



EXCELSIA
COLLEGE
Sydney - Australia

EXCELSIA COLLEGE

A Company limited by guarantee
ABN 50 360 319 774

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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FOR THE YEAR ENDED 31 DECEMBER 2019

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EXCELSIA COLLEGE

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A Company Limited by Guarantee

ABN 50 360 319 774

DIRECTORS' REPORT

The directors present their report together with the financial report of Excelsia College, a company limited by guarantee, for the financial year ended 31 December 2019 and the auditors' report thereon.

1 Directors

The names of the directors in office at any time during or since the end of the previous financial year are:

	Qualifications	No. of Meetings Attended	Eligible
Mr P Cave AM (Chairman)	B Bus, FCPA	5	5

Mr Cave has extensive business experience for over 40 years in various turnaround investments and in the management of not for profit enterprises. He is currently Chairman of Anchorage Capital Partners.

Mr P McKeon (CEO / Managing Director)	BBus	5	5
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Mr McKeon has over 30 years management experience across technology and telecommunications industries and is a current Director of The Gift of Life Foundation. Mr McKeon is also a current Governor for the American Chamber of Commerce in Australia.

Mr N Cox OAM	FPNA, FCIS, FFin Grad.Dip.CM	5	5
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Mr Cox has held senior management roles within the banking and finance industry. He mentors senior executives and is the Chairman of Christian Super and a number of Christian not for profit boards..

Mr J Holt	FCPA, FAICD, SAFin	5	5
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Mr Holt has held many senior roles in accounting and finance, property, performing arts and graphic design, tourism, entertainment, and other industries. He is Chairman of Logosdor Ltd a not for profit performing arts company with global partners and holds director, treasurer and member roles in various companies, including not-for-profits, and has done so over many years.

Emeritus Professor R Johnston AM	BA, DipEd(Syd) MA, PhD(Macq)	3	5
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Professor Johnston is Professor of Education and Culture at UTS and Director of the International Research Centre for Youth Futures. She serves or has served on the executive of a number of national and international Boards, including as Vice President of the Fédération Internationale des Langues et Littératures Modernes (affiliated to UNESCO). She has extensive experience in higher education and research.

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	Qualifications	No. of Meetings	
		Attended	Eligible
Dr D Wright	BA, MA, PhD	4	5

Dr Wright is currently President of Indiana Wesleyan University based in Marion, Indiana USA.

Emeritus Professor D Barr AM	BA, MA, EdM , PhD	4	5
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Professor Barr was formerly Deputy Vice Chancellor and President of University of Western Sydney Macarthur and Chair of the Board of the Australian College of Theology.

Rev Dr R Waugh QSM	BA, LTh, STh, MBA, DMin (Asbury)	1	1
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Rev Dr Waugh, is currently National Superintendent, Wesleyan Methodist Church of New Zealand. (Resigned 30 May 2019)

Rev R Rigby	BA in Ministry, DMin	3	5
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Rev Rex Rigby is currently President, South Pacific Conference, Wesleyan Methodist Church, District Superintendent South Qld & the National Superintendent of the Wesleyan Methodist Church of Australia and is the first indigenous national leader of the Wesleyan Methodist Church of Australia (or of any denomination to our knowledge).

Dr Greg Clarke	BA, PhD	5	5
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Dr Clarke served as Group Chief Executive Officer of Bible Society Australia for 9 years. He is a humanities academic, high-level communications specialist, and strategist with extensive experience in publishing, tertiary education and NGO sectors.

Amanda Rose Northridge	BBA, MA in Comms Mgmt	2	2
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Amanda Rose is the founder and CEO of The Business Women Media. She is also the founder and Director of of Western Sydney Women. Amanda is experienced in the world of strategic, digital and video marketing. She has over 10 years experience in the areas of brand, marketing and communications. She is responsible for developing extensive strategies for IBM, Australian Defence Force , WS Wanderers and Chartered Accountants of Australia. Amanda joined Excelsia College's Board in December 2019.

Company Secretary

Shiela Rendon has held the role of Company Secretary from December 2016. She has over 20 years experience in accounting in higher education in Australia and internationally. Shiela is a member of CPA Australia.

2 Member's Guarantee

The Company is limited by guarantee. If the Company is wound up, the Company's Constitution states that the member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the Company. At the date of this report Mr Phillip Cave is the sole member.

3 Objective

The objective of the College is to further develop and promote growth and sustainability in selected areas of Christian Higher Education within Australia and other regions.

4 Strategy for achieving objective

Excelsia College seeks to become a Christian university, growing in Australia and in the Asia Pacific region through expansion of course offerings. Excelsia College is in partnership with Indiana Wesleyan University, creating a global Christian learning community.

Excelsia is an academic community benefiting the world by producing research characterised by exemplary scholarship consistent with a Christian world view, and graduates prepared to lead in a range of professions.

Our plans also include our commitment to continuing to enhance academic and business governance, together with strengthening institutional capacity in people, processes and systems.

5 Principal Activity

The principal activity of Excelsia College during the financial year was as a Christian Higher Education Provider operating from leased premises located at 69-71 Waterloo Road Macquarie Park NSW 2113, offering undergraduate and postgraduate university-level degree courses in:

Education, Society and Culture- Postgraduate degrees in Teacher Education and Counselling and Bachelor of Early Childhood

Business - Master of Business Research, Master of Business Administration, Bachelor of Management and Entrepreneurship

Performing Arts - Music* and Drama.

All Excelsia College's courses are informed and integrated with sound Biblical theology

** Master and Bachelor of Music*

6 Operating and Financial Review

The company continued to engage in its principal activity during the financial year with a net operating surplus for the year ended 31 December 2019 of \$63,760 (2018: loss (\$1,762,851)) and net cash provided from operating activities of \$2,467,570 (2018:\$43,333).

The Income Statement discloses:

- an increase in gross revenue from operations to \$12,520,031 (2018: \$4,952,222)

EXCELSIA COLLEGE

- a decrease in other income to \$2,131,674 (2018: \$2,782,774)
- an increase in total expenses to \$14,587,945 (2018: \$9,497,847)

During 2019 the company received donations of \$1,865,956 (2018: \$2,641,286).

The company had a surplus of net assets at 31 December 2019 of \$2,849,462 (2018: Surplus of net assets \$2,378,078).

Achievements during the 2019 year include:

- Our student numbers grew to more than 1,000 student (2018: 445)
- We celebrated 60 graduating students in May 2019.
- We posted a Net Surplus \$63,760, our first since 2015
- Our CRICOS capacity has increased to 1500 from 1,000 in 2018
- Our research output continues to increase, leading us to achieving our long term goal of becoming a University.
- Continuing partnership with Indiana Wesleyan University community is through activities including the Lumen Research Institute, development of degree programs, staff professional development and study abroad programs for students.
- Our staff numbers has increased to 179 (2018: 147) We are very grateful for the team God is building and developing at Excelsia.
 - Some colleagues are moving on from Excelsia. We thank them for their contributions and achievements, and pray for God's blessing in their next steps.

Impressive enhancement of academic quality is the result of great commitment by the College's staff and is supported by its **Academic Board**, senior members of which are:

Professor Alan Bowen-James, Chair

Professor and Associate Dean (Learning and Teaching), Faculty of Business, Australian Catholic University

MBBS, BA(Hons), BA(Hons), BLitt (Hons), MBA, MA, MA, MSc(Ed), MInfoTech, MBEnv, MCogSc, MEL(Hons), MSocSc(Hons), MJuris, MPHIC, MScComms, MSc(Info Science), MPhil, PhD, ScEdD

Dr Bryan Cowling

Executive Director, Anglican EdComm

Adjunct Professor of Education, University of Sydney

BA, DipEd (Newcastle), MEd (Sydney), MEdAdmin (UNSW), EdD (UNSW), FACE, MACEL, MAICD (resigned December 2019)

Dr George Odhiambo

Chief Academic Officer, Excelsia College

PhD (UNE); MSc(Oxon); BEd (Stirling)

Professor Kim Oates

Emeritus Professor of Paediatrics & Child Health, University of Sydney
Emeritus Consultant Physician, Westmead Children's Hospital
MB BS, DipChildHealth, MHealthPlan, MD, DSc, MRACP, RFCP, FRACP, FRACMA
(resigned December 2019)

Professor Deirdre Russell-Bowie

Adjunct Professor, Western Sydney University
Formerly Professor, School of Education, Western Sydney University

The directors wish to acknowledge the considerable efforts of our Academic Board, staff and consultants to enable Excelsia to develop as a Higher Education Provider.

7 State of Affairs

The company has continued during the year as a Higher Education Provider.

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

8 Directors Benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company with a Director or with a firm of which the director is a member, or with an entity in which a Director has a substantial interest, other than a Company that has provided services in its normal course of business, providing administration, technical and financial assistance.

9 Dividends

The payment of dividends is not permitted under the company's Constitution.

10 Events Subsequent to Balance Date**(i). Coronavirus (COVID-19)**

At the date of this report, the College is unable to determine the financial impact that the onset of the Coronavirus (COVID-19) pandemic and the subsequent government actions, will have on the College.

(ii). Changes to Constitution

Measures have been taken to commence amending the Constitution of the college to allow more than one Member by introducing Charter Members and Ordinary Members. This mitigates the risk to the College by having only one member. The draft Constitution changes were presented to the Board of Directors at their 18 March 2020 meeting.

Except for the items described above, there has been no other matters or circumstances, which have arisen since the end of the financial year, which has significantly affected or which may significantly affect:

- a) The operations, in financial years subsequent to year end
- b) The results of those operations, or

c) State of affairs, in financial years subsequent to year end.

11 Environmental Regulations

The company's operations are not subject to any significant environmental regulations under Australian Law.

12 Insurance of Officers

During the financial year the company has paid premiums in respect of directors' and officers' liability insurance contracts for the year ended 31 December 2019 and since the financial year, the company has paid or agreed to pay on behalf of the company, premiums in respect of such insurance contracts. Such insurance contracts insure against certain liability (subject to specific exclusions) for persons who are directors and officers of the company.

13 Auditors Independence Declaration

The auditors' independence declaration is set out on page 8 in accordance with section 60-40 of the *Australian Charities and Not-for-Profit Commission Act 2012* for the year ended 31 December 2019.

Signed with a resolution of the directors:



Mr P Cave AM

Chairman

Sydney 14/4/2020



Mr P McKeon

Managing Director, Chief Executive

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Sydney NSW 2000

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE RESPONSIBLE ENTITIES OF EXCELSIA COLLEGE
ABN: 50 360 319 774**

In relation to the independent auditor's review for the period ended 31 December 2019, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



JOHN GAVLJAK
Partner

PITCHER PARTNERS
Sydney

14 April 2020

EXCELSIA COLLEGE

(A Company Limited by guarantee)

ABN 50 360 319 774**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	31 December 2019 \$	31 December 2018 \$
Revenue from Ordinary Activities			
Revenue from Continuing Operations	3	12,520,031	4,952,222
Other Income	4	2,131,674	2,782,774
		<hr/> 14,651,705	<hr/> 7,734,996
Expenses			
Employee Benefits		7,305,422	5,236,502
Course Delivery		1,780,424	697,637
Depreciation and Amortisation		1,426,945	382,804
Property		759,596	1,510,345
Promotional and Marketing		942,218	788,836
Communications		214,450	166,361
Finance		358,955	22,075
Other expenses		1,799,935	693,287
Total Expenses		<hr/> 14,587,945	<hr/> 9,497,847
Surplus/(Deficit) from ordinary activities		63,760	(1,762,851)
Other Comprehensive Income attributable to members		-	-
Total Comprehensive Income attributable to members		<hr/> 63,760	<hr/> (1,762,851)

This Statement is to be read in conjunction with the accompanying notes to the Financial Statements.

EXCELSIA COLLEGE

(A Company Limited by guarantee)

ABN 50 360 319 774**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2019**

	Note	31 December 2019 \$	31 December 2018 \$
Current Assets			
Cash Assets	6	4,165,921	2,751,998
Receivables	7	702,623	167,912
Other Assets	8	263,962	146,745
Total Current Assets		5,132,506	3,066,655
Non-Current Assets			
Plant and Equipment & Leasehold improvement	9	2,296,312	2,445,184
Right-of-Use Assets	2a	5,657,639	
Total Non-Current Assets		7,953,951	2,445,184
Total Assets		13,086,457	5,511,839
Current Liabilities			
Trade and Other Payables	10	902,014	2,455,292
Contract Liabilities		3,203,285	-
Lease Liabilities	2a	871,507	-
Provisions	11	210,907	236,986
Total Current Liabilities		5,187,713	2,692,278
Non-Current Liabilities			
Trade and Other Payables	10	-	407,624
Lease Liabilities	2a	5,010,487	
Other Liabilities	11	38,795	33,859
Total Non-Current Liabilities		5,049,282	441,483
Total Liabilities		10,236,995	3,133,761
Net assets		2,849,462	2,378,078
Equity			
Accumulated Surplus		2,849,462	2,378,078
Total Equity		2,849,462	2,378,078

This Statement is to be read in conjunction with the accompanying notes to the Financial Statements.

EXCELSIA COLLEGE

(A Company Limited by guarantee)

ABN 50 360 319 774**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	31 December 2019	31 December 2018
		\$	\$
Total Accumulated Surplus at the beginning of the year		2,378,078	4,140,929
Effect of initial adoption of AASB 16	2a	407,624	-
Surplus/(deficit) attributable to members		63,760	(1,762,851)
Total Accumulated Surplus at the end of the year		2,849,462	2,378,078

This Statement is to be read in conjunction with the accompanying notes to the Financial Statements.

EXCELSIA COLLEGE

(A Company Limited by guarantee)

ABN 50 360 319 774**STATEMENT OF CASH FLOW****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	31 December 2019 \$	31 December 2018 \$
Cash flows from operating activities			
Cash receipts in the course of operations			
Revenue from Rendering of Services		13,749,874	6,277,179
Revenue from Sale of Goods			
Donations		1,865,956	2,641,286
Sundry income			
Interest received		43,038	37,196
		15,658,868	8,955,661
Payments to suppliers and employees		(12,832,343)	(8,890,253)
Borrowing costs paid		(358,955)	(22,075)
Net cash Provided by operating activities	12	2,467,570	43,333
Cash flows from investing activities			
Payments for Plant and Equipment & leasehold improvement	9	(264,695)	(259,697)
Net cash used in investing activities		(264,695)	(259,697)
Cash flows from financing activities			
Lease payments		(788,952)	-
Net cash used in financing activities		(788,952)	-
Net (decrease)/increase in cash held		1,413,923	(216,364)
Cash and cash equivalents at the beginning of the financial year		2,751,998	2,968,362
Cash and cash equivalents at the end of the financial year	6	4,165,921	2,751,998

This Statement is to be read in conjunction with the accompanying notes to the Financial Statements.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 REPORTING ENTITY

Excelsia College is a company limited by guarantee domiciled in Australia. The principal activity of the company during the financial year was as a Christian educational institute operating as a Higher Education Provider from premises located at 69-71 Waterloo Road, Macquarie Park NSW 2113.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Adoption of New and Amended Accounting Standards and Interpretations

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

AASB 16 Leases

The company has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

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(A Company Limited by guarantee)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 2. Significant accounting policies (continued)

a. Adoption of New and Amended Accounting Standards and Interpretations (continued)

Impact of adoption

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated.

The impact of the new Accounting Standards compared with the previous Accounting Standards on the current reporting period is as follows:

AASB 16 Leases

Upon adoption of AASB 16, Right-of-use Assets and Lease Liabilities were recognised in respect of operating leases previously accounted for under AASB 17.

The table below summarises the impact of adoption of AASB 15 and AASB 16:

	As reported 31 December 2018 \$ '000	AASB 15 Transition Adjustments \$ '000	AASB 16 Transition Adjustments \$ '000	Opening Balance 1 January 2019 \$ '000
Contract liabilities	0	(1,601,410)		(1,601,410)
Trade and Other Payables (Fees Received in Advance)	(1,601,410)	1,601,410		0
Accumulated Surplus	(2,378,078)		(407,624)	(2,785,702)
Lease liabilities	0		(6,670,948)	(6,670,948)
Right-of-use (ROU) assets	0		6,670,948	6,670,948

The following is a reconciliation of non-cancellable operating lease commitments disclosed at 31 December 2018 to the aggregate carrying amount of lease liabilities recognised at the date of initial application, 1 January 2019

	\$ '000
Aggregate non-cancellable operating lease commitments at 31 December 2018	1,298,333
Plus: lease payments included in the measurement of lease liabilities and not previously included in non-cancellable operating lease commitments	6,543,334
Less: impact of discounting lease payments to their present value at 1 January 2019	(1,170,719)
Carrying amount of lease liabilities recognised at 1 January 2019	6,670,948

As at 31 December 2019, the balance of Right-of-Use (ROU) assets is calculated as follow:

Opening Balance 1 Jan 2019	6,670,948
Less Depreciation	(1,013,309)
Closing Balance 31 Dec 2019	5,657,639

As at 31 December 2019, the balance of Lease Liability is calculated as follow:

Opening Balance 1 Jan 2019	(6,670,948)
Less Lease Payments	1,100,000
Add Lease Interest	(311,046)
Closing Balance 31 Dec 2019	(5,881,994)

Note 2. Significant accounting policies (continued)

b. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and associated regulations and the *Australian Charities and Not-for profit Commission Act 2012*, as appropriate for not-for-profit oriented entities.

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 the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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 amounts presented in the financial statements have been rounded to the nearest dollar.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2(p).

c. Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Consideration received prior to satisfaction of performance obligations is recognised as a liability until those obligations are satisfied at which point revenue can then be recognised. All revenue is stated net of goods and services tax.

Other income

Sales income

Events, fundraising and raffles are recognised when received or receivable.

Donations

Donations are recognised when it is received or when the right to receive payment is established.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Sundry Income

Sundry income is recognised when it is received or when the right to receive payment is established.

d. Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

e. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f. Trade and other receivables

Other receivables are initially recognised at fair value and subsequently recognised at amortised cost, less any allowance for expected credit losses

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Note 2. Significant accounting policies (continued)

g. Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years
Motor vehicles	5-7 years
Library	non depreciating assets
Office equipment	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

h. Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

i. Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

j. Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

k. Contract assets and liabilities

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

l. Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Note 2. Significant accounting policies (continued)

l. Employee benefits (continued)

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

m. Financial Instruments

Investments and other financial assets

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire 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 when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability 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 the statement of comprehensive income.

Note 2. Significant accounting policies (continued)

n. Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

o. Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

p. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Long service leave provision

As discussed in note 2, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date.

Estimated future cash flows to be made in respect of all employees at the reporting date.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

EXCELSIA COLLEGE
(A Company Limited by guarantee)
ABN 50 360 319 774
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 2. Significant accounting policies (continued)

q. Comparative Figures

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

	31 December 2019	31 December 2018
	\$	\$
3 REVENUE FROM CONTINUING OPERATIONS		
Revenue from Rendering of Services	12,497,716	4,934,502
Revenue from Sale of Goods	22,315	17,720
Total Revenue	12,520,031	4,952,222
4 OTHER INCOME		
Interest received	43,039	37,196
Other Income	222,679	104,292
Donations	1,865,956	2,641,286
	2,131,674	2,782,774
5 EXPENSES		
Bad and Doubtful Debts	60,000	19,053
Superannuation Entitlement	536,919	386,125
Finance Costs - Bank charge	47,908	22,075
Finance Costs - Operating Lease Interest	311,047	-
Variable Lease Payments - Outgoings	348,893	-
Low-value Assets Lease Payments	36,870	-
	1,341,637	427,252
6 CASH		
Cash at Bank	315,159	613,971
Trust Account*	3,294,762	1,582,027
Bank Term Deposits	550,000	550,000
Cash on Hand	6,000	6,000
	4,165,921	2,751,998
*This balance includes contractual liabilities for tuition fees received in advance		
7 RECEIVABLES		
Trade debtors	153,213	168,626
Less: Allowance for Expected Credit Losses	(62,402)	(5,000)
Sundry Debtor	611,812	4,286
	702,623	167,912
8 OTHER ASSETS		
CURRENT		
Prepayments	263,962	146,745
	263,962	146,745

EXCELSIA COLLEGE
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	31 December 2019 \$	31 December 2018 \$
9 LEASEHOLD IMPROVEMENT, MOTOR VEHICLE, LIBRARY, PROPERTY,		
Leasehold improvement	2,984,462	2,896,823
Less: Accumulated depreciation	(1,195,321)	(893,819)
	1,789,141	2,003,004
 Motor vehicle	 22,030	 22,030
Less: Accumulated depreciation	(20,290)	(17,306)
	1,740	4,724
 Library	 231,683	 231,683
Less: Accumulated depreciation	-	-
 Plant, Equipment, Computer	 1,360,033	 1,182,977
Less: Accumulated depreciation	(1,086,285)	(977,204)
	273,748	205,773
	2,296,312	2,445,184

Computer, Office Equipment, Motor Vehicles and Library

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold improvement \$	Motor vehicle \$	Library \$	Plant, Equipment, Computer \$	TOTAL \$
Balance at 1 January 2019	2,003,004	4,724	231,683	205,773	2,445,184
Additions	87,639	-	-	177,056	264,695
Depreciation Expenses	(301,502)	(2,984)	0	(109,081)	(413,567)
Balance at 31 December 2019	1,789,141	1,740	231,683	273,748	2,296,312

10 PAYABLES

Current

Trade Creditors	74,374	270,624
Accrued Expenses	88,260	198,468
Fees Received in Advance	-	1,601,410
Other Creditors	739,380	384,790
	902,014	2,455,292

Non-Current

Other Liabilities		407,624
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11 PROVISIONS

Current

Employee Entitlements	210,907	233,169
Other Provisions	-	3,817
	210,907	236,986

Non- Current

Employee Entitlements	38,795	33,859
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EXCELSIA COLLEGE**(A Company Limited by guarantee)****ABN 50 360 319 774****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	31 December 2019 \$	31 December 2018 \$
12 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from ordinary activities after income tax	63,760	(1,762,851)
Non-cash flows in Profit from Ordinary Activities		
Depreciation	1,426,875	382,804
Allowance for expected credit losses	57,402	-
Changes in assets and liabilities		
Decrease (increase) in trade and sundry debtors	(592,113)	(107,969)
Decrease (increase) in prepayments	(117,217)	(37,654)
(Decrease) increase in contract liabilities	3,203,285	-
(Decrease) increase in trade creditors and accruals	(1,553,279)	1,807,756
Movement in deferred rental payment		(200,832)
Movement in deferred taxes payable	-	-
Movement in deferred taxes receivable	-	-
Movement in provisions	(21,143)	(37,921)
Cash flows from operating activities per statement of cash flows	2,467,570	43,333

13 COMMITMENTS**Operating Lease**

Non- cancellable operating leases contracted for but not capitalised		
-no later than one year	-	820,000
-later than one year but not later than five years	-	478,333
	-	1,298,333

The company negotiated rental of its premises from 1 Aug 2015 to 31 July 2020 and taken the option to renew the lease for another 5 years to 31 July 2025.

From 1 Jan 2019 all operating leases have been brought onto the statement of financial position as part of the adoption of AASB16 (refer note 2a)

14 CONTINGENT LIABILITIES AND ASSETS

There were no Contingent Liabilities or Assets of the Company as at the reporting date.

EXCELSIA COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

15 KEY MANAGEMENT PERSONNEL DISCLOSURES

	Appointed	Resigned
(i) The following persons are directors of Excelsia College :		
Mr P Cave AM- Chairman	1 July 2009	
Mr Peter McKeon	11 December 2017	
Mr N Cox OAM	1 July 2009	
Mr J Holt	1 July 2009	
Emeritus Professor R Johnston AM	1 January 2010	
Dr D Wright	5 August 2014	
Rev R Rigby	18 September 2014	
Rev Dr R Waugh	18 September 2014	30 May 2019
Emeritus Professor D Barr AM	18 September 2014	
Dr Greg Clarke	6 December 2018	
Ms Amanda Rose	4 December 2019	

The directors did not receive any compensation during the financial year from Excelsia College other than those included as Key Management Personnel in note 15 (ii) below.

- (ii) Key management personnel comprise :
- Mr. Peter McKeon-Chief Executive Officer
 - Dr George Odhiambo - Chief Academic Officer
 - Mr. Bobby Abraham-Student Acquisition Director
 - Mrs. Shiela Rendon- Director Finance and Administration
 - Mr. Gordon Bobin-Registrar
 - Mrs Beatrice Lorquet - Director- People and Culture
 - Mr Alistair Symons - Director of Quality
 - Ms. Juanita Ward-Harvey - Marketing Manager
 - Professor A Bowen-James - Chair of Academic Board

- (iii) The aggregate of the compensation paid or payable, or otherwise made available , in respect of the financial year, to all key management personnel of the company, directly or indirectly, by the entity or by any related party was as follows:

	31 December 2019	31 December 2018
	\$	\$
Short Term Benefits	1,527,120	1,364,087
Post Employment Benefits	20,518	17,603
	<u>1,547,638</u>	<u>1,381,690</u>

EXCELSIA COLLEGE

(A Company Limited by guarantee)

ABN 50 360 319 774

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

	31 December 2019	31 December 2018
	\$	\$
16 REMUNERATION OF AUDITORS		
Audit services		
Current Auditors of the Company- Pitcher Partners		
Audit of the financial reports	28,750	25,500

17 RELATED PARTY TRANSACTIONS

No related party transactions occurred during the year.

18 MEMBERS' GUARANTEE

From 01 October 2017, Mr. Phillip Cave AM, is the sole Member of the Company.

If the Company is wound up, the Company's Constitution states that the member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Company.

19 SUBSEQUENT EVENTS*(i). Coronavirus (COVID-19)*

At the date of this report, the College is unable to determine the financial impact that the onset of the Coronavirus (COVID-19) pandemic and the subsequent government actions, will have on the College.

(ii). Changes to Constitution

Measures have been taken to commence amending the Constitution of the college to allow more than one Member by introducing Charter Members and Ordinary Members. This mitigates the risk to the College by having only one member. The draft Constitution changes were presented to the Board of Directors at their 18 March 2020 meeting.

Except for the items described above, there has been no other matters or circumstances, which have arisen since the end of the financial year, which has significantly affected or which may significantly affect:

- The operations, in financial years subsequent to year end
- The results of those operations, or
- State of affairs, in financial years subsequent to year end.

20 COMPANY DETAILS

The Registered Office and Principal Place of business of the Company is:

Excelsia College

ABN 50 360 319 774

69-71 Waterloo Road

Macquarie Park NSW 2113

Excelsia College

ABN 50 360 319 774

DIRECTORS' DECLARATION

In accordance with a resolution of the responsible entities, being the Directors of Excelsia College, the responsible entities of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 23, comply with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Accounting Standards; Reduced Disclosure Requirements and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 31 December 2019 and of its performance for the year ended on that date.
2. In the responsible entities' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors:



Mr Phillip Cave AM
Chairman



Mr Peter McKeon
Chief Executive Officer

Dated in Sydney this 14th day of April 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EXCELSIA COLLEGE
ABN: 50 360 319 774**

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Excelsia College "the Registered Entity", which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other 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 responsible entities' declaration as set out on pages 9 to 24.

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

- (a) giving a true and fair view of the Registered Entity's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards 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 Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The responsible entities of the Registered Entity, being the directors of the company, are responsible for the other information. The other information comprises the information included in the Registered Entity's director's report for the year ended 31 December 2019, 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.

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 Responsible Entities for the Financial Report

The responsible entities of the Registered Entity, being the directors of the company, 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 responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the responsible entity's financial reporting process.

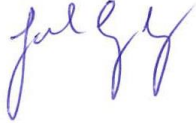
Auditor's Responsibilities for the Audit of the Financial Report

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



JOHN GAVLJAK
Partner

14 April 2020



PITCHER PARTNERS
Sydney