

**CASUARINA SCHOOL CO-OPERATIVE LTD**  
**ABN 83 419 855 457**

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**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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Your directors present their report on the co-operative for the year ended 31 December 2015.

**Principal Activities**

The co-operative's principal activity is the provision of education to the school community using funds raised by and from the community as well as State and Federal funding.

This principal activity assists in achieving the short term and long term objectives of the co-operative by:

- providing educational services to the community
- providing non-financial outcomes in response to funding agreements
- providing turnover, cash flow and profit to meet the financial objectives of the co-operative

**Short and Long Term Objectives of the Co-operative**

The co-operative has identified the following short term objectives:

- to provide parent and child groups and K-6 education that follow the methodology and principles of education developed by Rudolf Steiner
- to meet the educational outcomes required under funding agreements with Federal and State governments
- to meet financial viability and accountability requirements
- to provide a pleasant, nurturing and inspiring workplace that is compliant with relevant legislation and the Fair Work Act

The co-operative has identified the following long term objectives:

- to promote the principles and practice of modern Steiner education
- to increase awareness of the benefits of Steiner education in the mid-north coast region
- to increase financial security by reducing debt, managing the school's finances effectively and increasing student numbers
- to develop meaningful relationships with the local community

**Strategies**

The co-operative has adopted the followings strategies in order to achieve these short and long term objectives:

- the preparation of a curriculum and policy documents to achieve the educational outcomes identified under the funding agreements and in accordance with relevant State and Federal authorities
- the preparation of an annual budget to assist in assessing financial performance, and regular reviews of spending against budget by the Directors, the Executive Team and an external accountant
- regular review of the school's compliance with occupational health and safety legislation and compliance with employment law including the Fair Work Act
- the preparation of a strategic plan to identify the strengths and opportunities for the school and identify potential threats to the long term objectives of the school
- the preparation of a marketing plan to inform the local community of the benefits of Steiner education in general and of our school in particular
- the preparation of a business plan to consider the school's needs in light of available funding

**Performance Measurement**

The co-operative uses the following key performance indicators to measure performance:

- Loss, after income tax expense, for the period was \$69,580
- Student numbers at the August census date were 124 (K - 6) compared to 117 in 2014.
- Distribution of a parent questionnaire.
- the school complied with all external audits financial accountability requirements.

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**Directors Information**

**Directors**

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

<b>Directors Name</b>	<b>Special Responsibilities</b>	<b>Period as Director</b>	<b>Qualifications and Experience</b>
Sally Townley	Chairperson	Appointed 8 April 2009	Bachelor Applied Science (Environmental Management) 1989 PhD (Wildlife Ecology) Relevant skills; project management, liaising with stakeholders, disseminating information, conflict resolution, understanding government policy and process.
Tim Hill	Treasurer (from 26 May 2015)	Appointed 25 May 2015	
Michael Burgun	Secretary	Appointed 19 May 2014 Resigned 16 February 2016	Appointed secretary 18 August 2014. Michael has 16 years of experience as a director of a UK software company and has acted as a director of a company in Australia since 2006.
Tamara Sutherland	Secretary (from 16 February 2016)	Appointed 19 May 2014	Appointed Secretary 16 February 2016.
Jutta Caldwell	Director	Appointed 25 May 2015	
Skye Hawkins	Director	Appointed 25 June 2015	
Lana Risi	Director	Appointed 9 April 2015	
Rowena Bianchino	Director	Appointed 9 April 2015	
Sue Butler	Treasurer (until 26 May 2015) Director	Appointed 9 December 2013	
Lyn Delgado	Director	Appointed 19 May 2014 Resigned 2015	
Daniel Castor	Director	Appointed 16 September 2014 Resigned 21 September 2015	
Sue Stewart	Director	Appointed 19 May 2014 Resigned 19 May 2015	

**DIRECTORS REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**Meetings of Directors**

During the financial year, 8 meetings of directors (including committees of directors) were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Sally Townley	10	9
Tim Hill	6	6
Michael Burgun	10	6
Tamara Sutherland	10	10
Jutta Caldwell	6	5
Skye Hawkins	5	4
Lana Risi	-	-
Rowena Bianchino	-	-
Sue Butler	10	8
Lyn Delgado	9	1
Daniel Castor	5	3
Sue Stewart	4	2

**Significant Changes to Operations**

No significant matters have arisen which are considered to have significantly impacted upon the operation of the co-operative.

**Auditors' Independence Declaration**

A copy of the auditor's independence declaration is attached to these financial statements.

Signed in accordance with a resolution of the Board of Directors



Sally Townley  
Chairperson



Tamara Sutherland  
Secretary

Dated: 18 April 2016

**AUDITORS' INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF  
CASUARINA SCHOOL CO-OPERATIVE LIMITED**

**ABN 83 419 855 457**

I declare that, to the best of my knowledge and belief, during the period to 31 December 2015 there have been:

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

*Crowe Horwath Central North*

**CROWE HORWATH CENTRAL NORTH**

*Kylie Ellis*

Kylie Ellis  
Registered Company Auditor (ASIC RAN 483424)  
107 West High Street  
COFFS HARBOUR NSW 2450

Dated: 29 April 2016

**CASUARINA SCHOOL CO-OPERATIVE LTD**  
**ABN 83 419 855 457**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
Revenue	3	1,971,584	1,788,065
Administration expense		(65,671)	(69,048)
Bad and doubtful debts	4(a)	(9,162)	597
Depreciation	4(a)	(94,455)	(86,380)
Employee benefits expense		(1,554,719)	(1,450,886)
Finance costs	4(a)	(11,039)	(2,136)
Occupancy expense		(109,738)	(69,386)
Other expenses		(181,265)	(158,062)
Transfer to unexpended grants		<u>(15,115)</u>	<u>(11,316)</u>
<b>(Loss) before income tax expense</b>		<b>(69,580)</b>	<b>(58,552)</b>
Income tax expense	1(a)	<u>-</u>	<u>-</u>
<b>(Loss) after income tax expense</b>		<b><u>(69,580)</u></b>	<b><u>(58,552)</u></b>
<b>Other comprehensive income for the year, net of tax</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>Total comprehensive income for the year</b>		<b><u>\$ (69,580)</u></b>	<b><u>\$ (58,552)</u></b>

**CASUARINA SCHOOL CO-OPERATIVE LTD**  
**ABN 83 419 855 457**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	128,491	517,498
Trade and other receivables	6	25,026	14,561
Inventories	7	2,570	6,455
Financial assets	8	604,655	282,749
Other current assets	9	29,750	28,681
<b>TOTAL CURRENT ASSETS</b>		<b>790,492</b>	<b>849,944</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	10	2,965,977	2,985,056
<b>TOTAL NON CURRENT ASSETS</b>		<b>2,965,977</b>	<b>2,985,056</b>
<b>TOTAL ASSETS</b>		<b>3,756,469</b>	<b>3,835,000</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	137,211	84,240
Financial liabilities	12	373,671	434,198
Provisions	13	202,257	159,716
Other liabilities	14	25,062	44,899
<b>TOTAL CURRENT LIABILITIES</b>		<b>738,201</b>	<b>723,053</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions	13	38,629	62,728
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>38,629</b>	<b>62,728</b>
<b>TOTAL LIABILITIES</b>		<b>776,830</b>	<b>785,781</b>
<b>NET ASSETS</b>		<b>\$ 2,979,639</b>	<b>\$ 3,049,219</b>
<b>EQUITY</b>			
Retained earnings		2,979,639	3,049,219
<b>TOTAL EQUITY</b>		<b>\$ 2,979,639</b>	<b>\$ 3,049,219</b>

The accompanying notes form part of these financial statements.



CASUARINA SCHOOL CO-OPERATIVE LTD  
ABN 83 419 855 457

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Retained Earnings \$	Total \$
<b>Balance at 1 January 2014</b>	3,107,771	3,107,771
Loss after income tax expense	(58,552)	(58,552)
Total other comprehensive income for the period	-	-
<b>Balance at 31 December 2014</b>	<u>\$ 3,049,219</u>	<u>\$ 3,049,219</u>
Loss after income tax expense	(69,580)	(69,580)
Total other comprehensive income for the period	-	-
<b>Balance at 31 December 2015</b>	<u>\$ 2,979,639</u>	<u>\$ 2,979,639</u>

**CASUARINA SCHOOL CO-OPERATIVE LTD**  
**ABN 83 419 855 457**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		1,917,730	1,760,892
Payments to suppliers and employees		(1,860,892)	(1,726,418)
Interest received		23,003	33,451
Finance costs		(11,039)	(2,136)
Net cash provided by operating activities	15 (b)	<u>68,802</u>	<u>65,789</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		988	-
Purchase of property, plant and equipment		(76,364)	(15,825)
Redemption of / (payments for) investments		(321,906)	355,189
Net cash (used in)/provided by investing activities		<u>(397,282)</u>	<u>339,364</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(60,527)	(85,014)
Net cash used in financing activities		<u>(60,527)</u>	<u>(85,014)</u>
Net (decrease)/increase in cash held		(389,007)	320,139
Cash at the beginning of the financial year		<u>517,498</u>	<u>197,359</u>
Cash at the end of the financial year	15 (a)	<u>\$ 128,491</u>	<u>\$ 517,498</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**Note 1: Statement of Significant Accounting Policies**

The financial statements are for Casuarina School Co-operative Limited as an individual entity, incorporated and domiciled in Australia. Casuarina School Co-operative Limited is a not-for-profit co-operative.

The financial statements were authorised for issue by the directors on 19 April 2016.

Reporting Basis and Conventions

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Co-operatives National Law (NSW) and the Australian Charities and Not for Profit Commission Act 2012.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Accounting Policies**

**(a) Income Tax**

No provision for income tax has been raised as the directors consider that the co-operative is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**(b) Inventories**

Inventories are measured at the lower of cost and net realisable value on a first in first out basis.

**(c) 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 losses.

**Property**

Freehold land and buildings are shown at cost.

**Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the co-operative and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**Depreciation**

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the co-operative commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings and Improvements	2.5%
Plant and equipment	5 - 100%

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

An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(d) Financial Instruments**

**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**Held-to-maturity investments**

These investments have fixed maturities, and it is the co-operative's intention to hold these investments to maturity. Any held-to-maturity investments held by the co-operative are stated at amortised cost using the effective interest rate method.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At each reporting date, the directors assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

**(e) Impairment of Assets**

At each reporting date, the co-operative 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 assets' fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**(f) Employee Benefits**

Provision is made for the co-operative's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured and accrued in respect of all employees with service in excess of 5 years at current wage and salary rates. This estimation technique is expected to result in similar accruals to the present value of the estimated future cash outflows to be made for those benefits.

**(g) Provisions**

Provisions are recognised when the co-operative has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(h) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**(i) Trade and Other Receivables**

Trade and other receivables represent the funds owing at the end of the reporting period for services provided by the co-operative during the reporting period, which remain unpaid. The balance is recognised as a current asset with the amounts normally paid at the commencement of each school term.

**(j) Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

**(k) Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(l) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**(m) Goods and Services Tax**

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.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(n) Comparative Figures**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**(o) Government Grants**

Grants received are recognised according to the conditions of the funding agreement. Revenue from grants received for specific outcomes or programs is recognised when expenditure associated with the funding is incurred. The balance of unspent grant monies is shown as a liability.

**(p) Critical accounting estimates and judgements**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the co-operative.

Key estimates — Impairment

The directors assess impairment at each reporting date by evaluating conditions specific to the co-operative that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgments — Doubtful debts provision

Included in accounts receivable at 31 December 2015 are amounts receivable from various accounts which have been considered doubtful and a provision has been estimated and maintained for these amounts.

**(q) New, revised or amending Accounting Standards and Interpretations adopted**

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

There were no new standards this year that had a significant impact on the company. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Note 2: Accounting Policies, Changes in Accounting Estimates and Errors**

During the 2015 reporting process, a number of accounts have been reclassified based upon the nature of the balances in order to improve the accuracy of disclosures. These items were considered to be a material error, accordingly these balances were adjusted in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the prior period accounts have been restated. What follows is the result of the restatement.

	Original 2014 \$	Effect of Restatement \$	Restated 2014 \$
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Administration expense	-	(69,048)	(69,048)
Employee benefits expense	(1,397,812)	(53,074)	(1,450,886)
Occupancy expense	-	(69,386)	(69,386)
Other expenses	(349,570)	191,508	(158,062)
(Loss) after income tax expense	(58,552)	-	(58,552)
Total comprehensive income for the year	\$ (58,552)	\$ -	\$ (58,552)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 \$	2014 \$
<b>Note 3: Revenue</b>		
Operating activities:		
Government funding - recurrent	1,230,101	1,089,379
Government funding - non-recurrent	4,936	50,157
School fees and charges	577,611	493,934
Other revenues	<u>135,384</u>	<u>126,297</u>
Total revenue from operating activities	<u>1,948,032</u>	<u>1,759,767</u>
Non-operating activities:		
Interest received from other persons	<u>23,552</u>	<u>28,298</u>
Total revenue from non-operating activities	<u>23,552</u>	<u>28,298</u>
Total revenue	<u>\$ 1,971,584</u>	<u>\$ 1,788,065</u>
<b>Note 4: Loss for the Year</b>		
(a) Expenses		
Employee benefits expense	1,510,457	1,397,812
Depreciation	94,455	86,380
Bad and doubtful debts	9,162	(597)
Finance Costs	11,039	2,136
Insurance	33,066	35,069
(b) Remuneration of auditor		
- current year	<u>12,800</u>	<u>12,500</u>
	<u>\$ 12,800</u>	<u>\$ 12,500</u>
<b>Note 5: Cash and Cash Equivalents</b>		
Cash on hand	367	200
Cash at bank	128,124	113,934
Cash on deposit	<u>-</u>	<u>403,364</u>
	<u>\$ 128,491</u>	<u>\$ 517,498</u>
<b>Note 6: Trade and Other Receivables</b>		
CURRENT		
Trade receivables	77,631	71,337
Less: Provision for doubtful debts	(59,985)	(56,776)
Other receivables	<u>7,380</u>	<u>-</u>
	<u>\$ 25,026</u>	<u>\$ 14,561</u>
<b>Note 7: Inventories</b>		
CURRENT		
Stock on Hand	<u>2,570</u>	<u>6,455</u>
	<u>\$ 2,570</u>	<u>\$ 6,455</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
<b>Note 8: Financial assets</b>		
Available-for-sale financial assets	160	160
Held-to-maturity financial assets	<u>604,495</u>	<u>282,589</u>
Current portion	<u>\$ 604,655</u>	<u>\$ 282,749</u>
<b>(a) Available-for-sale financial assets comprise:</b>		
- shares in unlisted corporations, at cost	<u>\$ 160</u>	<u>\$ 160</u>
Available-for-sale assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns from fixed maturity dates attached to these assets.		
<b>(b) Held-to-maturity financial assets comprise:</b>		
- term deposits	<u>604,495</u>	<u>282,589</u>
	<u>\$ 604,495</u>	<u>\$ 282,589</u>
Held-to-maturity assets comprise term deposits with financial institutions. There are fixed rate returns upon maturity of these assets.		
<b>Note 9: Other Assets</b>		
CURRENT		
Accrued income	8,858	8,309
Prepayments	<u>20,892</u>	<u>20,372</u>
	<u>\$ 29,750</u>	<u>\$ 28,681</u>
<b>Note 10: Property, Plant &amp; Equipment</b>		
Land and Buildings (at cost)		
Freehold land	<u>150,780</u>	<u>150,780</u>
Buildings	<u>3,630,613</u>	<u>3,630,613</u>
Less: Accumulated depreciation	<u>(912,398)</u>	<u>(832,391)</u>
	<u>2,718,215</u>	<u>2,798,222</u>
Total Land and Buildings	<u>2,868,995</u>	<u>2,949,002</u>
Plant and Equipment (at cost)		
Office Equipment	<u>22,080</u>	<u>35,865</u>
Less: Accumulated depreciation	<u>(9,997)</u>	<u>(33,214)</u>
	<u>12,083</u>	<u>2,651</u>
School Equipment	<u>64,768</u>	<u>68,950</u>
Less: Accumulated depreciation	<u>(49,540)</u>	<u>(51,372)</u>
	<u>15,228</u>	<u>17,578</u>
Plant & Machinery	<u>78,731</u>	<u>15,825</u>
Less: Accumulated depreciation	<u>(9,060)</u>	<u>-</u>
	<u>69,671</u>	<u>15,825</u>
Total Plant and Equipment	<u>96,982</u>	<u>36,054</u>
Total Property, Plant and Equipment	<u>\$ 2,965,977</u>	<u>\$ 2,985,056</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

(a) Movements in carrying amounts

	Land and Buildings	Plant and Equipment	Total
Balance at the beginning of the period	2,949,002	36,054	2,985,056
Additions	-	76,364	76,364
Disposals	-	(988)	(988)
Depreciation expense	<u>(80,007)</u>	<u>(14,448)</u>	<u>(94,455)</u>
Carrying amount at the end of the period	<u>\$ 2,868,995</u>	<u>\$ 96,982</u>	<u>\$ 2,965,977</u>

(b) There is a registered mortgage over all properties owned by the co-operative as well as a registered equitable mortgage over the assets of the co-operative including working capital.

(c) The co-operative obtained an independent valuation on 18 December 2013 which was completed by Herron Todd White. The valuation for land and buildings was for \$3,800,000, accordingly, no impairment has been recognised in respect of land and buildings.

**Note 11: Trade and Other Payables**

CURRENT

	2015 \$	2014 \$
Trade payables	6,835	13,455
Accrued expenses	27,387	27,369
Paid up capital	960	960
Other payables	<u>102,029</u>	<u>42,456</u>
	<u>\$ 137,211</u>	<u>\$ 84,240</u>

**Note 12: Financial Liabilities**

CURRENT

Bank loan - secured	<u>373,671</u>	434,198
	<u>\$ 373,671</u>	<u>\$ 434,198</u>

(a) The carrying amounts of non-current assets pledged as security are:

First mortgage over freehold land and buildings	<u>2,868,995</u>	2,949,002
	<u>\$ 2,868,995</u>	<u>\$ 2,949,002</u>

(b) The facilities provided by Bendigo Bank Limited are subject to an annual review at which time all loans are considered for renewal. This annual review occurs on 15 April each year and all facilities can be terminated by the bank at this stage. The co-operative has successfully retained all facilities in previous annual reviews and do not believe there to be any issues in relation to the upcoming annual review set for 15 April 2016. Should the facilities not be recalled the amount of borrowings to be repaid within the next 12 months and following to meet current finance arrangements would be as follows:

- Within the next twelve months	78,936	85,524
- After the next twelve months	<u>294,735</u>	<u>348,674</u>
	<u>\$ 373,671</u>	<u>\$ 434,198</u>

(c) The unused finance facilities are:

Bank overdraft	<u>20,000</u>	20,000
	<u>\$ 20,000</u>	<u>\$ 20,000</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
<b>Note 13: Provisions</b>		
CURRENT		
Provision for employee benefits	191,795	148,394
Other provisions	10,462	11,322
	<u>\$ 202,257</u>	<u>\$ 159,716</u>
NON-CURRENT		
Provision for employee benefits	38,629	62,728
	<u>\$ 38,629</u>	<u>\$ 62,728</u>

**Provision for employee benefits**

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

**Note 14: Other Liabilities**

CURRENT		
School fee and charges received in advance	9,947	16,120
Unexpended grants	15,115	28,779
	<u>\$ 25,062</u>	<u>\$ 44,899</u>

**Note 15: Cash Flow Information**

(a) Reconciliation of cash

Cash and cash equivalents	128,491	517,498
	<u>\$ 128,491</u>	<u>\$ 517,498</u>

(b) Reconciliation of cash flow from operations with loss from ordinary activities after income tax expense

Loss from ordinary activities after income tax expense	(69,580)	(58,552)
Non cash flows in profit from ordinary activities:		
Depreciation and amortisation	94,455	86,380
Loss on sale of fixed assets	-	114
Changes in Assets and Liabilities:		
(Increase)/decrease in trade and other receivables	(10,465)	(2,127)
(Increase)/decrease in inventories	3,885	(2,215)
(Increase)/decrease in accrued income	(549)	5,153
(Increase)/decrease in prepaid expenses	(520)	594
Increase/(decrease) in creditors and accruals	52,971	4,491
Increase/(decrease) in provisions	18,442	28,699
Increase/(decrease) in other liabilities	(19,837)	3,252
Cash flows from operations	<u>\$ 68,802</u>	<u>\$ 65,789</u>

(c) Non-cash Financing and Investing Activities

There were no non-cash financing or investing activities during the period.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**Note 16: Financial Instruments**

(a) Financial Risk Management

The main risks Casuarina School Co-operative Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The co-operatives financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable and bank loans.

The Board considers that the co-operative is not materially exposed to interest rate risk, foreign currency risk, liquidity risk, credit risk or price risk through its financial instruments. The Board regularly reviews the position and performance of the co-operatives financial instruments in order to limit these risks.

The co-operative also manages its capital requirements by preparing forward looking cash flow reports in relation to its operational, investing and financing activities which are monitored on a monthly basis. Longer term trend analysis is also undertaken to identify future influences upon capital requirements.

	2015 \$	2014 \$
Available capital at end of financial year:		
Cash and cash equivalents	128,491	517,498
Unused finance facilities	20,000	20,000
	<b>\$ 148,491</b>	<b>\$ 537,498</b>

(b) Interest Rate Risk

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

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest Bearing	
	2015 %	2014 %	2015 \$	2014 \$	2015 \$	2014 \$
Financial assets:						
Cash and cash equivalents	0.1%	0.1%	128,124	113,934	367	200
Loans and receivables	0.0%	0.0%	-	-	25,026	14,561
Investments	2.7%	4.1%	-	403,364	160	160
Total			<b>\$ 128,124</b>	<b>\$ 517,298</b>	<b>\$ 25,553</b>	<b>\$ 14,921</b>
Financial liabilities:						
Trade and other payables	0.0%	0.0%	-	-	137,211	84,240
Borrowings	6.4%	7.3%	373,671	434,198	-	-
Total			<b>\$ 373,671</b>	<b>\$ 434,198</b>	<b>\$ 137,211</b>	<b>\$ 84,240</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Weighted Average Effective Interest Rate		Within 1 year		1 to 5 years	
	2015	2014	2015	2014	2015	2014
	%	%	\$	\$	\$	\$
<b>Financial assets:</b>						
Cash and cash equivalents	0.1%	0.1%	-	-	-	-
Loans and receivables	0.0%	0.0%	-	-	-	-
Investments	2.7%	4.1%	604,495	282,749	-	-
<b>Total</b>			<b>\$ 604,495</b>	<b>\$ 282,749</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Financial liabilities:</b>						
Trade and other payables	0.0%	0.0%	-	-	-	-
Borrowings	6.4%	7.3%	373,671	434,198	-	-
<b>Total</b>			<b>\$ 373,671</b>	<b>\$ 434,198</b>	<b>\$ -</b>	<b>\$ -</b>

	Weighted Average Effective Interest Rate		Total	
	2015	2014	2015	2014
	%	%	\$	\$
<b>Financial assets:</b>				
Cash and cash equivalents	0.1%	0.1%	128,491	114,134
Loans and receivables	0.0%	0.0%	25,026	14,561
Investments	2.7%	4.1%	604,655	686,273
<b>Total</b>			<b>\$ 758,172</b>	<b>\$ 814,968</b>
<b>Financial liabilities:</b>				
Trade and other payables	0.0%	0.0%	137,211	84,240
Borrowings	6.4%	7.3%	747,342	868,396
<b>Total</b>			<b>\$ 884,553</b>	<b>\$ 952,636</b>

**Sensitivity Analysis:**

A 1% increase (or decreased) in interest rates applicable to financial liabilities would increase (or decrease) profit less than 0.5%.

A 1% increase (or decreased) in interest rates applicable to financial assets would increase (or decrease) profit less than 0.5%.

**(c) Net Fair Values**

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements

No financial assets or financial liabilities are readily traded on organised markets in standardised form. For other assets and other liabilities the net fair value approximates their carrying value.

**Note 17: Segment Reporting**

The Co-operative operates in one geographical location in Coffs Harbour, New South Wales, the principle activity being that of a school.

**Note 18: Significant Changes to Operations**

No significant matters have arisen which are considered to have significantly impacted upon the operation of the co-operative.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
<b>Note 19: Capital and Leasing Commitments</b>		
(a) Lease Commitments		
As at 31 December 2015 the co-operative did not have any leasing commitments.		
(b) Capital Expenditure Commitments		
Capital expenditure commitments contracted for:		
Solar panels	-	12,875
Lift	-	23,752
	<u>\$ -</u>	<u>\$ 36,627</u>

As at 31 December 2015, the co-operative had not engaged in any capital commitments.

**Note 20: Events After the End of the Reporting Period**

In April 2016, the co-operative received advice that they had been successful in securing a capital grant to offset the costs incurred during the 2014 and 2015 years in improving facilities to enable better access for students with disabilities, this included installing a new lift. The approved capital grant is for \$75,000.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the co-operative, the results of those operations, or the state of affairs of the co-operative in future financial years.

**Note 21: Contingent Liabilities**

At the end of the financial year the unamortised amount of BGA capital grants was \$583,500 (2014: \$635,000). This amount is refundable to the Australian Government if the school ceases to use the facilities funded principally for the approved purpose or sells the facilities within a period of twenty years following the completion of the project.

At the end of the financial year the unamortised amount of BER capital grants was \$864,000 (2014: \$864,000). This amount is refundable to the Australian Government if the school ceases to use the facilities funded principally for the approved purpose or sells the facilities within a period of fourteen years following the completion of the project.

**Note 22: Economic Dependence**

The ability of the co-operative to continue as a going concern is dependent upon the continuation of the following matters:

(a) The co-operative is substantially dependent on the receipt of recurrent funding from both state and federal governments. This funding is largely calculated on a per capita basis and fluctuates depending upon the number of enrolled students at each census date.

**Note 23: Related Party Transactions**

Key Management Personnel

The totals of remuneration paid to key management personnel (KMP) during the year are as follows:

Key management personnel compensation	<u>\$ 215,688</u>	<u>\$ 126,941</u>
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Other Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**Note 24: Co-operative Details**

The registered office and principal place of business is:

Casuarina School Co-operative Limited  
4 Gentle Street  
COFFS HARBOUR NSW 2450

**DIRECTORS' DECLARATION  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors of the co-operative declare that:

1. the financial statements and notes, as set out in pages 5 to 19, are in accordance with the Co-operatives National Law (NSW) and the Australian Charities and Not For Profit Commission Act 2012, and:
  - (a) comply with Accounting Standards and the Co-operatives Regulations; and
  - (b) give a true and fair view of the financial position as at 31 December 2015 and of the performance for the period ended on that date of the co-operative;
2. The financial statements and notes comply with International Financial Reporting Standards as disclosed in Note 1 to the financial statements.
3. in the directors' opinion there are reasonable grounds to believe that the co-operative 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 Board of Directors.



Sally Townley  
Chairperson



Tamara Sutherland  
Secretary

Dated: 18 April 2016

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
CASUARINA SCHOOL CO-OPERATIVE LIMITED**

**ABN 83 419 855 457**

**Report on the Financial Report**

We have audited the accompanying financial report of Casuarina School Co-operative Limited, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Director's Responsibility for the Financial Report*

The directors of the co-operative are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Co-operatives National Law (NSW) and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatements, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

*Auditors' Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

In conducting our audit, we have complied with the independence requirements of the Australian Professional Ethical Pronouncements. We confirm that the independence declaration which has been given to the directors of Casuarina School Co-operative Limited, would be in the same terms if given to the directors as at the time of this auditors' report.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
CASUARINA SCHOOL CO-OPERATIVE LIMITED**

**ABN 83 419 855 457**

**Audit Opinion**

In our opinion:

:

- a) the financial report of Casuarina School Co-operative Ltd is in accordance with the Co-operatives National Law (NSW) and the Australian Charities and Not-for-profits Commission Act 2012, including:
  - i. giving a true and fair view of the co-operative's financial position as at 31 December 2015 and of their performance for the period ended on that date; and
  - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Co-operatives Regulations; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

*Crowe Horwath Central North*

**CROWE HORWATH CENTRAL NORTH**

*Kylie Ellis*

Kylie Ellis  
Registered Company Auditor (ASIC RAN 483424)  
107 West High Street  
COFFS HARBOUR NSW 2450

Dated: 29 April 2016



**DISCLAIMER  
TO THE MEMBERS OF  
CASUARINA SCHOOL CO-OPERATIVE LIMITED**

**ABN 83 419 855 457**

The additional financial data presented on page 24 is in accordance with the books and records of the co-operative which have been subjected to the auditing procedures applied in our statutory audit of the co-operative for the financial period ended 31 December 2015. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Casuarina School Co-operative) in respect of such data, including any errors of omissions therein however caused.

*Crowe Horwath Central North*

**CROWE HORWATH CENTRAL NORTH**

*Kylie Ellis*

Kylie Ellis  
Registered Company Auditor (ASIC RAN 483424)  
107 West High Street  
COFFS HARBOUR NSW 2450

Dated: 29 April 2016

**CASUARINA SCHOOL CO-OPERATIVE LTD**  
**ABN 83 419 855 457**

**DETAILED INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
<b>Income</b>		
Government funding		
Recurrent grants - State Government	258,279	224,382
Recurrent grants - Federal Government	971,822	864,997
Non-Recurrent grants - Federal Government	4,936	48,531
Non-Recurrent grants -State Government	-	1,626
Fundraising income	5,543	1,368
Interest income	23,552	28,298
Learning support conference	-	11,155
Profit/(loss) on sale of fixed asset	(988)	(114)
School fees and charges	577,611	493,934
Sundry income	130,829	113,888
<b>Total Income</b>	<b>1,971,584</b>	<b>1,788,065</b>
<b>Expenditure</b>		
Advertising	3,390	9,190
Bad and doubtful debts	5,952	4,205
Bank charges	2,763	3,608
Board expenses	590	158
Cleaning	7,473	8,822
Computer expenses	7,902	7,714
Contractor fees	52,667	49,655
Depreciation	94,455	86,380
Donations	(1,075)	(1,116)
Doubtful debt provision	3,210	(4,802)
Events, camps and fundraising	21,848	16,792
Finance costs	11,039	2,136
Insurance	24,537	25,144
Learning support conference	(150)	9,426
Postage, printing and stationery	11,970	14,357
Professional fees - accountancy	12,518	7,507
Professional fees - auditors' remuneration	12,800	12,500
Provision for employee benefits	19,302	23,716
Rates	3,846	2,199
Rent	3,960	3,893
Repairs and maintenance	63,536	19,889
Salaries and wages	1,383,511	1,284,075
School supplies and equipment	69,661	52,920
Security	3,036	1,669
Staff training and amenities	16,431	19,433
Subscriptions	21,640	21,728
Sundry expenses	19,903	12,180
Superannuation	126,946	113,737
Utilities	13,859	18,261
Workers compensation	8,529	9,925
<b>Total Expenditure</b>	<b>2,026,049</b>	<b>1,835,301</b>
<b>Loss</b>	<b>(54,465)</b>	<b>(47,236)</b>
Transfer to unexpended grants	(15,115)	(11,316)
<b>Loss before Income Tax Expense</b>	<b>\$ (69,580)</b>	<b>\$ (58,552)</b>

This statement is to be read in conjunction with the attached disclaimer.