

**CAPE BYRON RUDOLF STEINER SCHOOL  
INCORPORATED**

**ABN 98 626 252 840**

**Financial Report For The Year Ended  
31 December 2016**

# Cape Byron Rudolf Steiner School Incorporated

ABN 98 626 252 840

## Financial Report For The Year Ended 31 December 2016

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26 April 2017

The Board of Directors  
Cape Byron Rudolf Steiner School Incorporated  
PO Box 736  
BYRON BAY NSW 2481

**REGISTERED  
COMPANY  
AUDITORS**

TW Graham  
BBus, CA, FFin

GJ Smith  
BBus, LLB, CA, Dip. FP

SI Trustum  
BBus, CA, Dip. FP

TL Kirkland  
BBus, CA

**SMSF  
AUDITORS**

GJ Smith  
BBus, LLB, CA, Dip. FP

SI Trustum  
BBus, CA, Dip. FP

T Bazzana  
BBus, CA, Dip. FP

**AUDITOR'S INDEPENDENCE DECLARATION**

This declaration is made in connection with our audit of the financial report of the Cape Byron Rudolf Steiner School Incorporated for the year ended 31 December 2016 and in accordance with the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2016 there have been:

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

Yours faithfully,

**WCA audit & assurance services pty ltd**  
Authorised Audit Company



Tania L Kirkland  
Director

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**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Note</b>	2016 \$	2015 \$
Revenue	2	6,122,523	5,871,079
Other income	2	-	-
Employee benefits expense	3	(4,291,092)	(3,987,694)
Depreciation and amortisation expense	3	(269,133)	(268,138)
Auditor Remuneration	3	(13,000)	(11,800)
Camp & Excursions	3	(202,049)	(161,331)
Computer Expenses	3	(69,954)	(78,205)
Doubtful debts expense (benefit)	3	7,132	15,418
Insurance	3	(54,666)	(48,431)
Interest	3	(82,001)	(84,321)
Materials & Supplies	3	(139,946)	(136,266)
Repairs & Maintenance	3	(124,667)	(108,888)
Staff Development	3	(45,246)	(37,410)
Subscriptions and Licences	3	(47,375)	(54,310)
Telephone	3	(14,607)	(14,941)
Other	3	(347,954)	(328,644)
<b>Profit before income tax</b>		<u>427,964</u>	<u>566,117</u>
Income tax expense		-	-
<b>Profit for the year</b>		<u>427,964</u>	<u>566,117</u>
<b>Other comprehensive income:</b>			
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>-</u>
Profit attributable to members of the entity		427,964	566,117
<b>Total comprehensive income attributable to members of the entity</b>		<u><u>427,964</u></u>	<u><u>566,117</u></u>

The accompanying notes form part of these financial statements.

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	2,064,880	1,447,125
Trade and other receivables	5	77,699	81,741
Other assets	6	61,460	62,313
<b>TOTAL CURRENT ASSETS</b>		<b>2,204,039</b>	<b>1,591,178</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	6,720,467	6,778,201
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,720,467</b>	<b>6,778,201</b>
<b>TOTAL ASSETS</b>		<b>8,924,506</b>	<b>8,369,379</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	429,060	322,670
Financial liabilities	9	1,009,599	1,110,636
Unexpended grants & retentions	10	-	-
Short term provisions	11	270,956	215,955
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,709,614</b>	<b>1,649,260</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	9	63,872	-
Long term provisions	11	123,700	120,763
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>187,572</b>	<b>120,762</b>
<b>TOTAL LIABILITIES</b>		<b>1,897,186</b>	<b>1,770,023</b>
<b>NET ASSETS</b>		<b>7,027,320</b>	<b>6,599,356</b>
<b>EQUITY</b>			
Retained earnings		5,187,241	4,759,277
Reserves		1,840,079	1,840,079
<b>TOTAL EQUITY</b>		<b>7,027,320</b>	<b>6,599,356</b>

The accompanying notes form part of these financial statements.

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016**

	Retained Earnings \$	Reserves \$	Total \$
<b>Balance at 1 January 2015</b>	4,193,160	1,380,173	5,573,333
Profit (Loss) attributable to the entity	566,117	-	566,117
Land Revaluation	-	459,906	459,906
Total other comprehensive income for the year	-	-	-
<b>Balance at 31 December 2015</b>	4,759,277	1,840,079	6,599,355
Profit (Loss) attributable to the entity	427,964	-	427,964
Land Revaluation	-	-	-
Total other comprehensive income for the year	-	-	-
<b>Balance at 31 December 2016</b>	<u>5,187,241</u>	<u>1,840,079</u>	<u>7,027,320</u>

For a description of each reserve, refer to Note 20.

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,786,730	2,753,137
Receipts of government grants		3,713,197	3,502,156
Payments to suppliers and employees		(5,560,901)	(5,501,678)
Interest received		16,796	22,334
Finance costs		(81,599)	(98,343)
Net cash provided by/(used in) operating activities	17(b)	874,223	677,606
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	-
Payment for property, plant and equipment		(211,401)	(153,656)
Net cash provided by/(used in) investing activities		(211,401)	(153,656)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(45,068)	(133,004)
Increase in borrowings		-	-
Net cash provided by/(used in) financing activities		(45,068)	(133,004)
Net increase/(decrease) in cash held		617,754	390,946
Cash and cash equivalents at the beginning of the financial year		1,447,126	1,056,180
Cash and cash equivalents at the end of the financial year	4	2,064,880	1,447,126

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

The financial statements are for Cape Byron Rudolf Steiner School Incorporated as an individual entity, incorporated and domiciled in Australia. Cape Byron Rudolf Steiner School Incorporated is an Incorporated Association governed by the Associations Incorporation Act 2009.

**Note 1      Summary of Significant Accounting Policies**

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board, the Associations Incorporation Act 2009 and the Australian Charities and Not-for-profit Commission Act 2012.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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.

The Association is a not-for-profit entity.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

**Accounting Policies**

**(a) Revenue**

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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).

**(b) Inventories**

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

**(c) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

**Property**

Freehold land and buildings are shown at their fair value based on periodic valuations by the valuer general, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the Council conduct assess the carrying amount for the land and buildings is not materially different to the fair value.



**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 1                      Summary of Significant Accounting Policies**

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of comprehensive income.

As the revalued buildings are depreciated the difference between depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued recognised at the fair value of the asset at the date it is acquired.

**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 Council to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity 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 assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings & Improvements	2-3%
Plant, Equipment & Furniture	10-50%
Leased Assets	10-30%
Motor Vehicles	15-20%

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

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's 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 comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(d) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 1                      Summary of Significant Accounting Policies**

**(e) Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the School commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as

- (i) the amount at which the financial asset or financial liability is measured at initial recognition
- (ii) less principal repayments
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

**(i) Financial assets at fair value through profit or loss**

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

**(ii) 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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

**(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

If during the period the company sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity, the entire category of held-to-maturity investment would be tainted and would be reclassified as available-for-sale.

If during the period the School sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

**(iv) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 1                      Summary of Significant Accounting Policies**

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

**(v) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**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 the end of each reporting period, the School assesses 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 comprehensive income.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(f) Impairment of Assets**

At the end of each reporting period, the School 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 comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the School estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

**(g) Employee Benefits**

Provision is made for the School's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

**(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) 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 Taxation 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 expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 1                      Summary of Significant Accounting Policies**

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.

**(j) Income Tax**

No provision for income tax has been raised as the School is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

**(k) Intangibles**

**Software**

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between 2 and 3 years. It is assessed annually for impairment.

**(l) Provisions**

Provisions are recognised when the entity 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

**(m) Comparative Figures**

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

**(n) 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.

**(o) Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial statements 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 School.

**Key Estimates**

*Impairment*

The freehold land was revalued in 2016. The valuation was based on the NSW valuer general values.

The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

The trade debtors were analysed for impairment at 31 December 2016. The debtors not considered collectible have been provided for at balance date. The balance provided for was \$33,541 (2015: \$44,377).

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

Note 2	Revenue from Ordinary Activities	Note	2016	2015
			\$	\$
	<b>Revenue</b>			
	— State Government Funding		911,694	870,192
	— Federal Government Funding		2,761,095	2,612,345
	— Capital Grants		-	-
	— Other Grants		40,409	19,619
	— Tuition Fees		2,230,916	2,116,140
	— Canteen Income		81,210	79,300
	— Other Income		80,405	151,149
			<u>6,105,727</u>	<u>5,848,745</u>
	<b>Other Revenue</b>			
	— Dividends received		-	-
	— Interest received on financial assets not at fair value through profit or loss		16,796	22,334
			<u>16,796</u>	<u>22,334</u>
	<b>Total Revenue</b>		<u>6,122,523</u>	<u>5,871,079</u>
	<b>Other Income</b>			
	Gain on disposal of property, plant and equipment		-	-
	<b>Total Other Income</b>		<u>-</u>	<u>-</u>
	<b>Total Revenue and Other Income</b>		<u><u>6,122,523</u></u>	<u><u>5,871,079</u></u>
Note 3	Profit for the Year		2016	2015
			\$	\$
(a)	<b>Expenses</b>			
	Depreciation and Amortisation			
	— Buildings & Improvements		200,441	185,174
	— Plant & Equipment		47,672	63,985
	— Furniture & Fixtures		20,694	18,558
	— Motor Vehicles		327	421
	Total Depreciation and Amortisation		<u>269,133</u>	<u>268,138</u>
	Interest expense on financial liabilities not at fair value through profit or loss		82,001	84,321
	Doubtful debts expense (benefit)		(7,132)	(15,418)
	Loss on disposal of non-current assets		-	-
	Auditor Remuneration			
	— audit services		13,000	11,800
	— other services		-	-
	Total Audit Remuneration		<u>13,000</u>	<u>11,800</u>

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 3 Profit for the Year**

	2016	2015
	\$	\$
Employee Benefits Expense	4,291,092	3,987,694
Camp & Excursions	202,049	161,331
Computer Expenses	69,954	78,205
Insurance	54,666	48,431
Materials & Supplies	139,946	136,266
Repairs & Maintenance	124,667	108,888
Staff Development	45,246	37,410
Subscriptions and Licences	47,375	54,310
Telephone	14,607	14,941
Other	<u>347,954</u>	<u>328,644</u>
 Total Expenses	 5,694,559	 5,304,962

**Note 4 Cash and Cash Equivalents**

	2016	2015
	\$	\$
<b>CURRENT</b>		
Cash at bank	2,064,100	1,446,345
Cash on Hand	780	780
Term Deposit	-	-
	<u>2,064,880</u>	<u>1,447,125</u>

Committed Funds:

Employee Leave Provisions	<u>394,656</u>	<u>336,718</u>
	<u>394,656</u>	<u>336,718</u>

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 5 Trade and Other Receivables**

	Note	2016 \$	2015 \$
<b>CURRENT</b>			
Trade receivables		111,241	126,118
Provision for impairment	5(i)	<u>(33,541)</u>	<u>(44,377)</u>
		77,699	81,741
Other receivables		<u>-</u>	<u>-</u>
Total current trade and other receivables	18	<u><u>77,699</u></u>	<u><u>81,741</u></u>

**(i) Provision for Impairment of Receivables**

Current trade receivables are generally on terms where the money is to be paid by the end of each term. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

Movement in the provision for impairment of receivables is as follows:

	\$
Provision for impairment as at 1 January 2015	65,219
- Charge for year	-
- Written off	<u>(20,842)</u>
Provision for impairment as at 31 December 2015	44,377
- Charge for year	-
- Written off	<u>(10,836)</u>
Provision for impairment as at 31 December 2016	<u><u>33,541</u></u>

**Credit risk - Trade and Other Receivables**

The School does have a material credit risk exposure to the parent unpaid fees for the students.

The following table details the School's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the School.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31 – 60 \$	61 – 90 \$	>90 \$	
<b>2016</b>							
Trade and term receivables	111,241	33,541	11,371	-	-	3,022	63,307
Other receivables	-	-	-	-	-	-	-
<b>Total</b>	<b>111,241</b>	<b>33,541</b>	<b>11,371</b>	<b>-</b>	<b>-</b>	<b>3,022</b>	<b>63,307</b>

	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31 – 60 \$	61 – 90 \$	>90 \$	
<b>2015</b>							
Trade and term receivables	126,118	44,377	-	-	24,283	-	57,458
Other receivables	-	-	-	-	-	-	-
<b>Total</b>	<b>126,118</b>	<b>44,377</b>	<b>-</b>	<b>-</b>	<b>24,283</b>	<b>-</b>	<b>57,458</b>

The School does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 6 Other Assets**

	2016	2015
	\$	\$
CURRENT		
Accrued Income	5,260	5,711
Prepayments	56,200	56,602
	61,460	62,313
	61,460	62,313

**Note 7 Property, Plant and Equipment**

	2016	2015
	\$	\$
<b>LAND AND BUILDINGS</b>		
Freehold land at fair value:		
— Land	685,000	685,000
Total Land	685,000	685,000
	685,000	685,000
Buildings & Improvements at fair value:		
— Buildings & Improvements	7,066,351	6,910,478
Less accumulated depreciation	(1,265,988)	(1,065,550)
Total buildings	5,800,363	5,844,928
Total land and buildings	6,485,363	6,529,928
<b>PLANT AND EQUIPMENT</b>		
Plant, Equipment & Furniture		
At cost	1,167,542	1,112,017
Less accumulated depreciation	(933,564)	(865,197)
	233,978	246,820
Leased Assets		
At cost	78,991	78,991
Accumulated depreciation	(78,991)	(78,991)
	0	-
Motor Vehicles		
At cost	25,909	25,909
Less accumulated depreciation	(24,783)	(24,456)
	1,126	1,453
Total building improvements and plant and equipment	235,104	248,272
Total property, plant and equipment	6,720,467	6,778,201



**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 7 Property, Plant and Equipment (cont.)**

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings and Improvements \$	Plant, Equipment & Furniture \$	Leased Assets \$	Motor Vehicles \$	Total \$
<b>2015</b>					
Balance at the beginning of the year	6,179,543	251,360	-	1,874	6,432,777
Additions at cost	75,654	78,003	-	-	153,657
Additions at fair value	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation increment	459,906	-	-	-	459,906
Depreciation expense	(185,174)	(82,543)	-	(422)	(268,139)
Carrying amount at end of year	<u>6,529,929</u>	<u>246,820</u>	<u>-</u>	<u>1,452</u>	<u>6,778,201</u>
<b>2016</b>					
Balance at the beginning of the year	6,529,929	246,820	-	1,453	6,778,201
Additions at cost	155,875	55,525	-	-	211,400
Additions at fair value	-	-	-	-	-
Revaluation increment	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation expense	(200,441)	(68,366)	-	(327)	(269,134)
Carrying amount at end of year	<u>6,485,363</u>	<u>233,979</u>	<u>-</u>	<u>1,126</u>	<u>6,720,467</u>

**Asset revaluations**

The freehold land and buildings are carried at a 2015 Valuer general notice. The valuation was used for rating purposes. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the demand for land and buildings in the area and recent sales data for similar properties.

At 31 December 2016 the directors reviewed the key assumptions made by the valuer general at 2015. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying value does not exceed the recoverable amount of land and buildings at 31 December 2016, given the site is used for a specific purpose.

**Note 8 Trade and Other Payables**

	2016 \$	2015 \$
<b>CURRENT</b>		
Trade creditors	56,558	36,387
Accruals	13,000	10,569
Employee Benefits Payable	224,846	174,043
Employee Clearing	(2,729)	(7,676)
Bonds Held	34,830	40,430
GST Payable	50,025	42,143
Fundraising Balances Held	52,530	26,775
	<u>8(a) 429,060</u>	<u>322,670</u>

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>Note 8</b>	<b>Trade and Other Payables (cont.)</b>		2016	2015
	<b>Note</b>		\$	\$
(a)	Financial liabilities at amortised cost classified as trade and other payables			
	Trade and other payables			
	— Total Current		429,060	322,670
	— Total Non-Current		-	-
			<u>429,060</u>	<u>322,670</u>
	Financial liabilities as trade and other payables	18	<u>429,060</u>	<u>322,670</u>

<b>Note 9</b>	<b>Borrowings</b>		2016	2015
	<b>Note</b>		\$	\$
	<b>CURRENT</b>			
	Lease liability	12	18,235	5,077
	Credit card		749	81
	Bank overdraft		-	-
	Bank loan		990,615	1,105,478
			<u>1,009,599</u>	<u>1,110,636</u>
	<b>NON-CURRENT</b>			
	Lease liability	12	63,872	-
	Bank loan		-	-
			<u>63,872</u>	<u>-</u>
	<b>TOTAL BORROWINGS</b>	18	<u>1,073,470</u>	<u>1,110,636</u>

Lease liabilities are secured by the underlying leased assets. The bank loans are secured by way of security over the school site.

The borrowings due to National Australia Bank Limited have been disclosed as a current liability in the Statement of Financial Position due to accounting requirements concerning the contractual terms of the loan. Notwithstanding this, it is expected that the loan will be repaid in accordance with the following timeframe based on current repayment amounts, interest rates and repayment frequency:

- Within 12 months	149,083	121,985
- After 12 months	841,532	983,584

<b>Note 10</b>	<b>Unexpended Grants &amp; Retentions</b>		2016	2015
			\$	\$
	Retention BER		-	-
			<u>-</u>	<u>-</u>

<b>Note 11</b>	<b>Provisions</b>		2016	2015
			\$	\$
	Short-term Employee Benefits			
	Opening balance at 31 December 2015		336,718	318,023
	Additional provisions raised during year		271,820	262,463
	Amounts used		(213,882)	(243,768)
	Balance at 31 December 2016		<u>394,656</u>	<u>336,718</u>
	<b>Analysis of Total Provisions</b>			
	Current		270,956	215,955
	Non-current		123,700	120,763
			<u>394,656</u>	<u>336,718</u>

**Provision for Long-term Employee Benefits**

A provision has been recognised for employee entitlements relating to 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.

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 12 Capital and Leasing Commitments**

<b>(a) Finance Lease Commitments</b>	2016	2015
Payable – minimum lease payments	\$	\$
— not later than 12 months	22,671	5,207
— later than 12 months but not later than 5 years	69,904	-
— greater than 5 years	-	-
Minimum lease payments	<u>92,575</u>	<u>5,207</u>
Less future finance charges	<u>(10,469)</u>	<u>(131)</u>
Present value of minimum lease payments	<u><u>82,107</u></u>	<u><u>5,076</u></u>

The leases are fully owned at the end of the lease period.

**(b) Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2016	2015
Payable – minimum lease payments	\$	\$
— not later than 12 months	-	-
— later than 12 months but not later than 5 years	-	-
— greater than 5 years	-	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

**Note 13 Contingent Liabilities and Assets**

The Council are not aware of any contingent assets or liabilities at the date of signing this report.

**Note 14 Events After the Reporting Period**

Since the end of the financial year no matter or circumstance has arisen which significantly affected or may significantly affect the operations of the School, the results of those operations, or the state of affairs of the School in subsequent financial years.

**Note 15 Key Management Personnel Compensation**

	Short-term benefits	Post employment benefits	Other long- term benefits	Total
<b>2016</b>	\$	\$	\$	\$
Total compensation	492,310	46,310	-	538,620
<b>2015</b>				
Total compensation	385,688	36,991	-	422,679

**Note 16 Related Party Transactions**

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

The value of the remuneration paid to teachers who are on the Council totalled \$403,976 (2015: \$405,716). The payments are in accordance with relevant awards, and are no more favourable than available to non related parties.

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note 17 Cash Flow Information**

	Note	2016 \$	2015 \$
<b>(a) Reconciliation of cash</b>			
Cash at bank		2,064,880	1,447,125
Bank Overdraft		-	-
	4	<u>2,064,880</u>	<u>1,447,125</u>
<b>(b) Reconciliation of cash flow from operations with profit after income tax</b>			
Profit after income tax		427,964	566,117
Non cash flows			
Depreciation and amortisation		269,133	268,138
Profit on sale of property, plant and equipment		-	-
Change in assets and liabilities			
(Increase)/decrease in trade and other receivables		6,268	17,464
Increase/(decrease) in trade and other payables		112,067	(179,415)
Decrease in other assets		451	628
Increase/(decrease) in unexpended grants		-	-
Increase (decrease) in provisions		57,938	18,695
(Increase) decrease in prepayments		402	(14,021)
		<u>874,223</u>	<u>677,607</u>

**Note 18 Financial Risk Management**

The School's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2016 \$	2015 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	2,064,880	1,447,125
Receivables	5	77,699	81,741
<b>Total Financial Assets</b>		<u>2,142,579</u>	<u>1,528,866</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
— Trade and other payables	8(a)	429,060	322,670
— Borrowings	9	1,073,470	1,110,636
<b>Total Financial Liabilities</b>		<u>1,502,530</u>	<u>1,433,306</u>

## CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840

### Note 20 Reserves

#### a. Building Fund Reserves

The building fund reserve recorded prior building fund donations, whether in monetary or in kind.

#### b. Asset Revaluation Reserve

The asset revaluation reserve records increases and decrements in the value of the land.

### Note 21 Entity Details

The registered office of the entity is:

Cape Byron Rudolf Steiner School Incorporated  
Balraith Lane  
EWINGSDALE NSW 2481

The principal place of business is:

Cape Byron Rudolf Steiner School Incorporated  
Balraith Lane  
EWINGSDALE NSW 2481

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN: 98 626 252 840  
DIRECTORS' DECLARATION**

In accordance with a resolution of the Council of Cape Byron Rudolf Steiner School Incorporated, I state that:

In the opinion of the Board:

- (a) the financial statements and notes of the Fund are in accordance with the Associations Incorporation Act 2009, the Corporation Act 2001 Reduced Disclosure Requirements and Australian Charities and Not-for-profit Commission Act 2012, including:
  - (i) Giving a true and fair view of the Fund's financial position as at 31 December 2016 and of its performance for the year ended on that date;
  - (ii) Complying with the Accounting Standards, Corporations Act 2001 Reduced Disclosure Requirements and *the Australian Charities and Not-for-profit Commission Regulation 2013*.
- (b) in the Council's opinion there are reasonable grounds to believe that the School will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.



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**James Dods**  
**Chairperson**

**Signed at Byron Bay**  
**6 April 2015**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED

### Opinion

We have audited the financial report of Cape Byron Rudolf Steiner School Incorporated (the Association), which comprises the statement of financial position as at 31 December 2016, 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 directors' declaration.

In our opinion, the accompanying financial report of Cape Byron Rudolf Steiner School Incorporated, is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the association's financial position as at 31 December 2016 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards-Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the directors of the Association, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 31 December 2016, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

#### REGISTERED COMPANY AUDITORS

TW Graham  
BBus, CA, FFin

GJ Smith  
BBus, LLB, CA, Dip. FP

SI Trustum  
BBus, CA, Dip. FP

TL Kirkland  
BBus, CA

#### SMSF AUDITORS

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED (CONTD)

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards-Reduced Disclosure Requirements 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Association'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 directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

[A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.]

wca audit & assurance services pty ltd  
Authorised Audit Company



Tania L Kirkland  
Director

Dated: 26 April 2017

### REGISTERED COMPANY AUDITORS

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BBus, CA, FFin

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