company has not yet estimated the impact of these pronouncements on its financial statements.

**Townsville Christian Education Association Limited**

**ABN 33 010 333 418**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

**NOTE 2: PROFIT BEFORE INCOME TAX**

	2015	2014
	\$	\$
<b>a. Expenses</b>		
Depreciation and amortisation:		
– Buildings & Land	223,318	220,030
– Furniture & Equipment	184,443	174,700
- Plant & Equipment	3,680	5,361
- Resource Centre (Library)	7,001	6,889
Total depreciation and amortisation expenses	418,442	406,979
Employee benefits – Leave Provisions	-15,402	23,207
Bad Debt Provisions	11,304	-5,326
Audit fees	8,465	15,558
<b>b. Significant Revenue</b>		
The following significant revenue items are relevant in explaining the financial performance:		
Grants – Recurrent Commonwealth Government	4,234,647	3,758,052
Grants – Recurrent State Government	1,342,636	1,184,974
Total Recurrent Grants	5,577,283	4,943,026

**NOTE 3: CASH AND CASH EQUIVALENTS**

	2015	2014
	\$	\$
Cash at bank – General Account	835,668	161,446
– Building Fund Account	46,820	9,909
– Library Fund Account	33,920	26,918
Cash floats	420	420
Total Cash	916,828	198,693

**NOTE 4: TRADE AND OTHER RECEIVABLES**

	2015	2013
	\$	\$
<b>CURRENT</b>		
Debtors – Tuition Fees	131,149	136,065
Provision for bad and doubtful debts	(23,772)	(28,549)
Total current accounts receivable and other debtors	107,378	107,516

# Townsville Christian Education Association Limited

ABN 33 010 333 418

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

## NOTE 5: INVENTORIES

	2015	2014
	\$	\$
CURRENT		
Uniform Shop at replacement value	112,525	140,607
	112,525	140,607
	112,525	140,607

## NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	2015	2014
	\$	\$
PROPERTY, PLANT AND EQUIPMENT		
Land at 2008 valuation	5,000,000	5,000,000
Land Improvements at cost	355,395	355,395
Accumulated Depreciation	(103,856)	(89,505)
	251,538	265,890
Buildings at cost	14,872,311	13,081,230
Accumulated Depreciation	(1,262,573)	(1,110,839)
Building Improvements at cost	409,991	367,974
Accumulated Depreciation	(153,713)	(105,485)
Demountables at cost	174,969	174,969
Accumulated Depreciation	(30,170)	(25,799)
	14,010,815	12,382,049
Resource Centre (Library books, etc.)	71,239	59,316
Accumulated Depreciation	(41,840)	(35,489)
Furniture & Equipment at cost	1,016,505	930,118
Accumulated Depreciation	(588,010)	(150,570)
Plant & Machinery at cost	79,339	180,152
Accumulated Depreciation	(48,501)	(150,570)
	488,733	498,992
Work in Progress	275,461	1,573,756
Total Property, Plant and Equipment	20,026,547	19,720,688

The College has 1 approved loan facility with the ANZ bank:

A \$3,030,000 Commercial Bill Facility – Partially drawn at 31-12-2015

The ANZ Bank currently have a charge over the Land & Buildings located at the Jonquil Crescent / Yolanda Drive Campus.

**Townsville Christian Education Association Limited**

**ABN 33 010 333 418**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

**NOTE 7: CURRENT LIABILITIES.**

	Notes	2015 \$	2014 \$
<b>(a)</b>			
ATO – PAYG		153,672	133,510
GST – December BAS		67,834	27,399
Superannuation		68	3,255
Other Clearing Accounts		59,970	55,669
		281,544	219,833
<b>(b)</b>			
Provision – Long Service Leave		29,645	106,456
Provision – Sick Leave		44,085	60,725
Provision – Annual Leave		28,062	33,304
		101,792	200,485

**NOTE 8: CASH FLOW INFORMATION**

		2015 \$	2014 \$
<b>Reconciliation of cash flows from operations with profit after income tax:</b>			
Surplus from Operations		1,084,933	1,793,625
Non-cash flows in surplus:			
– depreciation and amortisation	2(a)	418,442	406,979
Changes in assets and liabilities			
– (increase)/decrease in accounts receivable and other debtors		(139)	22,661
– (increase)/decrease in inventories		28,082	(25,982)
– Increase/(decrease) in fees in advance		(4,476)	23,381
– Increase/(decrease) in trade payables		61,711	(34,948)
– Loss on disposal of fixed asset		-	-
– Increase/(decrease) in provisions		(116,393)	11,332
Cash flows (used in)/provided by operating activities		1,472,160	2,194,485

**Townsville Christian Education Association Limited**

**ABN 33 010 333 418**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

**NOTE 9: ENTITY DETAILS**

**THE REGISTERED OFFICE OF THE COMPANY IS:**

Townsville Christian Education Association Limited  
Jonquil Crescent,  
Annandale, 4814. QLD

The principal place of business is:

Townsville Christian Education Association Limited (t/a Annandale Christian College)  
Jonquil Crescent,  
Annandale, 4814. QLD

**NOTE 10: GOVERNMENT CAPITAL GRANTS.**

Pursuant to the conditions attached to Commonwealth and State Government capital grants, the school is contingently liable to repay, based on a formula, all or part of the grants received if the project to which the funds are applied ceases to be used for the purpose approved, or is sold or otherwise disposed of within 20 years of the completion of the project.

**Townsville Christian Education Association Limited**

**ABN 33 010 333 418**

TOWNSVILLE CHRISTIAN EDUCATION ASSOCIATION LIMITED

ABN 33 010 333 418

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In accordance with a resolution of the directors of Townsville Christian Education Association Limited

1. The financial statements and notes, as set out on pages 8 to 21, are in accordance with the *Corporations Act 2001* and:
  - a. comply with the Accounting Standards applicable to the company; and
  - b. give a true and fair view of the financial position as at 31 December 2015 and of the performance of the company for the year ended on that date of the company in accordance with the accounting policies described in Note 1 of the financial statements.
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.



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Anthony Dean FISHER (Chairman)

Dated this 21st April 2016.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
TOWNSVILLE CHRISTIAN EDUCATION ASSOCIATION LIMITED.

We have audited the accompanying financial report, being a special purpose financial report, of Townsville Christian Education Association Limited (the company), which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report and have determined that the accounting policies described in Note 1 to the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Townsville Christian Education Association Limited, would be in the same terms if given to the directors as at the time of the auditor's report.

*Opinion*

In our opinion the financial report of Townsville Christian Education Association Limited is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

*Basis of Accounting*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Jessups



Ian David Jessup

Level 1, 19 Stanley Street, Townsville, QLD 4810

Dated this 21 day of APRIL 2016