

FREE REFORMED SCHOOL
ASSOCIATION (INC) TAS
ABN: 32 415 227 180

SPECIAL PURPOSE FINANCIAL REPORT
FINANCIAL YEAR ENDED 31 DECEMBER 2025

**Free Reformed School Association (Inc) Tas
Responsible Persons' Declaration
Financial year ended 31 December 2025**

The members of the Board of Free Reformed School Association (Inc) Tas are responsible persons and declare that in the responsible persons' opinion:

- (a) The financial statements and notes are in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the Constitution including:
- (i) Presenting fairly in all material respect of the financial position of Free Reformed School Association (Inc) Tas as at 31 December 2025 and the performance for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards to the extent disclosed at notes 1 & 2 to the financial statements; and
- (b) There are reasonable grounds to believe that the Association 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 members of the Board and signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Regulations 2013* by



Eric Bakker
Treasurer

12/02/26
Date

Free Reformed School Association (Inc) Tas
Statement of Profit or Loss & Other Comprehensive Income
Financial year ended 31 December 2025

	2025	2024
	\$	\$
Operating revenue		
Grants	2,227,896	2,100,571
Fees & contributions	694,437	804,697
Rent	672,557	720,145
Excursions & trips	3,536	-
Computers	9,720	13,491
Fundraising & other income	3,397	360
	<u>3,611,543</u>	<u>3,639,264</u>
Operating expenses		
Employment expenses	1,829,728	1,621,030
Depreciation	143,006	160,861
General operating	230,050	188,315
Interest	213,283	291,701
Property expenses	288,738	290,628
Tuition	156,409	102,699
	<u>2,861,214</u>	<u>2,655,234</u>
Net surplus for the year	<u><u>750,329</u></u>	<u><u>984,030</u></u>

Free Reformed School Association (Inc) Tas
Statement of Financial Position
As at 31 December 2025

	Note	2025 \$	2024 \$
Current Assets			
Cash and cash equivalents	3	1,085,978	553,361
Trade and other receivables	4	20,081	797
Other	5	76,918	2,541
Total Current Assets		<u>1,182,977</u>	<u>556,699</u>
Non-Current Assets			
Property, plant & equipment	6	11,265,464	11,363,877
Total Non-Current Assets		<u>11,265,464</u>	<u>11,363,877</u>
Total Assets		<u>12,448,441</u>	<u>11,920,576</u>
Current Liabilities			
Trade and other payables	7	155,183	206,256
Provisions	8	139,177	87,956
Income received in advance	9	319,392	288,312
Current Liabilities		<u>613,752</u>	<u>582,524</u>
Non-Current Liabilities			
Provisions	8	39,649	56,603
Borrowings	10	4,263,000	4,500,000
Total Non-Current Liabilities		<u>4,302,649</u>	<u>4,556,603</u>
Total Liabilities		<u>4,916,401</u>	<u>5,139,127</u>
Net Assets		<u>7,532,040</u>	<u>6,781,449</u>
Equity			
Accumulated surplus		5,011,994	4,527,964
Transfer to building reserve		-	- 500,000
Net surplus for the year		750,329	984,030
		<u>5,762,323</u>	<u>5,011,994</u>
Asset revaluation reserve		1,269,224	1,269,224
Building reserve		500,000	500,000
SRC money held in trust		493	231
Total Equity		<u>7,532,040</u>	<u>6,781,449</u>

**Free Reformed School Association (Inc) Tas
Statement of Cash Flows
Financial year ended 31 December 2025**

	2025 \$	2024 \$
Cash from operating activities		
Receipts from parents and other customers	1,436,660	1,584,088
Receipts from government	2,186,941	2,155,919
Payments to suppliers & employees	- 2,596,108	- 2,183,789
Net cash provided by operating activities	<u>1,027,493</u>	<u>1,556,218</u>
Cash from investing activities		
Acquisition of property, plant & equipment	- 44,593	- 94,377
Net cash (used in) investing activities	<u>- 44,593</u>	<u>- 94,377</u>
Cash from financing activities		
Repayment of borrowings	- 237,000	- 1,750,000
Interest paid	- 213,283	- 291,701
Net cash (used in) financing activities	<u>- 450,283</u>	<u>- 2,041,701</u>
Net increase / (decrease) in cash and cash equivalents	532,617	- 579,860
Cash and cash equivalents at beginning of the year	<u>553,361</u>	<u>1,133,221</u>
Cash and cash equivalents at end of the year	<u><u>1,085,978</u></u>	<u><u>553,361</u></u>

**Free Reformed School Association (Inc) Tas
Notes to the Financial Statements
Financial year ended 31 December 2025**

1. GENERAL INFORMATION

INFORMATION ABOUT THE ENTITY

Free Reformed School Association (Tas) Inc is an association formed in Australia. The principal place of business is 53 Howick Street, Launceston, Tasmania, 7250.

For the purposes of preparing the financial statements, the association is a not-for-profit entity.

FINANCIAL REPORTING FRAMEWORK

These special purpose financial statements of the entity have been prepared to satisfy the Board's reporting requirements under Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the Constitution, which requires the financial statements to comply with Australian Accounting Standards. In the opinion of the Board, it is unlikely there are users of the financial report who are not in a position to require the preparation of reports tailored to their information needs.

The entity's special purpose financial statements have been prepared in accordance with the financial reporting requirements of the Australian Charities and Not-for-profits Commission for medium-sized charities, and accordingly comply with all the recognition and measurement requirements in Australian Accounting Standards for separate financial statements and the disclosure requirements of the following Australian Accounting Standards:

AASB 101 - Presentation of financial statements
AASB 107 - Statement of cash flows
AASB 108 - Accounting policies, changes in accounting estimates and errors
AASB 124 - Related party disclosures
AASB 1048 - Interpretation of standards
AASB 1054 - Australian additional disclosures

BASIS OF PREPARATION

The financial statements have been prepared on the basis of historical cost, except for the association's property that is measured at revalued amount periodically, as explained in the material accounting policies in note 2. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**Free Reformed School Association (Inc) Tas
Notes to the Financial Statements
Financial year ended 31 December 2025**

1. GENERAL INFORMATION (CONT'D)

PRESENTATION CURRENCY

The financial statements of the entity are presented in the currency of the primary economic environment in which the entity operates. For the purpose of the financial statements, the results and financial position of the entity are expressed in Australian dollars ('\$'), which is the functional currency of the entity and the presentation currency used in the financial statements.

2. MATERIAL ACCOUNTING POLICIES

(a) Cash & cash equivalents

Cash includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(b) Trade & other receivables

Trade debtors are generally settled within 30 days and are carried at amounts due.

(c) Plant & equipment

Howick Street land and Westbury Road land & buildings are stated at historical cost.

The 49 Howick Street building and all items of plant & equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The most recent official revaluation of the association's buildings and library resources at 51-53 Howick Street was finalised in the 2016 financial year and is used as the cost base for depreciation purposes.

Depreciation is calculated on a straight line or diminishing value basis to write off the net cost of each item over their expected useful lives as follows:

Buildings	20 years
Furniture and equipment	2-10 years
IT equipment	1-3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

(d) Trade & other payables

Trade & other payables are recognised when the Association becomes obliged to make future payments resulting from the purchase of goods and services.

**Free Reformed School Association (Inc) Tax
Notes to the Financial Statements
Financial year ended 31 December 2025**

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Employee benefits

Wages & salaries

Liabilities for wages & salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employee's services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in current (where applicable) and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Non-current liabilities are discounted to present value based on estimated probability of employees fulfilling the qualifying criteria in the future.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(f) Revenue & other income

Revenue from parents and other customers is measured at the fair value of the consideration received or receivable.

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

Operating grant income is generally recognised when the entity obtains control over the funds, i.e. at the time of receipt. However, if an operating grant is received in the reporting period, but it relates to the following period, it is recognised as a liability in the statement of financial position in the reporting period and reallocated to revenue in the following period.

Other sundry items are recognised on a cash received basis.

(g) Goods & 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 payable to the ATO is included with current liabilities.

(h) Income tax

The Association being a charitable entity is exempt from Income Tax under Section 50-45 of the ITAA1997.

**Free Reformed School Association (Inc) Tas
Notes to the Financial Statements
Financial year ended 31 December 2025**

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Borrowings

Borrowings are accounted for at amortised cost.

(j) Liability of members

The association is incorporated under the *Associations Incorporation Act 1964*. The members are liable in the event of winding up to an amount not exceeding \$20 per member in accordance with article 5.9 of the association's constitution.

(k) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

Free Reformed School Association (Inc) Tas
Notes to the Financial Statements
Financial year ended 31 December 2025

	2025	2024
	\$	\$
3. Cash and cash equivalents		
CBA operating account	1,085,379	550,476
CBA building fund account	449	2,833
Cash on hand	150	52
	<u>1,085,978</u>	<u>553,361</u>
 4. Trade and other receivables		
Parent & customer fees	20,081	797
	<u>20,081</u>	<u>797</u>
 5. Other		
Prepayments	76,918	2,541
	<u>76,918</u>	<u>2,541</u>
 6. Property, plant & equipment		
<i>Land & buildings not depreciated:</i>		
Howick Street land	650,000	650,000
Westbury Road land & buildings (a)	8,883,538	8,883,538
	<u>9,533,538</u>	<u>9,533,538</u>
Total land & buildings not depreciated		

(a) The building component of the property is not currently being depreciated on the basis that it is currently owned for investment purposes only. This position will be revisited at a point in time in the future when the property commences being used as the school campus.

Free Reformed School Association (Inc) Tas
Notes to the Financial Statements
Financial year ended 31 December 2025

	2025	2024
	\$	\$
6. Property, plant & equipment (cont'd)		
<i>Depreciable buildings:</i>		
Howick Street at valuation to 2016 + subsequent acquisitions at cost	2,092,812	2,184,683
Less accumulated depreciation	- 883,151	- 805,489
	<u>1,209,661</u>	<u>1,379,194</u>
<i>Plant & equipment:</i>		
Library resources at valuation 2016 + furniture & equipment at cost	1,164,211	1,121,281
Less accumulated depreciation	- 641,946	- 670,136
	<u>522,265</u>	<u>451,145</u>
Grand total	<u>11,265,464</u>	<u>11,363,877</u>
7. Trade and other payables		
Accounts payable	30,289	151,114
Accrued payroll	45,617	-
Australian Taxation Office	52,409	28,863
Credit card	2,329	2,201
Superannuation	24,539	24,078
	<u>155,183</u>	<u>206,256</u>
8. Provisions		
<i>Current:</i>		
Provision for annual leave	19,831	17,346
Provision for long service leave	119,346	70,610
	<u>139,177</u>	<u>87,956</u>
<i>Non-Current:</i>		
Provision for long service leave	39,649	56,603
	<u>39,649</u>	<u>56,603</u>

Free Reformed School Association (Inc) Tas
Notes to the Financial Statements
Financial year ended 31 December 2025

	2025	2024
	\$	\$
9. Income in advance		
Government grants	247,357	288,312
Rent	61,691	-
School fees	10,344	-
	319,392	288,312

10. Borrowings

Non-Current:

Westbury Road loan benefactor (a)	4,263,000	4,500,000
Cash benefactor (b)	-	-
	4,263,000	4,500,000

(a) The school has a loan facility with a benefactor, which was provided on condition of anonymity. The term of the facility is for 5 years with interest-only repayments being compulsory in the short term. Pledges are being accepted from association members to contribute toward reduction of the principal balance. The loan is secured by registered mortgage over freehold land and buildings at 171 Westbury Road, Prospect. The loan was intended to provide the school with funds for the purchase of a new campus at the above address.

(b) A cash benefactor account has been established for Association members to continue to meet short-term working capital requirements of the school. Loans are unsecured and interest free.

11. Remuneration of auditor

Audit of the financial statements	3,100	3,000
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12. Key management personnel remuneration

The remuneration paid to key management personnel of the Association is \$288,324 (2024: \$291,075).

Independent Auditor's Report to the members of Free Reformed School Association (Inc) Tas

Report on the Audit of the Financial Report

Opinion

I have audited the financial report, being a special purpose financial report, of Free Reformed School Association (Inc) Tas, which comprises the statement of financial position as of 31 December 2025, the statement of profit or loss & other comprehensive income and statement of cash flows for the financial year then ended, notes to the financial statements, and the responsible persons' declaration.

In my opinion, the financial report of Free Reformed School Association (Inc) Tas for the financial year ended 31 December 2025 has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Presenting fairly the Entity's financial position as of 31 December 2025 and of its financial performance for the financial year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Notes 1 & 2 to the financial statements, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

I draw attention to Notes 1 & 2 to the financial statements, which describe the basis of accounting. The financial report is prepared to assist the Entity for the purpose of fulfilling the Entity's financial reporting responsibilities under the *ACNC Act* and the Constitution. As a result, the financial report may not be suitable for another purpose. My report is intended solely for the Entity and should not be distributed to or be used by parties other than the Entity. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

The responsible persons of the Entity are responsible for the preparation of the financial report and have determined that the basis of preparation described in Notes 1 & 2 to the financial statements is appropriate to meet the requirements of the *ACNC Act*, the Constitution, and the needs of the members. The responsible persons' responsibility also includes such internal control as they determine is necessary to enable the preparation of a financial report that presents fairly and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the financial report.



Luke Salmon
Registered Company Auditor

Date: 13 February 2026