



PEDARE

PEDARE CHRISTIAN COLLEGE INC.

ABN 94 539 673 709

FINANCIAL REPORT

YEAR ENDED 31 DECEMBER 2022

PEDARE CHRISTIAN COLLEGE INC.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

2021		2022
\$	Note	\$
	CONTINUING OPERATIONS	
	REVENUE	
9,372,506	Gross Tuition Fees	10,229,112
9,335,473	Commonwealth Grant	10,258,563
2,383,255	State Grant	2,703,512
24,058	Other Grants	62,561
923,572	Other Income	1,013,841
<u>22,038,864</u>	Total Revenue	<u>24,267,589</u>
	EXPENSES	
1,341,366	Discounts Given	1,404,587
13,760,875	Salaries & Associated Expenses	15,187,466
1,361,681	Tuition Expenses	1,570,665
786,774	Administration Expenses	750,217
754,556	Property Expenses	793,231
1,314,216	Depreciation and Amortisation Expenses	1,320,716
223,793	Other Movements to Provisions	578,248
344,437	Interest Paid	316,674
<u>19,887,698</u>	Total Expenses	<u>21,921,804</u>
<u>2,151,166</u>	Operating Surplus from Continuing Operations	<u>2,345,785</u>
	Non Operating Revenue	
60,563	Donations Received for Capital Purposes	65,044
116,899	Capital Grants	137,603
15,095	Gain on Disposal of Fixed Assets	(35,932)
<u>2,343,723</u>	Net Surplus from Continuing Operations	<u>2,512,500</u>
	OTHER COMPREHENSIVE INCOME	
-	Revaluation - Land	3,633,000
-	Revaluation - Generic Furniture	(59,730)
<u>-</u>	Total Other Comprehensive Income	<u>3,573,270</u>
<u>2,343,723</u>	Total Comprehensive Income for the Year	<u>6,085,770</u>
<u>2,343,723</u>	Total Surplus	<u>6,085,770</u>

The accompanying notes form part of these financial statements.

**PEDARE CHRISTIAN COLLEGE INC.
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

2021		Note	2022
\$			\$
	CURRENT ASSETS		
5,395,953	Cash and Cash Equivalents	4	5,139,288
68,852	Accounts Receivable and Other Debtors	5	71,787
218,485	Prepayments		290,415
25,314	Stock - Consumables		28,763
<u>5,708,604</u>	Total Current Assets		<u>5,530,253</u>
	NON-CURRENT ASSETS		
40,641,192	Property, Plant & Equipment	6	45,991,055
490,584	Intangible Assets	7	479,163
<u>41,131,776</u>	Total Non-Current Assets		<u>46,470,218</u>
<u>46,840,380</u>	TOTAL ASSETS		<u>52,000,471</u>
	CURRENT LIABILITIES		
1,896,147	Accounts Payable and Other Payables	8	1,651,889
1,583,271	Financial Liabilities	9	704,183
355,751	Family Loans		364,828
672,718	Employee Provisions	10	898,692
<u>4,507,887</u>	Total Current Liabilities		<u>3,619,592</u>
	NON-CURRENT LIABILITIES		
29,800	Accounts Payable and Other Payables	8	24,700
7,997,426	Financial Liabilities	9	7,743,242
1,487,674	Family Loans		1,567,656
1,223,384	Employee Provisions	10	1,365,302
<u>10,738,284</u>	Total Non-Current Liabilities		<u>10,700,900</u>
<u>15,246,171</u>	TOTAL LIABILITIES		<u>14,320,492</u>
<u>31,594,209</u>	NET ASSETS		<u>37,679,979</u>
	EQUITY		
20,495,989	Accumulated Surplus	11	21,658,489
-	Working Capital Reserve	12	1,350,000
11,098,220	Revaluation Reserve	12	14,671,490
<u>31,594,209</u>	TOTAL EQUITY		<u>37,679,979</u>

The accompanying notes form part of these financial statements.

**PEDARE CHRISTIAN COLLEGE INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2021		2022
\$		\$
	Note	
	CASH FLOWS FROM OPERATING ACTIVITIES	
13,097,120	Government Grants	14,224,775
8,952,272	Tuition fees and Other Receipts	9,813,830
(17,863,996)	Payments to Suppliers & Employees	(20,100,778)
41,093	Interest Received	105,636
(347,090)	Interest Paid	(320,612)
<u>3,879,399</u>	Net cash provided by operating activities	<u>3,722,851</u>
	CASH FLOWS FROM INVESTING ACTIVITIES	
(628,324)	Payments for Property, Plant & Equipment	(3,084,804)
(80,227)	Contributions to Shared Facilities	(15,544)
15,095	Proceeds from sale of Property, Plant & Equipment	-
<u>(693,456)</u>	Net cash used by investing activities	<u>(3,100,348)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES	
404,959	Proceeds from Borrowings	438,640
(1,439,421)	Repayment of Borrowings	(1,444,306)
(34,622)	Payment of principal on leased assets	(38,546)
<u>(1,069,084)</u>	Net cash (used) / provided by financing activities	<u>(1,044,212)</u>
	CASH FLOWS FROM OTHER ACTIVITIES	
60,563	Building fund donations received	65,044
116,899	Capital Grants	100,000
<u>177,462</u>	Net cash provided by other activities	<u>165,044</u>
<u>2,294,321</u>	Net Increase in cash held	<u>(256,665)</u>
<u>3,101,632</u>	CASH AT THE START OF THE YEAR	<u>5,395,953</u>
<u>5,395,953</u>	CASH AT END OF YEAR	<u>5,139,288</u>

The accompanying notes form part of these financial statements.

**PEDARE CHRISTIAN COLLEGE INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Accumulated Surplus	Revaluation Reserve	Working Capital Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2021	18,152,266	11,098,220	-	29,250,486
Operating Surplus from Continuing Operations	2,151,166	-	-	2,151,166
Total Non Operating Revenue	192,557	-	-	192,557
Balance at 31 December 2021	<u>20,495,989</u>	<u>11,098,220</u>	<u>0</u>	<u>31,594,209</u>
Operating Surplus from Continuing Operations	2,345,785	-	-	2,345,785
Total Non Operating Revenue	166,715	-	-	166,715
Revaluation of Land and Furniture	-	3,573,270	-	3,573,270
Transfer to Working Capital Reserve	(1,350,000)	-	1,350,000	-
Balance at 31 December 2022	<u>21,658,489</u>	<u>14,671,490</u>	<u>1,350,000</u>	<u>37,679,979</u>

The accompanying notes form part of these financial statements.

PEDARE CHRISTIAN COLLEGE INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Statement of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012. The Board has determined that the College is not a reporting entity. The College is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

(a) Taxation

The College is exempt from Income Tax by virtue of section 50-5 of the Income Tax Assessment Act.

(b) Revenue Recognition

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 College 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

Specific revenue streams

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

Tuition income

The College recognises tuition and other associated fees on an accrual basis. Under the accruals basis of accounting, fees represented by outstanding debts have been brought to account as Tuition receivables.

Operating grants, donations and bequests

When the College receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the College:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Statement of Significant Accounting Policies (cont'd)

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the College:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the College recognises income in the Statement of Profit or Loss when or as it satisfies its obligations under the contract.

Capital grant

When the College receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards.

The College recognises income in the Statement of Profit or Loss when or as the College satisfies its obligations under the terms of the grant.

Interest revenue

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

Other income

Other income is recognised on an accruals basis when the College becomes entitled to it.

(c) Accounts Receivable and Other Debtors

Accounts receivable and other debtors are recognised at the amounts receivable. Collectability of receivables is reviewed on an on-going basis. A provision for doubtful debts is raised where doubt as to collection exists, and debts known to be uncollectible are written off.

(d) Stock

All stock is stated at the lower of cost or net realisable values.

(e) Financial instruments

Initial recognition and measurement

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

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Statement of Significant Accounting Policies (cont'd)

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through the Statement of 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 College classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - FVOCI
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the College 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 that give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The College'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 and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Statement of Significant Accounting Policies (cont'd)

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
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the College 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 College's historical experience and informed credit assessment and including forward looking information.

The College uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the College in full, without recourse by the College to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

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

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses.

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.

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Statement of Significant Accounting Policies (cont'd)

Financial liabilities

The financial liabilities are subsequently measured at:

- amortised cost
- fair value through profit or loss

A financial liability is measured at fair value through profit and loss if the financial liability is:

- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at fair value, amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking.

Any gains or losses arising on changes in fair value are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Statement of Significant Accounting Policies (cont'd)

(f) Property, Plant & Equipment

Property

Independent valuations of land, land improvements and buildings are obtained at least on a triennial basis, conducted by external independent valuers, and are used to support the carrying value of the assets. The Board has adopted its own valuation of land, land improvements and buildings. The Board valuation for land is in line with the independent valuations. The Board valuation for land improvements and buildings is in line with costs less accumulated depreciation.

Increases in the carrying amount arising on revaluation of land are credited to a revaluation reserve directly in equity. Decreases that offset previous increases of the same class of asset are charged against revaluation reserves directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Plant & Equipment

Plant and equipment, with the exception of Generic Furniture, is measured at cost. Generic Furniture is initially carried at cost and subsequently carried at Board valuation based on discounted market value. A discount of between 50-75% has been applied, depending on the assessed condition of the furniture for any asset more than 3 years old. The College has adopted a no more than three years valuation program to assess ongoing carrying value of generic furniture.

The carrying amount of plant and equipment is reviewed by the College to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of fixed assets, except Generic Furniture, are depreciated over the useful lives of the assets to the College commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Permanent buildings	2 - 10%
Temporary buildings	5 - 10%
Land Improvements	0 – 33.33%
Furniture & Equipment	0 – 100%
Books	10 – 20%

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

(g) The College as lessee

At inception of a contract, the College assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the College where the College is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the College uses its incremental borrowing rate.

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Statement of Significant Accounting Policies (cont'd)

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives; variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the College anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Exceptions to lease accounting

The College 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 College recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(h) Intangibles - Shared Facilities

The College has a right of access to facilities owned by the Minister of Education with an expiry date of 31 December 2043. Contributions of capital toward the construction of the facilities and the furnishing and equipping of the facilities are being amortised over the period that the College has the right to use the facilities.

The College contributes toward the operating costs of the facility in accordance with its use of the facilities, with contributions charged as expenses in the periods in which they are incurred.

The College also has a right to access a hockey pitch facility owned by the City of Tea Tree Gully with an expiry date of 30 June 2031. A contribution of \$69,666 ex GST was paid in June 2021 toward the synthetic surface replacement, and is being amortised over the period that the College has a right of use to the facility.

(i) Impairment of Assets

At each reporting date, the College reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Statement of Significant Accounting Policies (cont'd)

(j) Accounts Payable and Other Payables

Accounts payable and other payables represent liabilities for goods and services provided to the College prior to the end of the financial year and which remain unpaid at that date. These amounts are unsecured unless otherwise stated, and are usually paid within 30 days of recognition.

(k) Employee Provisions

Long Service and Annual Leave

A provision is made for the College's liability for employee benefits arising from services rendered by employees to balance date. The current Long Service Leave provision represents the Long Service Leave that has become unconditional and is expected to be settled wholly within 12 months. The non-current provision for Long Service Leave is comprised of both the provision that is unconditional and not expected to be settled wholly within 12 months, plus the conditional Long Service Leave provision.

Employee benefits expected to be settled within one year together with entitlements arising from wages, salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Other employee benefits payable later than one year have been measured at current value plus related on costs.

Provision for Annual Leave includes both teaching and non-teaching staff. Accrued teacher's annual leave is normally taken over the Christmas/New Year period, prior to the commencement of the new school year.

(l) Cash

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.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(n) Comparative Figures

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

(o) Economic Dependency

The future operations of the College are dependent upon achieving and maintaining appropriate student enrolment numbers, the continuation of adequate funding from the Australian and South Australian Governments in respect of operational and capital grants and the achievement of operating surpluses and positive operating cash flows.

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2021	2022
	\$	\$
Note 2 Other Income		
Donations received	10,948	39,713
Enrolment fees	40,957	61,109
Interest received	41,093	105,636
Rental from hire of premises	96,932	100,256
Commission	11,202	28,808
OSHC income	415,197	369,720
Other income	307,243	308,599
	923,572	1,013,841

Note 3 Surplus from Operating Activities

Surplus from operating activities has been determined after:

(a) Expenses

Salaries & Associated Expenses

Teaching Staff salaries	8,697,247	9,415,493
General Staff salaries	3,383,245	3,876,923
OSHC Salaries	254,378	266,333
Enlistment costs	21,689	35,099
Fringe Benefits tax	39,341	17,491
Professional development	65,286	92,513
Superannuation	1,201,757	1,391,029
Workcover	97,932	92,585
	13,760,875	15,187,466

Tuition Expenses

Activities, Excursions & Camps	678,281	743,368
Teaching consumables	300,670	368,940
ICT College rentals	107,277	90,329
OSHC expenses	45,658	72,420
Sundry tuition expenses	229,795	295,608
	1,361,681	1,570,665

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 3 Surplus from Operating Activities (cont'd)

	2021	2022
	\$	\$
Administration Expenses		
Audit fees	9,900	13,500
Bank fees	22,084	21,750
College Bus Services	95,691	104,486
Communications: Internet & Telephone	167,305	106,390
Copyright fees	21,444	24,087
General insurances	100,632	109,963
Hospitality	25,455	27,336
Legal & Professional fees	60,147	36,052
Levies to affiliated bodies	58,056	60,749
Marketing	35,074	32,427
Operating Leases	37,516	26,826
Printing, Postage & Stationery	39,331	40,514
Software Licence agreements	48,561	57,362
Subscriptions	9,272	10,906
Work Health and Safety	20,415	20,036
Other expenses	35,891	57,833
	786,774	750,217
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Property Expenses		
Cleaning	337,317	346,056
Cyclic replacement	43,770	48,030
Maintenance	159,689	186,058
Utilities & rates	213,780	213,087
	754,556	793,231
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Depreciation and Amortisation Expenses		
Depreciation expense	1,291,442	1,293,752
Amortisation – shared facilities & other intangibles	22,774	26,964
	1,314,216	1,320,716
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Other Movements to Provisions		
Doubtful debts	500	(5,500)
Sabbatical	7,500	7,500
Annual leave	(86,165)	267,050
Long service leave	301,958	309,198
	223,793	578,248
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Interest Paid		
Interest paid on leases	1,946	1,347
Interest paid on loans	342,491	315,327
	344,437	316,674
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PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 3 Surplus from Operating Activities (cont'd)

	2021	2022
	\$	\$
Gain / (Loss) on Disposal of Fixed Assets		
Proceeds from the Sale of Fixed Assets	15,095	-
Loss from Disposal of Fixed Assets	-	(35,932)
	15,095	(35,932)
	15,095	(35,932)

Note 4 Cash and Cash Equivalents

Cash on hand and at bank	1,445,433	2,406,353
Deposits at call	3,749,617	2,465,994
Building Fund investment	200,903	266,941
	5,395,953	5,139,288
	5,395,953	5,139,288

In accordance with Division 30 of the Income Tax Assessment Act, donations to the Building Fund Investment Account may only be used for the acquisition, construction or maintenance of buildings used or to be used as a school.

Note 5 Accounts Receivable and Other Debtors

Tuition Receivables	38,503	25,701
Allowance for expected credit losses	(15,500)	(10,000)
	23,003	15,701
Other debtors	45,849	56,086
	68,852	71,787

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2021	2022
	\$	\$
Note 6 Property, Plant & Equipment		
Land – College (at Board valuation)	10,917,000	14,550,000
Land improvements (at cost)	4,016,806	4,336,865
Accumulated depreciation	(1,431,899)	(1,687,713)
	<u>13,501,907</u>	<u>17,199,152</u>
Buildings (at cost)	30,919,045	32,072,812
Accumulated depreciation	(5,995,219)	(6,803,801)
	<u>24,923,826</u>	<u>25,269,011</u>
Furniture - generic (at Board valuation)	1,051,051	1,239,023
Furniture - generic (at cost)	123,342	-
Equipment (at cost)	2,015,043	1,971,070
Accumulated depreciation	(1,506,321)	(1,489,840)
	<u>1,683,115</u>	<u>1,720,253</u>
Information technology equipment (at cost)	618,725	621,964
Accumulated depreciation	(559,607)	(557,741)
	<u>59,118</u>	<u>64,223</u>
Motor vehicles (at cost)	103,933	122,238
Accumulated depreciation	(59,868)	(69,106)
	<u>44,065</u>	<u>53,132</u>
Right of use assets	115,648	115,648
Accumulated depreciation	(35,337)	(73,886)
	<u>80,311</u>	<u>41,762</u>
Work in progress (at cost)	348,850	1,643,522
Total Property, Plant & Equipment	<u>40,641,192</u>	<u>45,991,055</u>

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 6 Property, Plant & Equipment (cont'd)

Generic furniture

A Board valuation of generic furniture was undertaken on 31 December 2022. The valuation was based on an assessment of the furniture's ongoing carrying value. The next valuation is planned for 2025.

Land, land improvements and buildings

An independent valuation was made of land, land improvements and buildings at the College for the 2022 Financial Report by valuers Savills at 16 November 2022. The next valuation is planned for 2025.

With reference to Note 1(f), the Board adopted a valuation for land of \$14,550,000 as at 31 December 2022.

(a) Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year were as follows:

	Land & Improvements \$000	Buildings \$000	Furniture & Equipment \$000	Information Tech Equip \$000	Sub Total \$000
Balance at the beginning of the year	13,502	24,924	1,683	59	40,168
Additions	21	-	229	43	293
Disposals	-	-	(36)	-	(36)
Revaluation	3,633	-	(60)	-	3,573
Transfers	299	1155	46	-	1,500
Depreciation expense	(256)	(810)	(142)	(38)	(1,246)
Carrying amount at end of year	17,199	25,269	1,720	64	44,252

	Motor Vehicles \$000	Right of use Assets \$000	Work in Progress \$000	Total \$000
Balance at the beginning of the year	44	80	349	40,641
Additions	16	-	2,797	3,106
Disposals	-	-	-	(36)
Revaluation	-	-	-	3,573
Transfers	2	-	(1,502)	-
Depreciation expense	(9)	(38)	-	(1,293)
Carrying amount at end of year	53	42	1,644	45,991

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2021	2022
	\$	\$
Note 7 Intangibles		
Shared facilities (at cost)	1,654,418	1,669,961
Less amortisation	(1,163,834)	(1,190,798)
	<u>490,584</u>	<u>479,163</u>

Note 8 Accounts Payable and Other Payables

Current:

Accounts Payable	392,637	313,788
Grants received – prepaid	283,879	190,858
Interest payable	40,086	36,148
Liability for GST (net)	248,881	128,508
Salary related	321,499	365,082
Shared facilities related	40,665	39,841
Tuition fees received in advance	358,208	347,032
Sundry	210,292	230,632
	<u>1,896,147</u>	<u>1,651,889</u>

Non-Current:

Tuition fees received in advance	29,800	24,700
	<u>29,800</u>	<u>24,700</u>

Note 9 Financial Liabilities

Current

Bank SA loan (secured)	900,000	-
SAFA Govt loan (secured)	574,725	594,811
UC Invest loan (unsecured)	70,000	70,000
Lease Liabilities (unsecured)	38,546	39,372
	<u>1,583,271</u>	<u>704,183</u>

Non-Current

Bank loans (secured)	-	450,000
SAFA Govt loan (secured)	7,814,946	7,220,134
UC Invest loan (unsecured)	140,000	70,000
Lease Liabilities (unsecured)	42,480	3,108
	<u>7,997,426</u>	<u>7,743,242</u>

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Pedare Christian College entered into a Bank Bill Business Loan facility agreement with Bank SA in 2019 for a total facility limit of \$2,350,000. As at 31 December 2022, the balance owing on this facility is \$450,000. The loan facilities are secured by a fixed charge over assets of the College.

This loan facility has a current expiry date of 18 May 2024.

The College entered into a loan agreement with the South Australian Government Financing Authority in 2018 for a total limit of \$10,000,000. As at 31 December 2022, \$7,814,945 of this loan remains outstanding. The loan is secured by a fixed charge over the assets of the College.

The current average interest rate is 3.54% on bank loans (2021: 2.58%).

	2021	2022
	\$	\$
Note 10 Employee Provisions		
Current		
Annual leave	479,275	703,746
Long service leave	193,443	194,946
	672,718	898,692
Non-Current		
Long service leave	1,205,884	1,340,302
Principal's sabbatical provision	17,500	25,000
	1,223,384	1,365,302
Note 11 Accumulated Surplus		
Accumulated surplus at beginning of the year	18,152,266	20,495,989
Net surplus for the year	2,343,723	2,512,500
Transfer to Working Capital Reserve	-	(1,350,000)
	20,495,989	21,658,489
Note 12 Reserves		
Working Capital Reserve		
Reserves at beginning of the year	-	-
Transfer from accumulated surplus	-	1,350,000
	-	1,350,000
Reserves at end of the year	-	1,350,000
Asset Revaluation Reserve		
Reserves at beginning of the year	11,098,220	11,098,220
Revaluation – College Land	-	3,633,000
Revaluation – Generic Furniture	-	(59,730)
	11,098,220	14,671,490
Reserves at end of the year	11,098,220	14,671,490

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2021	2022
	\$	\$
Note 13 Capital Expenditure Commitments		
Capital expenditure commitments contracted for and payable not later than 1 year:		
Buildings – not later than 1 year	-	759,674
Land Improvements – not later than 1 year	133,420	56,278
	<u>133,420</u>	<u>815,952</u>
Total Capital Expenditure Commitment	<u>133,420</u>	<u>815,952</u>

Note 14 Related Party Transactions

The following is a list of the names of those persons who were members of the Board at any time during the year:

Dr V Aloa	Mr B Atwell	The Venerable D Bassett	Rev Dr J Chung
Mr M Elding	Ms M Szabo	Ms S Vincent	Mr B Wilson
Mr A Hosch (resigned 9/06/2022)			

During the year no member of the Board received a benefit as the result of a contract or any other pecuniary benefit.

Note 15 Key Management Personnel Remuneration

The total aggregate remuneration paid to the key management personnel of Pedare Christian College Inc. during the financial year is as follows:

	2021	2022
	\$	\$
Total key management personnel remuneration	719,566	973,072
	<u>719,566</u>	<u>973,072</u>

Note 16 Cash Flow Information

(a) Reconciliation of Operating Surplus to Net Cash from Operating Activities

	2021	2022
	\$	\$
Operating surplus	2,151,166	2,345,785
Non-cash flows in surplus from ordinary activities:		
Amortisation	22,774	26,964
Depreciation	1,291,442	1,293,752
Provision for doubtful debts	500	(5,500)
Changes in Assets & Liabilities:		
(Increase) / Decrease in receivables	(9,781)	40,168
(Increase) / Decrease in prepayments	236,011	(71,930)
Increase in stock	(1,857)	(3,449)
Increase / (Decrease) in payables	98,322	(270,831)
Increase in provisions	90,822	367,892
	<u>3,879,399</u>	<u>3,722,851</u>
Net Cash provided by Operating Activities	<u>3,879,399</u>	<u>3,722,851</u>

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 17 Financial Instruments

(a) Interest Rate Risk

The College's exposure to interest rate risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates of those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating / Non-Interest Bearing		Fixed Interest Rate Maturing				Total	
	2021	2022	2021	2022	Within 1 Year		1 to 5+ Years		2021	2022
	%	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets:										
Cash	0.00	0.00	260	213	-	-	-	-	260	213
Short term deposits	0.68	1.22	5,123	4,916	13	10	-	-	5,136	4,926
			5,383	5,129	13	10	-	-	5,396	5,139

	Weighted Average Effective Interest Rate		Floating / Non-Interest Bearing		Fixed Interest Rate Maturing				Total	
	2021	2022	2021	2022	Within 1 Year		1 to 5+ Years		2021	2022
	%	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Liabilities:										
Bank loans	2.58	3.54	900	450	-	-	-	-	900	450
UCA Inv. loan	3.12	3.72	-	-	210	140	-	-	210	140
SAFA Loan	3.45	3.45	-	-	-	-	8,390	7,815	8,390	7,815
Family loans	-	-	1,843	1,933	-	-	-	-	1,843	1,933
Lease Liabilities	2.12	2.12	-	-	-	-	81	42	81	42
			2,743	2,383	210	140	8,471	7,857	11,424	10,380

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date with respect to recognised financial assets is their carrying amounts, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial reports. The College is not exposed to any material credit risk by any single debtor or group of debtors under financial instruments entered into by the College.

(c) Net Fair Values

The aggregate net fair value of financial assets and financial liabilities is their carrying amounts as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

PEDARE CHRISTIAN COLLEGE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 18 Contingent Assets and Liabilities

	2021	2022
	\$	\$
Contingent Liabilities		
Commonwealth Government Grants	2,083,361	1,977,988

The College is a recipient of Commonwealth Government Grants which have been utilised to develop College infrastructure. Various grants acknowledge that the Commonwealth Government has a right to repayment of a portion of the grant where the facilities cease to operate for their approved purpose within the specified period. The compliance period of the agreements varies from 2 years to 20 years.

Shared Facilities Trade Training Centre (TTC)

The three Campus schools (Golden Grove High School ('GGHS'), Gleeson College and Pedare Christian College) submitted a successful proposal to the Australian Government, in 2010 to partly renovate the existing State Government owned 'Shared Facilities' and to construct new facilities on their site being a Trade Training Centre. GGHS was the lead school on the project. Pedare was allocated a notional grant of \$1,374,442 (GST exclusive) for the project. All grant receipts, expenditure and project management occurred through the State Government on behalf of GGHS. Practical Completion of the TTC occurred on 17 May 2011.

The State Government during 2014 advised that rather than preparing a new Trade Training Centre operational agreement the State Government would prepare an Addendum to the current Shared Facilities Joint Use Agreement, to recognise the College's access to the centre. That Addendum was completed and signed in October 2016. The College has not recognised any grant income, real or contingent asset, or contingent liability in relation to the project. Non recognition of any contingent liability is supported by a letter dated 20 December 2010 from the Minister of Education.

Note 19 Segment Reporting

The College operates predominantly in one business and geographical segment, being the provision of education in the North Eastern area of Adelaide.

Note 20 Events after the Reporting Period

There have been no matters or circumstances occurring subsequent to the end of the financial year that have significantly affected, or may affect, the operation of the College, the results of those operating, or the state of affairs of the College in future years.

Note 21 College Details

The registered office and principal place of business of the College is:
Pedare Christian College Inc.
12 – 30 Surrey Farm Drive
Golden Grove, South Australia 5125

PEDARE CHRISTIAN COLLEGE INC.

BOARD REPORT

In accordance with section 35(5) of the Associations Incorporation Act 1985, the Board of Pedare Christian College Inc. hereby state that during the financial year ended 31 December 2022:

- (a) (i) no officer of the association;
- (ii) no firm of which an officer is a member; and
- (iii) no body corporate in which an officer has a substantial financial interest

has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the association.

- (b) During the year, 9 Board members had between them 7 children who attended the college. Board members are charged tuition fees for their children in accordance with the standard fees charged by the college for the year and which have been approved by the Board members. Scholarships and bursaries to the value of \$11,558 were awarded to the children of Board members during the year ended 31 December 2022 (in 2021: \$15,065).

Other than the above, no officer of the association has received directly or indirectly from the association any payment or other benefit of a pecuniary value other than, in the case of officers employed by the association, salaries which have been determined in accordance with general market conditions.

This report is made in accordance with a resolution of the Board and signed by the following members of the Board:



The Venerable David Bassett
Chairperson, Board



Ms S Vincent
Chairperson, Finance Committee

Dated this 11th Day of May 2023

PEDARE CHRISTIAN COLLEGE INC.

STATEMENT BY THE BOARD

The Board has determined that Pedare Christian College Inc is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

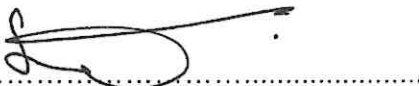
In the opinion of the members of the Board the financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

1. Present a true and fair view of the financial position of Pedare Christian College Inc. as at 31 December 2022 and of its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Pedare Christian College Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board for and on behalf of the Board by:



The Venerable David Bassett
Chairperson, Board



Ms S Vincent
Chairperson, Finance Committee

Dated this 11th Day of MAY 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012 TO THE BOARD MEMBERS OF PEDARE CHRISTIAN COLLEGE INC.

I declare that, to the best of my knowledge and belief during the year ended 31 December 2022 there have been:

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

William Buck

William Buck (SA)
ABN 38 280 203 274



M.D. King
Partner

Dated this 11th day of May, 2023.

Pedare Christian College Inc

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Pedare Christian College Inc. (the College), which comprises the statement of financial position as at 31 December 2022, the statement of 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 Statement by the Board.

In our opinion the financial report of Pedare Christian College Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the College's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 College 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 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 College'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 College Board for the Financial Report

The College Board of Pedare Christian College Inc. are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The College Board's responsibility also includes such internal control as the College Board determine is necessary to enable the preparation of the 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 College Board are responsible for assessing the College'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 College Board either intend to liquidate the College or to cease operations, or has no realistic alternative but to do so.

The College Board are responsible for overseeing the College's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

William Buck

William Buck (SA)
ABN 38 280 203 274

M.D. King

M.D. King
Partner

Dated this 11th May 2023.