

Townsville Christian Education Association Ltd

ABN: 33 010 333 418

Financial Statements

For the Year Ended 31 December 2020

Townsville Christian Education Association Ltd

ABN: 33 010 333 418

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For the Year Ended 31 December 2020

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Townsville Christian Education Association Ltd

ABN: 33 010 033 418

Directors' Report 31 December 2020

Your directors present this report on the company for the year ended 31 December 2020.

Directors

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

Shaun Leslie Arthur EDMONDS – Chairman

Olivia Isobel Baden WALTON – Secretary

Lindsay Mark WARD

Peter HARTIN

Kobus KIRSTEN

Katherine Jane WALKER (Resigned 11-02-20)

Andrew CHADWICK (Elected 12-11-18; Resigned 20-05-19, Co-opted 17-02-20)

Brian MATTHEWS - Treasurer (Co-opted 11-01-19; Elected 20-05-19, Resigned 20-01-20)

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

The positions of office indicated are of those held at the end of the financial year.

Principal Activities

The principal activity of the entity during the year was:

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

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.

Finances

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

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Directors' Report 31 December 2020

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 optimize 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

Promotion And Development

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

Information on Directors

Shaun Leslie Arthur EDMONDS

Chairman

Qualifications

Bachelor of Taxation; Diploma of Counselling

Experience

Director 10 October 2009, Resigned

Recommenced Director 6 April 2016

Olivia Isobel Baden WALTON

Secretary

Qualifications

Bachelor of Arts (Hons); Master of Teaching

Experience

Appointed Director 6 April 2016

Brian William MATTHEWS

Director

Qualifications

Bachelor of Commerce

Experience

Director 21/04/08 to 15/05/17

Recommenced Director 11 January 2019

Resigned 20 January 2020

Jacobus Johannes KIRSTEN

Director

Qualifications

Bachelor of Engineering (Chem); Cert Business Management

Experience

Appointed Director 20 May 2019

Peter James HARTIN

Director

Qualifications

Bachelor of Nursing Science; Master of Nursing

Experience

Appointed 21 October 2019

Katherine Jane WALKER

Director

Qualifications

Occupational Therapist

Resigned 11 February 2020

Lindsay Mark WARD

Director

Qualifications

Bachelor of Information Technology (Hons)

Experience

Appointed Director 10 July 2017

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Directors' Report 31 December 2020

Andrew Douglas CHADWICK	Director
Qualifications	Pilot
Experience	Appointed Director 12 November 2018 Resigned 20 May 2019 Co-opted 17 February 2020

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:

	Number eligible to attend	Number attended
Andrew Douglas CHADWICK	11	6
Shaun Leslie Arthur EDMONDS	12	9
Peter James HARTIN	12	10
Jacobus Johannes KIRSTEN	12	11
Lindsay Mark WARD	12	12
Olivia Isobel Baden WALTON	12	11
Katherine Jane WALKER	1	0

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 2020, the total amount that members of the company are liable to contribute if the company is wound up is \$5,700 (2019: \$6,000).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2020 has been received and can be found within the audit report.

Signed in accordance with a resolution of the Board of Directors



Director

Dated this 19th day of April 2021

Townsville Christian Education Association Ltd

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2020

		2020	2019
	Note	\$	\$
Revenue	4	9,752,538	8,986,429
Other income	4	3,523,557	-
Employee benefits expense		(7,558,699)	(7,098,277)
Depreciation and amortisation expense		(860,658)	(862,418)
Other expenses		(1,124,556)	(1,168,839)
Finance expenses	5	-	(26,907)
Profit/(loss) before income tax		3,732,182	(170,013)
Income tax expense	2(b)	-	-
Profit/(loss) for the year		3,732,182	(170,013)
Total comprehensive income for the year		3,732,182	(170,013)

The accompanying notes form part of these financial statements.

Townsville Christian Education Association Ltd

ABN: 33 010 333 418

Statement of Financial Position

As At 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,940,504	311,587
Trade and other receivables	7	66,279	147,017
Other assets		292,042	37,693
TOTAL CURRENT ASSETS		2,298,825	496,297
NON-CURRENT ASSETS			
Property, plant and equipment	8	19,755,818	18,636,379
TOTAL NON-CURRENT ASSETS		19,755,818	18,636,379
TOTAL ASSETS		22,054,643	19,132,676
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	803,648	545,784
Borrowings		-	1,000,000
Employee benefit provisions	10	688,956	567,595
TOTAL CURRENT LIABILITIES		1,492,604	2,113,379
NON-CURRENT LIABILITIES			
Employee benefit provisions	10	173,975	363,415
TOTAL NON-CURRENT LIABILITIES		173,975	363,415
TOTAL LIABILITIES		1,666,579	2,476,794
NET ASSETS		20,388,064	16,655,882
EQUITY			
Reserves		80,850	80,850
Retained earnings		20,307,214	16,575,032
TOTAL EQUITY		20,388,064	16,655,882

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2020

2020

	Reserves	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2020	80,850	16,575,032	16,655,882
Profit/(loss) attributable to members	-	3,732,182	3,732,182
Balance at 31 December 2020	80,850	20,307,214	20,388,064

2019

	Reserves	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2019	80,850	16,745,045	16,825,895
Profit/(loss) attributable to members	-	(170,013)	(170,013)
Balance at 31 December 2019	80,850	16,575,032	16,655,882

The accompanying notes form part of these financial statements.

Townsville Christian Education Association Ltd

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Statement of Cash Flows For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		11,893,894	9,019,191
Payments to suppliers and employees		(8,819,629)	(8,106,672)
Interest received		6,944	1,506
Interest paid		-	(26,908)
Net cash provided by operating activities	14	<u>3,081,209</u>	<u>887,117</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		<u>(452,292)</u>	<u>(246,366)</u>
Net cash (used in) investing activities		<u>(452,292)</u>	<u>(246,366)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		<u>(1,000,000)</u>	<u>(437,550)</u>
Net cash (used in) financing activities		<u>(1,000,000)</u>	<u>(437,550)</u>
Net increase in cash and cash equivalents held		1,628,917	203,201
Cash and cash equivalents at beginning of year		<u>311,587</u>	<u>108,386</u>
Cash and cash equivalents at end of financial year	6	<u><u>1,940,504</u></u>	<u><u>311,587</u></u>

The accompanying notes form part of these financial statements.

Townsville Christian Education Association Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2020

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

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

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance 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*.

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.

Specific revenue streams

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

Grant income

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.

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.

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Notes to the Financial Statements For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

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.

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

Revenue from fundraising

Donations

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

Building appeal

Donations to the building appeal are recognised as revenue on receipt.

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).

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(c) **Goods and services tax (GST)**

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.

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

Fixed asset class	Depreciation rate
Buildings	0-2.5%
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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(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

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

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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.

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

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

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

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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.

(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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(g) Impairment of non-financial assets

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

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.

(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 Ltd is dependent on the Commonwealth Department of Education and Training and State Department of Education 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 Department of Education and Training and State Department of Education will not continue to support Townsville Christian Education Association Ltd.

Notes to the Financial Statements

For the Year Ended 31 December 2020

3 Critical Accounting Estimates and Judgments

Those charged with governance 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 - 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.

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.

Townsville Christian Education Association Ltd

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Notes to the Financial Statements
For the Year Ended 31 December 2020

4 Revenue and Other Income

(a) Revenue from continuing operations

	2020	2019
	\$	\$
Revenue from contracts with customers (AASB 15)		
Revenue - Tuition	1,944,875	1,991,096
Revenue - Trading	65,196	54,110
Sundry income	50,275	60,222
	<u>2,060,346</u>	<u>2,105,428</u>
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
Commonwealth based grants and funding	6,045,493	5,384,236
Donations and fundraising income	21,162	8,195
State based grants and funding	1,625,537	1,488,569
	<u>7,692,192</u>	<u>6,881,001</u>
Total Revenue	<u><u>9,752,538</u></u>	<u><u>8,986,429</u></u>

(b) Other Income

	2020	2019
	\$	\$
Other Income		
Jobkeeper and cash flow boost payments	1,995,752	-
Revaluation adjustment to land and buildings	1,527,805	-
	<u>3,523,557</u>	<u>-</u>

5 Finance Income and Expenses

Finance expenses

	2020	2019
	\$	\$
Finance leases	-	1,207
Bank loans and overdrafts	-	25,700
Total finance expenses	<u>-</u>	<u>26,907</u>

6 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	833,883	311,587
Short-term deposits	1,106,621	-
	<u>1,940,504</u>	<u>311,587</u>

Townsville Christian Education Association Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2020

7 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	194,776	275,514
Provision for impairment	(128,497)	(128,497)
Total current trade and other receivables	<u>66,279</u>	<u>147,017</u>

8 Property, plant and equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At fair value	1,780,000	1,670,458
Accumulated depreciation	-	(895)
Total freehold land	<u>1,780,000</u>	<u>1,669,563</u>
Buildings		
At fair value	17,220,000	17,598,290
Accumulated depreciation	-	(1,194,632)
Total buildings	<u>17,220,000</u>	<u>16,403,658</u>
Plant and equipment		
At cost	1,055,679	812,298
Accumulated depreciation	(629,766)	(465,861)
Total plant and equipment	<u>425,913</u>	<u>346,437</u>
Furniture, fixtures and fittings		
At cost	1,618,124	1,409,213
Accumulated depreciation	(1,288,219)	(1,192,492)
Total furniture, fixtures and fittings	<u>329,905</u>	<u>216,721</u>
Total property, plant and equipment	<u>19,755,818</u>	<u>18,636,379</u>

Townsville Christian Education Association Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2020

9 Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Trade payables	397,109	212,023
Deposits and fees in Advance	197,868	126,058
GST payable	94,406	121,351
Superannuation	62,155	-
Other payables	52,110	86,351
	<u>803,648</u>	<u>545,784</u>

10 Provisions

	2020	2019
	\$	\$
CURRENT		
Annual leave	107,071	90,509
Sick leave	-	132,422
Long service leave	581,885	344,664
	<u>688,956</u>	<u>567,595</u>
NON-CURRENT		
Long service leave	173,975	363,415
	<u>173,975</u>	<u>363,415</u>

11 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 2020 the number of members was 57 (2019: 60).

12 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 31 December 2020 (31 December 2019: None).

13 Events after the end of the Reporting Period

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.

Townsville Christian Education Association Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2020

14 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Profit/(loss) for the year	3,732,182	(170,013)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	860,658	862,418
- net gain on disposal of property, plant and equipment	-	(262)
- revaluation of property, plant and equipment	(1,527,805)	-
Changes in assets and liabilities:		
- decrease/(increase) in trade and other receivables	80,738	(7,031)
- (increase) in prepayments	(254,349)	(37,693)
- increase in trade and other payables	257,864	77,861
- (decrease)/increase in employee benefits	(68,079)	161,837
Cashflows from operations	<u>3,081,209</u>	<u>887,117</u>

15 Statutory Information

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

Townsville Christian Education Association Ltd
Jonquil Crescent
Annandale QLD 4814

Townsville Christian Education Association Ltd

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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

 19/4/2021



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INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF TOWNSVILLE CHRISTIAN EDUCATION ASSOCIATION LTD
FOR THE YEAR ENDED 31 DECEMBER 2020

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Townsville Christian Education Association Ltd (the registered entity), which comprises the statement of financial position as at 31 December 2020, 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 2020 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the registered entity's Directors' Report for the year ended 31 December 2020, but it does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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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.

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.

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Paul Sapelli
Partner

Level 1, 211 Sturt Street, Townsville, QLD 4810

Dated: 19 April 2021