

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Financial Statements

For the Year Ended 31 December 2022

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Contents

For the Year Ended 31 December 2022

	Page
Financial Statements	
Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Responsible Persons' Declaration	18
Independent Audit Report	19



JESSUPS

INDEPENDENCE DECLARATION

TO THE DIRECTORS OF
TOWNSVILLE CHRISTIAN EDUCATION ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2022

I declare that, to the best of my knowledge and belief, in relation to the audit of Townsville Christian Education Association Limited for the year ended 31 December 2022, there have been:

- no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*; and
- no contraventions of any applicable code of professional conduct.

Jessups

Paul Sapelli
Partner

Level 1, 211 Sturt Street, Townsville, QLD 4810

Dated: 18 April 2023

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2022

		2022	2021
	Note	\$	\$
Revenue	4	12,176,180	11,329,505
Other income	4	895,201	12,500
Employee benefits expense		(8,878,992)	(8,055,835)
Depreciation		(1,024,537)	(979,025)
Other expenses	5	(1,459,493)	(1,297,379)
Profit/(loss) before income tax		1,708,359	1,009,766
Income tax expense	2(b)	-	-
Profit/(loss) for the year		1,708,359	1,009,766
Other comprehensive income, net of income tax			
Revaluation changes for property, plant and equipment		3,301,530	-
Other comprehensive income for the year, net of tax		3,301,530	-
Total comprehensive income for the year		5,009,889	1,009,766

The accompanying notes form part of these financial statements.

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Statement of Financial Position

As At 31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	4,210,869	3,209,145
Trade and other receivables	7	108,221	84,432
Other assets	9	218,823	274,578
TOTAL CURRENT ASSETS		4,537,913	3,568,155
NON-CURRENT ASSETS			
Property, plant and equipment	8	24,012,952	19,437,822
TOTAL NON-CURRENT ASSETS		24,012,952	19,437,822
TOTAL ASSETS		28,550,865	23,005,977
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,076,760	619,256
Employee benefits provisions	11	912,171	833,826
TOTAL CURRENT LIABILITIES		1,988,931	1,453,082
NON-CURRENT LIABILITIES			
Employee benefits provisions	11	154,215	155,065
TOTAL NON-CURRENT LIABILITIES		154,215	155,065
TOTAL LIABILITIES		2,143,146	1,608,147
NET ASSETS		26,407,719	21,397,830
EQUITY			
Reserves		3,382,380	80,850
Retained earnings		23,025,339	21,316,980
TOTAL EQUITY		26,407,719	21,397,830

The accompanying notes form part of these financial statements.

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Statement of Changes in Equity For the Year Ended 31 December 2022

	Retained Earnings	Asset Revaluation Reserve	Building and Library Reserves	Total
	\$	\$	\$	\$
Balance at 1 January 2022	21,316,980	-	80,850	21,397,830
Profit/(loss) for the year	1,708,359	-	-	1,708,359
Revaluation increment	-	3,301,530	-	3,301,530
Balance at 31 December 2022	23,025,339	3,301,530	80,850	26,407,719

	Retained Earnings	Asset Revaluation Reserve	Building and Library Reserves	Total
	\$	\$	\$	\$
Balance at 1 January 2021	20,307,214	-	80,850	20,388,064
Profit/(loss) for the year	1,009,766	-	-	1,009,766
Balance at 31 December 2021	21,316,980	-	80,850	21,397,830

The accompanying notes form part of these financial statements.

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Statement of Cash Flows For the Year Ended 31 December 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	12,927,874	11,956,336
Payments to suppliers and employees	(10,538,484)	(10,031,142)
Interest received	15,271	10,035
Net cash provided by operating activities	<u>2,404,661</u>	<u>1,935,229</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(1,402,937)	(666,588)
Net cash (used in) investing activities	<u>(1,402,937)</u>	<u>(666,588)</u>
Net increase/(decrease) in cash and cash equivalents held	1,001,724	1,268,641
Cash and cash equivalents at beginning of year	<u>3,209,145</u>	<u>1,940,504</u>
Cash and cash equivalents at end of financial year	6 <u><u>4,210,869</u></u>	<u><u>3,209,145</u></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 2022

The financial report covers Townsville Christian Education Association Limited as an individual entity. Townsville Christian Education Association Limited is a not-for-profit Company, registered and domiciled in Australia.

The principal activities of the Company for the year ended 31 December 2022 were the operation of a school which serves students from Kindergarten to Year 12.

The functional and presentation currency of Townsville Christian Education Association Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the Directors opinion the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

The financial statements and material accounting policies all comply with the recognition and measurement requirements in Australian Accounting Standards.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Tuition Fees

Under AASB 15: *Revenue from Contracts with Customers*, revenue is recognised over time in the accounting period when tuition services are provided.

Grant Income

AASB 15: *Revenue from Contracts with Customers*

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058).

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital Grants

Capital grants received to enable the Company to acquire or construct an item of property, plant and equipment to identified specifications which will be under the Company's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Company.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control of the asset.

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Statement of financial position balances relating to revenue recognition

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) 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.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Buildings	2.5-15%
Plant and Equipment	10%
Furniture, Fixtures and Fittings	20%
Computer Equipment	10-33.33%

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.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost (the Company only has financial assets at amortised cost)
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(g) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(h) 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.

(i) Leases

At inception of a contract, the Company assesses whether a lease exists.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(i) Leases

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) 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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year 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 determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(k) Economic dependence

Townsville Christian Education Association Limited is dependent on the Commonwealth and State Government Departments for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Commonwealth and State Government Departments will not continue to support Townsville Christian Education Association Limited.

3 Critical Accounting Estimates and Judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions or by obtaining independent fair value assessments by qualified valuers.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Notes to the Financial Statements For the Year Ended 31 December 2022

3 Critical Accounting Estimates and Judgments

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Revenue and Other Income

Revenue from continuing operations

	2022	2021
	\$	\$
Revenue from contracts with customers (AASB 15)		
Revenue - Tuition	2,765,937	2,565,531
Revenue - Trading	100,047	114,217
Sundry income	43,632	65,020
	<u>2,909,616</u>	<u>2,744,768</u>
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
Commonwealth based grants and funding	7,391,331	6,703,571
Donations and fundraising income	20,894	6,564
State based grants and funding	1,854,339	1,874,603
	<u>9,266,564</u>	<u>8,584,737</u>
	<u>12,176,180</u>	<u>11,329,505</u>

Other Income

	2022	2021
	\$	\$
Cash flow boost payments	-	12,500
Revaluation adjustment to land and buildings	895,201	-
	<u>895,201</u>	<u>12,500</u>

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Notes to the Financial Statements For the Year Ended 31 December 2022

5 Other Expenses

	2022	2021
	\$	\$
Advertising & promotion	86,980	92,486
Bad debts expense	632	51,146
Caretaking & cleaning general expense	16,818	18,377
Computer expense	24,232	15,993
Copyright charges	15,014	14,907
Electricity	140,617	134,560
Insurance	108,091	84,090
Legal expense	60,897	20,134
Maintenance & cleaning contracts	16,995	61,426
Other expenses	200,114	120,276
Printing & postage	41,510	44,984
Rates & water	89,149	108,742
Repairs & maintenance	148,319	78,604
School camps & annual events	93,288	104,091
Sports & excursions	41,174	49,490
Stationery & materials	112,416	87,840
Subscriptions	203,701	148,889
Swimming lessons	15,273	18,677
Telephone & internet	44,273	42,666
	<u>1,459,493</u>	<u>1,297,379</u>

6 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	3,095,590	2,099,827
Short-term deposits	1,115,279	1,109,318
	<u>4,210,869</u>	<u>3,209,145</u>

7 Trade and other receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	174,072	175,793
Provision for impairment	(65,851)	(91,361)
	<u>108,221</u>	<u>84,432</u>

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Notes to the Financial Statements For the Year Ended 31 December 2022

8 Property, plant and equipment

	2022	2021
	\$	\$
Freehold land		
At fair value	2,170,000	1,780,000
Total freehold land	<u>2,170,000</u>	<u>1,780,000</u>
Buildings		
At fair value	20,630,000	17,220,000
Accumulated depreciation	-	(571,438)
Total buildings	<u>20,630,000</u>	<u>16,648,562</u>
Capital works in progress		
At cost	-	43,434
Total capital works in progress	<u>-</u>	<u>43,434</u>
Plant and equipment		
At cost	2,137,304	1,522,654
Accumulated depreciation	(1,275,639)	(927,764)
Total plant and equipment	<u>861,665</u>	<u>594,890</u>
Furniture, fixtures and fittings		
At cost	1,847,635	1,768,744
Accumulated depreciation	(1,496,348)	(1,397,808)
Total furniture, fixtures and fittings	<u>351,287</u>	<u>370,936</u>
Total property, plant and equipment	<u><u>24,012,952</u></u>	<u><u>19,437,822</u></u>

The land and buildings were valued during January 2023 by independent expert valuer Herron Todd White in accordance with AASB 13 Fair Value. A revaluation increment of \$4,196,731 arose with \$895,201 recorded as a gain in the statement of profit or loss and other comprehensive income (to offset with previous impairment expenses) and the balance of \$3,301,530 recorded in equity in the asset revaluation reserve.

9 Other Assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	218,823	274,578
	<u>218,823</u>	<u>274,578</u>

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Notes to the Financial Statements For the Year Ended 31 December 2022

10 Trade and Other Payables

	2022	2021
	\$	\$
CURRENT		
Trade payables	746,615	313,122
Deposits & fees in advance	145,695	122,550
GST payable	64,855	127,920
Superannuation payable	80,376	1,291
Other payables	39,220	54,371
	1,076,760	619,256

11 Provisions

	2022	2021
	\$	\$
CURRENT		
Annual leave	192,181	121,878
Long service leave	719,990	711,948
	912,171	833,826
NON-CURRENT		
Long service leave	154,215	155,065
	154,215	155,065

12 Members' Guarantee

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 outstandings and obligations of the Company. At 31 December 2022 the number of members was 57 (2021: 57).

13 Key Management Personnel Remuneration

The remuneration paid to key management personnel of Townsville Christian Education Association Limited during the year is as follows:

	2022	2021
	\$	\$
Employee benefits	783,133	759,290
	783,133	759,290

Townsville Christian Education Association Limited

ABN: 33 010 333 418

Notes to the Financial Statements For the Year Ended 31 December 2022

14 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor Jessups: Auditing the financial statements	<u>12,500</u>	10,000
	<u>12,500</u>	<u>10,000</u>

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2022 (31 December 2021:None).

16 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 13.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There were no related party transactions during the current or prior year.

17 Events after the end of the Reporting Period

The financial report was authorised for issue on the date that the Responsible Persons' Declaration was signed by the board of directors.

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.

18 Statutory Information

The registered office and principal place of business of the company is:

Townsville Christian Education Association Limited
Jonquil Crescent
Annandale QLD 4814

Townsville Christian Education Association Limited

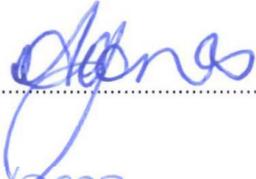
ABN: 33 010 333 418

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person 

Dated

18/04/2023



JESSUPS

TOWNSVILLE

1/211 Sturt Street Townsville QLD 4810
PO Box 1269 Townsville QLD 4810
T: +61 7 4755 3330

CAIRNS

8/9 320 Sheridan Street Cairns QLD 4870
PO Box 674 Cairns QLD 4870
T: +61 7 40377 050

www.jessupsnq.com.au
info@jessupsnq.com.au

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF
TOWNSVILLE CHRISTIAN EDUCATION ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2022

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Townsville Christian Education Association Limited (the registered entity), which comprises the statement of financial position as at 31 December 2022, 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, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

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

- giving a true and fair view of the registered entity's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's 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.

Emphasis of Matter – Basis of Accounting

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 registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



JESSUPS

Responsibilities of the Directors for the Financial Report

The directors 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 in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and is 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Jessups

Paul Sapelli
Partner

Level 1, 211 Sturt Street, Townsville, QLD 4810

Dated: 18 April 2023