

**CAPE BYRON RUDOLF STEINER SCHOOL  
INCORPORATED**

**ABN 98 626 252 840**

**Financial Report For The Year Ended  
31 December 2013**

# **Cape Byron Rudolf Steiner School Incorporated**

**ABN 98 626 252 840**

## **Financial Report For The Year Ended 31 December 2013**

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED  
ABN: 98 626 252 840**

In relation to our audit of the financial report of Cape Byron Rudolf Steiner School Incorporated for the year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

**Wappetts Chartered Accountants**

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**Trevor Graham  
Partner**

**14 April 2014**

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013	2012
		\$	\$
Revenue	2	5,013,425	4,754,790
Other income	2	-	-
Employee benefits expense	3	(3,552,769)	(3,438,107)
Depreciation and amortisation expense	3	(248,856)	(249,654)
Auditor Remuneration	3	(8,220)	(11,984)
Camp & Excursions	3	(138,058)	(131,261)
Computer Expenses	3	(42,525)	(39,373)
Doubtful debts expense (benefit)	3	18,620	(24,416)
Insurance	3	(75,321)	(60,995)
Interest	3	(131,266)	(165,371)
Materials & Supplies	3	(129,009)	(122,063)
Repairs & Maintenance	3	(117,796)	(87,214)
Staff Development	3	(25,915)	(3,414)
Subscriptions and Licences	3	(49,825)	(42,037)
Telephone	3	(12,737)	(13,419)
Other	3	(315,842)	(268,943)
<b>Profit before income tax</b>		<u>183,907</u>	<u>96,539</u>
Income tax expense		-	-
<b>Profit for the year</b>		<u>183,907</u>	<u>96,539</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		183,907	96,539
<b>Total comprehensive income attributable to members of the entity</b>		<u><u>183,907</u></u>	<u><u>96,539</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 2013**

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	695,196	417,119
Trade and other receivables	5	86,214	105,016
Other assets	6	41,357	43,068
<b>TOTAL CURRENT ASSETS</b>		<u>822,767</u>	<u>565,204</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	6,566,646	6,741,666
<b>TOTAL NON-CURRENT ASSETS</b>		<u>6,566,646</u>	<u>6,741,666</u>
<b>TOTAL ASSETS</b>		<u>7,389,413</u>	<u>7,306,870</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	487,769	549,821
Financial liabilities	9	1,328,669	1,417,612
Unexpended grants & retentions	10	-	-
Short term provisions	11	126,968	75,376
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,943,406</u>	<u>2,042,809</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	9	23,547	39,395
Long term provisions	11	223,638	209,751
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>247,185</u>	<u>249,146</u>
<b>TOTAL LIABILITIES</b>		<u>2,190,592</u>	<u>2,291,955</u>
<b>NET ASSETS</b>		<u>5,198,822</u>	<u>5,014,915</u>
<b>EQUITY</b>			
Retained earnings		3,818,649	3,634,743
Reserves		1,380,173	1,380,173
<b>TOTAL EQUITY</b>		<u>5,198,822</u>	<u>5,014,915</u>

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 2013**

	Retained Earnings	Reserves	Total
	\$	\$	\$
<b>Balance at 1 January 2012</b>	3,538,203	1,380,173	4,918,376
Profit (Loss) attributable to the entity	96,539	-	96,539
Total other comprehensive income for the year	-	-	-
<b>Balance at 31 December 2012</b>	3,634,743	1,380,173	5,014,915
Profit (Loss) attributable to the entity	183,907	-	183,907
Total other comprehensive income for the year	-	-	-
<b>Balance at 31 December 2013</b>	<u>3,818,649</u>	<u>1,380,173</u>	<u>5,198,822</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 2013**

	Note	2013 \$	2012 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,342,936	2,143,414
Receipts of government grants		3,048,139	3,039,252
Payments to suppliers and employees		(4,798,990)	(4,472,289)
Interest received		15,187	14,213
Finance costs		(137,897)	(172,760)
Net cash provided by/(used in) operating activities	17(b)	469,375	551,830
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	-
Payment for property, plant and equipment		(81,220)	(450,086)
Net cash provided by/(used in) investing activities		(81,220)	(450,086)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(110,077)	301,874
Increase in borrowings		-	(196,475)
Net cash provided by/(used in) financing activities		(110,077)	105,399
Net increase/(decrease) in cash held		278,077	207,143
Cash and cash equivalents at the beginning of the financial year		417,119	209,975
Cash and cash equivalents at the end of the financial year	4	695,196	417,119



**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

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 and the Associations Incorporation Act 2009.

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.

**Basis of Preparation**

The Council have prepared the financial statements on the basis that the School is a reporting entity because there are users who are dependent on its general purpose financial reports. This financial report is therefore a general purpose financial report that has been prepared in order to meet the requirements of the Associations Incorporation Act 2009.

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

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 2013**

**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 and Equipment	10-50%
Fixtures and Fittings	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 2013**

**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 2013**

**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 2013**

**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 valued in 2006. 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 2013. The debtors not considered collectible have been provided for at balance date. The balance provided for was \$74,649 (2012: \$74,649).

**(p) Economic Dependence**

The School requires the continued support of its bankers, being the National Australia Bank Limited, to ensure the school can continue as a going concern. Without this support, the going concern basis of preparing the financial statements may no longer be appropriate, which means assets and liabilities can no longer be realised in the ordinary course of business.

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

Note 2	Revenue from Ordinary Activities	Note	2013	2012
			\$	\$
	<b>Revenue</b>			
	— State Government Funding		786,210	733,240
	— Federal Government Funding		2,141,629	1,983,104
	— Capital Grants		10,000	133,597
	— Other Grants		110,300	81,370
	— Tuition Fees		1,800,874	1,685,078
	— Canteen Income		89,907	86,543
	— Other Income		59,317	37,645
			<u>4,998,238</u>	<u>4,740,577</u>
	<b>Other Revenue</b>			
	— Dividends received		-	-
	— Interest received on financial assets not at fair value through profit or loss		15,187	14,213
			<u>15,187</u>	<u>14,213</u>
	<b>Total Revenue</b>		<u>5,013,425</u>	<u>4,754,790</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>5,013,425</u>	<u>4,754,790</u>

Note 3	Profit for the Year		2013	2012
			\$	\$
	<b>(a) Expenses</b>			
	Depreciation and Amortisation			
	— Buildings & Improvements		173,926	163,215
	— Plant & Equipment		49,624	53,994
	— Furniture & Fixtures		24,604	31,540
	— Motor Vehicles		702	905
	Total Depreciation and Amortisation		<u>248,856</u>	<u>249,654</u>
	Interest expense on financial liabilities not at fair value through profit or loss		131,266	165,371
	Doubtful debts expense (benefit)		(18,620)	24,416
	Loss on disposal of non-current assets		-	-
	Auditor Remuneration			
	— audit services		8,220	11,984
	— other services		-	-
	Total Audit Remuneration		<u>8,220</u>	<u>11,984</u>

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

**Note 3 Profit for the Year**

	2013	2012
	\$	\$
Employee Benefits Expense	3,552,769	3,438,107
Camp & Excursions	138,058	131,261
Computer Expenses	42,525	39,373
Insurance	75,321	60,995
Materials & Supplies	129,009	122,063
Repairs & Maintenance	117,796	87,214
Staff Development	25,915	3,414
Subscriptions and Licences	49,825	42,037
Telephone	12,737	13,419
Other	315,842	268,943
	<u>4,829,518</u>	<u>4,658,251</u>
Total Expenses	4,829,518	4,658,251

**Note 4 Cash and Cash Equivalents**

	2013	2012
	\$	\$
CURRENT		
Cash at bank	694,416	416,339
Cash on Hand	780	780
Term Deposit	-	-
	<u>695,196</u>	<u>417,119</u>

Committed Funds:

Employee Leave Provisions	<u>350,606</u>	<u>285,127</u>
	<u>350,606</u>	<u>285,127</u>

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

**Note 5 Trade and Other Receivables**

	Note	2013 \$	2012 \$
CURRENT			
Trade receivables		108,671	179,665
Provision for impairment	5(i)	<u>(22,457)</u>	<u>(74,649)</u>
		86,214	105,016
Other receivables		<u>-</u>	<u>-</u>
Total current trade and other receivables	18	<u><u>86,214</u></u>	<u><u>105,016</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 2012	101,534
- Charge for year	23,965
- Written off	<u>(50,670)</u>
Provision for impairment as at 31 December 2012	74,829
- Charge for year	(18,620)
- Written off	<u>(33,752)</u>
Provision for impairment as at 31 December 2013	<u><u>22,457</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>2013</b>							
Trade and term receivables	108,671	22,457	-	3,438	-	103,804	-
Other receivables	-	-	-	-	-	-	-
<b>Total</b>	<b>108,671</b>	<b>22,457</b>	<b>-</b>	<b>3,438</b>	<b>-</b>	<b>103,804</b>	<b>-</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>2012</b>							
Trade and term receivables	179,665	74,649	-	-	-	105,016	1,825
Other receivables	-	-	-	-	-	-	-
<b>Total</b>	<b>179,665</b>	<b>74,649</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,016</b>	<b>1,825</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 2013**

**Note 6 Other Assets**

	2013	2012
	\$	\$
<b>CURRENT</b>		
Accrued Income	6,857	15,200
Prepayments	34,500	27,868
	<u>41,357</u>	<u>43,068</u>

**Note 7 Property, Plant and Equipment**

	2013	2012
	\$	\$
<b>LAND AND BUILDINGS</b>		
Freehold land at fair value:		
— Land	225,094	225,094
Total Land	<u>225,094</u>	<u>225,094</u>
Buildings & Improvements at fair value:		
— Buildings & Improvements	6,792,038	6,755,944
Less accumulated depreciation	<u>(702,877)</u>	<u>(528,951)</u>
Total buildings	<u>6,089,161</u>	<u>6,226,993</u>
Total land and buildings	<u>6,314,255</u>	<u>6,452,088</u>
<b>PLANT AND EQUIPMENT</b>		
Plant & Equipment		
At cost	347,251	346,220
Less accumulated depreciation	<u>(262,551)</u>	<u>(237,947)</u>
	<u>84,700</u>	<u>108,273</u>
Furniture & Fixtures		
At cost	690,442	653,731
Accumulated depreciation	<u>(525,169)</u>	<u>(475,545)</u>
	<u>165,274</u>	<u>178,186</u>
Motor Vehicles		
At cost	25,909	25,909
Less accumulated depreciation	<u>(23,492)</u>	<u>(22,790)</u>
	<u>2,417</u>	<u>3,119</u>
Total building improvements and plant and equipment	<u>252,391</u>	<u>289,578</u>
Total property, plant and equipment	<u>6,566,646</u>	<u>6,741,666</u>

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

**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 Improve ments \$	Plant & Equipment \$	Fixtures & Fittings \$	Motor Vehicles \$	Total \$
<b>2012</b>					
Balance at the beginning of the year	6,281,497	116,344	180,286	4,024	6,582,151
Additions at cost	333,806	51,894	23,468	-	409,169
Additions at fair value	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation increment	-	-	-	-	-
Depreciation expense	(163,215)	(53,994)	(31,540)	(905)	(249,654)
Carrying amount at end of year	<u>6,452,088</u>	<u>108,273</u>	<u>178,186</u>	<u>3,119</u>	<u>6,741,666</u>
<b>2013</b>					
Balance at the beginning of the year	6,452,088	108,273	178,186	3,119	6,741,666
Additions at cost	36,093	36,711	1,032	-	73,836
Additions at fair value	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation expense	(173,926)	(49,624)	(24,604)	(702)	(248,856)
Carrying amount at end of year	<u>6,314,255</u>	<u>95,360</u>	<u>154,614</u>	<u>2,418</u>	<u>6,566,646</u>

**Asset revaluations**

The freehold land and buildings are carried at a 2006 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 2013 the directors reviewed the key assumptions made by the valuer general at 2006. 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 2013, given the site is used for a specific purpose.

**Note 8 Trade and Other Payables**

	2013 \$	2012 \$
<b>CURRENT</b>		
Trade creditors	41,667	70,931
Accruals	7,600	13,180
Employee Benefits Payable	174,782	121,880
Employee Clearing	(8,246)	(4,672)
Bonds Held	50,130	58,580
GST Payable	202,985	267,747
Fundraising Balances Held	18,850	22,175
	<u>8(a) 487,769</u>	<u>549,821</u>

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

<b>Note 8</b>	<b>Trade and Other Payables (cont.)</b>		2013	2012
	<b>Note</b>		\$	\$
(a)	Financial liabilities at amortised cost classified as trade and other payables			
	Trade and other payables			
	—	Total Current	487,769	549,821
	—	Total Non-Current	-	-
			<u>487,769</u>	<u>549,821</u>
	Financial liabilities as trade and other payables	18	<u>487,769</u>	<u>549,821</u>

<b>Note 9</b>	<b>Borrowings</b>		2013	2012
	<b>Note</b>		\$	\$
<b>CURRENT</b>				
Lease liability	12		15,848	13,598
Credit card			2,251	4,197
Bank overdraft			-	-
Bank loan			<u>1,310,570</u>	<u>1,399,817</u>
			<u>1,328,669</u>	<u>1,417,612</u>
<b>NON-CURRENT</b>				
Lease liability	12		23,547	39,395
Bank loan	12		-	-
			<u>23,547</u>	<u>39,395</u>
<b>TOTAL BORROWINGS</b>	<b>18</b>		<u><u>1,352,216</u></u>	<u><u>1,457,007</u></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	108,416	101,758
- After 12 months	1,202,154	1,298,059

<b>Note 10</b>	<b>Unexpended Grants &amp; Retentions</b>		2013	2012
			\$	\$
Retention BER			<u>-</u>	<u>-</u>
			<u>-</u>	<u>-</u>

<b>Note 11</b>	<b>Provisions</b>		2013	2012
			\$	\$
<b>CURRENT</b>				
Short-term Employee Benefits			\$	\$
Opening balance at 31 December 2012			285,127	234,750
Additional provisions raised during year			315,015	253,330
Amounts used			<u>(249,536)</u>	<u>(202,954)</u>
Balance at 31 December 2013			<u>350,606</u>	<u>285,127</u>
<b>Analysis of Total Provisions</b>				
Current			126,968	75,376
Non-current			<u>223,638</u>	<u>209,751</u>
			<u>350,606</u>	<u>285,127</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 2013**

**Note 12 Capital and Leasing Commitments**

<b>(a) Finance Lease Commitments</b>	2013	2012
Payable – minimum lease payments	\$	\$
— not later than 12 months	20,831	20,831
— later than 12 months but not later than 5 years	26,039	48,870
— greater than 5 years	-	-
Minimum lease payments	<u>46,870</u>	<u>69,700</u>
Less future finance charges	<u>(7,474)</u>	<u>(16,708)</u>
Present value of minimum lease payments	<u><u>39,395</u></u>	<u><u>52,993</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

	2013	2012
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**

2013	2012
\$	\$

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>2013</b>	\$	\$	\$	\$
Total compensation	343,562	31,366	-	374,928
<b>2012</b>				
Total compensation	252,586	22,441	-	275,027

**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 \$430,295 (2012: \$295,197). 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 2013**

**Note 17 Cash Flow Information**

	Note	2013 \$	2012 \$
<b>(a) Reconciliation of cash</b>			
Cash at bank		695,195	417,119
Bank Overdraft		-	-
	4	<u>695,195</u>	<u>417,119</u>
<b>(b) Reconciliation of cash flow from operations with profit after income tax</b>			
Profit after income tax		183,907	96,539
Non cash flows			
Depreciation and amortisation		248,856	249,654
Profit on sale of property, plant and equipment		-	-
Change in assets and liabilities			
(Increase)/decrease in trade and other receivables		18,802	106,344
Increase/(decrease) in trade and other payables		(49,380)	51,127
Increase/(decrease) in unexpended grants		-	-
Increase (decrease) in provisions		65,479	50,376
(Increase) decrease in prepayments		(6,631)	(7,389)
		<u>469,375</u>	<u>551,830</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	2013 \$	2012 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	695,196	417,119
Receivables	5	86,214	105,016
<b>Total Financial Assets</b>		<u>781,410</u>	<u>522,135</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
— Trade and other payables	8(a)	41,667	70,931
— Borrowings	9	1,352,216	1,457,007
<b>Total Financial Liabilities</b>		<u>1,393,883</u>	<u>1,527,938</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.

### **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

### **Note 22 Economic Dependence & Going Concern**

The School requires the continued support of its bankers, being the National Australia Bank Limited, to ensure the school can continue as a going concern. Without this support, the going concern basis of preparing the financial statements may no longer be appropriate, which means assets and liabilities can no longer be realised in the ordinary course of business.

**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 Council:

- (a) the financial statements and notes of the Fund are in accordance with the Associations Incorporation Act
  - (i) Giving a true and fair view of the Fund's financial position as at 31 December 2013 and of its performance for the year ended on that date;
  - (ii) Complying with the Accounting Standards and *Corporations Regulations 2001*.
- (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.

This declaration is made in accordance with a resolution of the Council.

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**Jeremiah O'Toole**  
**Chairperson**

**Signed at Byron Bay**  
**14 April 2014**

**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED ABN 98 626 252 840**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**CAPE BYRON RUDOLF STEINER SCHOOL INCORPORATED**

We have audited the accompanying financial statements of Cape Byron Rudolf Steiner School Incorporated, which comprises the statement of financial position as at 31 December 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

*The Responsibility of the Directors for the Financial Statements*

The Council of the School are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Act 2001). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Council also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that, compliance with Australian Accounting Standards - Reduced Disclosure Requirements ensures that the financial report, comprising the financial statements and notes, complies with the Australian Accounting Standards - Reduced Disclosure Requirements.

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 statements.

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 Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Cape Byron Rudolf Steiner School Incorporated on 14 April 2014, would be in the same terms if provided to the directors as at the date of this auditor's report.

*Auditor's Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cape Byron Rudolf Steiner School Incorporated as at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with the Corporations Act 2001 and the Australian Accounting Standards - Reduced Disclosure Requirements as described in Note 1.

Name of Firm: **Wappetts Chartered Accountants**

Name of Partner: **Trevor Graham**

Address: **95 Tamar St Ballina NSW 2478.**

**Dated this 14 April 2014.**