

FREE REFORMED SCHOOL
ASSOCIATION (TAS) INC

SPECIAL PURPOSE FINANCIAL REPORT
FINANCIAL YEAR ENDED 31 DECEMBER 2024

Free Reformed School Association (Tas) Inc
Board's Declaration
Financial year ended 31 December 2024

As detailed in Note 1 to the financial statements, these financial statements are a special purpose financial report that has been prepared in order to satisfy the Board's reporting requirements under Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the Constitution. The Board have determined that the Association is not a reporting entity.

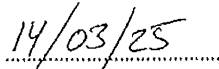
In the opinion of the Board:

1. The accompanying statement of profit or loss & other comprehensive income is drawn up so as to present fairly the result of the Association for the financial year ended 31 December 2024;
2. The accompanying statement of financial position is drawn up so as to present fairly the state of affairs of the Association as at 31 December 2024; and
3. At the date of this statement 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 statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by



Eric Bakker
Treasurer



Date

Free Reformed School Association (Tas) Inc
Statement of Profit or Loss & Other Comprehensive Income
Financial year ended 31 December 2024

	2024	2023
	\$	\$
Operating revenue		
Grants	2,100,571	2,281,319
Fees & contributions	804,697	969,976
Rent	720,145	830,308
Excursions & trips	-	20,846
Insurance recoveries	-	17,717
Computers	13,491	13,643
Fundraising & other income	360	6,100
	<u>3,639,264</u>	<u>4,139,909</u>
Operating expenses		
Employment expenses	1,621,030	1,511,901
Depreciation	160,861	193,244
General operating	188,315	190,596
Interest	291,701	236,888
Property expenses	290,628	318,461
Tuition	102,699	116,167
	<u>2,655,234</u>	<u>2,567,257</u>
Net surplus for the year	<u><u>984,030</u></u>	<u><u>1,572,652</u></u>

Free Reformed School Association (Tas) Inc
Statement of Financial Position
As at 31 December 2024

	Note	2024 \$	2023 \$
Current Assets			
Cash and cash equivalents	2	553,361	1,133,221
Trade and other receivables	3	797	46,192
Other	4	2,541	55,597
Total Current Assets		<u>556,699</u>	<u>1,235,010</u>
Non-Current Assets			
Property, plant & equipment	5	11,363,877	11,430,361
Total Non-Current Assets		<u>11,363,877</u>	<u>11,430,361</u>
Total Assets		<u>11,920,576</u>	<u>12,665,371</u>
Current Liabilities			
Trade and other payables	6	81,488	96,456
Provisions	7	87,956	115,606
Income received in advance	8	288,312	232,964
Current Liabilities		<u>457,756</u>	<u>445,026</u>
Non-Current Liabilities			
Provisions	7	56,603	48,158
Borrowings	9	4,500,000	6,250,000
Total Non-Current Liabilities		<u>4,556,603</u>	<u>6,298,158</u>
Total Liabilities		<u>5,014,359</u>	<u>6,743,184</u>
Net Assets		<u>6,906,217</u>	<u>5,922,187</u>
Equity			
Accumulated surplus		4,652,963	3,080,311
Transfer to building reserve		- 500,000	-
Net surplus for the year		984,030	1,572,652
		<u>5,136,993</u>	<u>4,652,963</u>
Asset revaluation reserve		1,269,224	1,269,224
Building reserve		500,000	-
Total Equity		<u>6,906,217</u>	<u>5,922,187</u>

Free Reformed School Association (Tas) Inc
Statement of Cash Flows
Financial year ended 31 December 2024

	2024 \$	2023 \$
Cash from operating activities		
Receipts from parents and other customers	1,584,088	1,606,700
Receipts from government	2,155,919	2,258,704
Payments to suppliers & employees	- 2,183,789	- 2,307,856
Net cash provided by operating activities	<u>1,556,218</u>	<u>1,557,548</u>
Cash from investing activities		
Acquisition of property, plant & equipment	- 94,377	- 117,242
Net cash (used in) investing activities	<u>- 94,377</u>	<u>- 117,242</u>
Cash from financing activities		
Repayment of borrowings	- 1,750,000	- 300,000
Interest paid	- 291,701	- 236,888
Net cash used in financing activities	<u>- 2,041,701</u>	<u>- 536,888</u>
Net (decrease) / increase in cash and cash equivalents	- 579,860	903,418
Cash and cash equivalents at beginning of the year	<u>1,133,221</u>	<u>229,803</u>
Cash and cash equivalents at end of the year	<u><u>553,361</u></u>	<u><u>1,133,221</u></u>

Free Reformed School Association (Tas) Inc
Notes to the Financial Statements
Financial year ended 31 December 2024

1. SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL REPORTING FRAMEWORK

These financial statements are a special purpose financial report that has been prepared in order to satisfy the Board's reporting requirements under Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the Constitution. The Board have determined that the Association is not a reporting entity.

The association is a non-profit entity.

These financial statements have been prepared in accordance with the financial reporting requirements of the Australian Charities and Not-for-profit Commission for medium sized charities, and accordingly comply with all of the recognition and measurement requirements of the following Australian Accounting Standards only;

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 report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of consideration given in exchange for assets.

Accounting policies are selected and applied in a manner, which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(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.

Free Reformed School Association (Tas) Inc
Notes to the Financial Statements
Financial year ended 31 December 2024

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

Free Reformed School Association (Tas) Inc
Notes to the Financial Statements
Financial year ended 31 December 2024

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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 (Tas) Inc
Notes to the Financial Statements
Financial year ended 31 December 2024

	2024	2023
	\$	\$
2. Cash and cash equivalents		
CBA operating account	550,476	897,797
CBA building fund account	2,833	235,362
Cash on hand	52	62
	<u>553,361</u>	<u>1,133,221</u>
3. Trade and other receivables		
Parent & customer fees	797	46,192
	<u>797</u>	<u>46,192</u>
4. Other		
Prepayments	2,541	55,597
	<u>2,541</u>	<u>55,597</u>
5. 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
Total land & buildings not depreciated	<u>9,533,538</u>	<u>9,533,538</u>

(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 (Tas) Inc
Notes to the Financial Statements
Financial year ended 31 December 2024

	2024	2023
	\$	\$
5. Property, plant & equipment (cont'd)		
<i>Depreciable buildings:</i>		
Howick Street at valuation to 2016 + subsequent acquisitions at cost	2,184,683	2,184,683
Less accumulated depreciation	- 805,489	- 694,157
	<u>1,379,194</u>	<u>1,490,526</u>
Total depreciable buildings		
<i>Plant & equipment:</i>		
Library resources at valuation 2016 + furniture & equipment at cost	1,121,281	1,026,904
Less accumulated depreciation	- 670,136	- 620,607
	<u>451,145</u>	<u>406,297</u>
Total plant & equipment		
	<u>11,363,877</u>	<u>11,430,361</u>
Grand total		
6. Trade and other payables		
Accounts payable	26,115	9,197
Accrued payroll	-	28,302
Australian Taxation Office	28,863	55,288
Credit card	2,201	2,944
Other	231	125
Petty cash owing	-	600
Superannuation	24,078	-
	<u>81,488</u>	<u>96,456</u>
7. Provisions		
<i>Current:</i>		
Provision for annual leave	17,346	36,640
Provision for long service leave	70,610	78,966
	<u>87,956</u>	<u>115,606</u>
<i>Non-Current:</i>		
Provision for long service leave	56,603	48,158
	<u>56,603</u>	<u>48,158</u>

Free Reformed School Association (Tas) Inc
Notes to the Financial Statements
Financial year ended 31 December 2024

	2024 \$	2023 \$
8. Income in advance		
Government grants	288,312	232,964
	<u>288,312</u>	<u>232,964</u>
9. Borrowings		
<i>Non-Current:</i>		
Westbury Road loan benefactor (a)	4,500,000	6,250,000
Cash benefactor (b)	-	-
	<u>4,500,000</u>	<u>6,250,000</u>

(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.

10. Remuneration of auditor

Audit of the financial statements (Synectic Audit & Assurance - 2023)	3,500	5,300
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11. Key management personnel remuneration

The remuneration paid to key management personnel of the Association is \$291,075.

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

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 (Tas) Inc, which comprises the statement of financial position as of 31 December 2024, 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 Board's Declaration.

In my opinion, the financial report of Free Reformed School Association (Tas) Inc for the financial year ended 31 December 2024 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 2024 and of its financial performance for the financial year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 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 Note 1 to the financial statements, which describes 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*. 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 that presents fairly and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *ACNC Act* and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities 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 the responsible entities 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: 14 March 2025