

2019 ANNUAL REPORT



Swan Christian
EDUCATION ASSOCIATION

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What we stand for

Our staff are all committed Christians that hold a worldview in which God is acknowledged as our creator and Jesus Christ is accepted as our Lord.

President's Report

I am pleased to say the past 12 months has seen the beginning of a new chapter for the Swan Christian Education Association (SCEA), with the appointment of Dr Graeme Cross as the Chief Executive Officer. After commencing with us in June 2019, he has worked closely with the SCEA Board to understand the complexities of our organisation and identify where there are opportunities for growth and development. We are pleased that Graeme has been able to build on the foundation laid by our former CEO, Neil David, and that the transition between these two leaders has been seamless.

Following the 2019 Annual General Meeting (AGM) for the Association, the SCEA Board co-opted Lauren Chaine to join the Board. As a practicing lawyer, Lauren became a valued member of our team and was able to provide advice and direction in a range of areas, including our human resource management responsibilities. Unfortunately, Lauren was not able to continue in this role, which means we will need to recruit another Board member able to provide legal advice. We are also mindful of the need to identify potential members with expertise in the areas of finance and risk/compliance.



Mr Robert Edkins
President, SCEA Board

As we have reflected on the work of SCEA during the 12 months, we have recognised the need to develop a much clearer understanding of our purpose. After consulting with the SCEA Members, the Board has embarked on a process to position SCEA to be a missionally strong system of schools with a focus on embracing opportunities we have to allow families of all religious persuasions to be part of a school community that is built on a truly Christian foundation. We want our schools to be recognised because of the quality of learning outcomes and the Christian beliefs and values that inform everything we do. To help us achieve this goal, the SCEA Board decided to join Christian Schools Australia (CSA) after carefully considering all of the possible partnership options that were available to us.

Coupled with our involvement with CSA, we have also partnered with all of the major peak bodies that represent Christian schools in Australia in a significant piece of research known as the Cardus Education Survey - Australia, which explored the extent to which graduates of Christian schools like ours, contribute to the public good. The findings of this research, involving around 5,000 graduates from across all of Australia's schooling sectors, will be released publicly on Wednesday 26 August 2020 and will be made available to all Association members and staff across our schools.

I would like to express my thanks to all of the members of the SCEA Board. It has been a pleasure to work with them and I appreciate their willingness to give their time to serve. Sadly, after 5 years as a valued member of our team, Mr Kenneth Carter has resigned and will not be seeking re-election. We are grateful for the significant contribution he has made during his tenure, including the work he did as the Deputy Chairman and the Chair of our Finance Committee.

On behalf of the Board we thank Graeme, the Senior Leadership Team and all our staff for their passion, commitment and hard work. I would also like to acknowledge our School Committees who work closely with their school Principals along with the countless volunteers.

A handwritten signature in black ink, appearing to read "Robert Edkins".

Mr Robert Edkins
SCEA Board President

CEO's Report

It is an honour and privilege to write and present this report, as it is the first I have prepared as the Chief Executive Officer (CEO) of the Swan Christian Education Association (SCEA). It was in June 2019, immediately after the last Association Annual General Meeting, that I formally commenced in this role. As I look back of over the past 12 months, I can say that it has been a great year where we have taken many positive steps forward, but at the same time, we have had to face some considerable challenges, particularly as the COVID-19 pandemic impacted our state.

In broad terms, the first six months of my tenure was focused on meeting our people and developing an understanding of what the scholars sometimes refer to as an organisation's 'current reality'. This involved meeting with leaders and numerous staff members, but also taking time to meet with the pioneers of SCEA. What became clear in this process, was that over many years, SCEA has had an extraordinary and transformative impact in the hearts and lives of many students, families and the wider communities our schools serve, but sadly, there has also been significant hurt experienced by many individuals.

When speaking to the pioneers and our longer-term staff members, there were far too many occasions when tears would begin to flow as they recounted experiences of the mistreatment they had either experienced themselves or had observed. After each of these meetings, I came away determined that this aspect of SCEA's history must never be repeated. If we take seriously the mandate that God has given to us, we must ensure that in all of our interactions, we do so with dignity and respect. Micah 6:8 reminds us that what God requires of us is to act justly, love mercy and walk humbly as we do life with him at our side.

It also became evident that many people throughout the organisation felt that in recent times, SCEA had suffered from mission drift and lost its sense of purpose and direction. This realisation caused me to reflect and develop a conceptual model that could help us to consider SCEA's history, the various forms of Christian schooling that operate across our nation and to determine what approach we should adopt in the years ahead. Through this process of consultation and reflection, the SCEA Board made it very clear that our intent moving forward is to adopt a 'missionally' focused form of Christian schooling that welcomes all families, irrespective of their religious beliefs and faith positions, and invites them to experience what Christians refer to as the 'Kingdom of God'. Our intent is to be a system of schools that are defined and shaped by Christian beliefs and values, invite students to experience and know the love of God, and seek to be a blessing to our communities and nation.

A key strategy adopted by the SCEA Board to reimagine our vision for the future was to join Christian Schools Australia (CSA) and use the resources they have developed to support our work. Since becoming members at the commencement of 2020, we have already benefited from this partnership in so many ways. One of the more significant initiatives has been to involve all SCEA staff in a Biblical Literacy program titled 'Open Book'. This has been well received across all of our schools, and has stimulated many wonderful and rich conversations about how the Bible can shape life and community.



**Dr Graeme Cross
Chief Executive Officer**

The goal of this initiative has been to reset our focus on the Bible and our relationship with God as the foundation of all that we do in Christian schooling.

One of the other significant concerns that emerged through this process of review is the financial sustainability of our Association in the longer term. While we are not in the depths of a financial crisis, when preparing the budget for 2020, concerns arose that we may struggle to meet our banking covenant and some of the financial Key Performance Indicators (KPIs) used across the education sector. In response, we have worked with the SCEA Board to establish financial targets that will help to strengthen our financial position over time and ensure that our future is secure.

What has helped our financial position significantly this year (2020), has been growth in enrolments at some of our schools, achieved against the backdrop of COVID-19. We have been delighted to see this shift in the trend and hope that it will continue into the future.

Since its establishment in 1988, Beechboro Christian School (BCS) has never had a permanent home. After moving locations during its early years, it eventually ended up in transportable buildings on the leased land where it currently resides as part of the Cracovia Club in Bennett Springs. The SCEA Board believe it is time that BCS has a permanent home and intends to purchase land only a short distance from the current premises, offered to us by the Department of Education. The site was originally designated for the establishment of a public school, but is no longer needed for this purpose. After undertaking a rigorous due diligence process, SCEA is convinced that the land should be purchased with the aim to relocate the school in time for the commencement of the 2022 school year. For this project to be successful, SCEA will be launching a fundraising initiative. Our hope is that there are families throughout SCEA and the many church communities of WA who will be prepared to make a contribution and invest in the future of this wonderful school, which will touch the lives of many children in the decades ahead.

In this brief report, it is difficult to capture all of the amazing work and key achievements across our schools and the Association Office during this past year, but I would say to all Association members that we have every reason to be proud of what is happening. The commitment of our leaders, teachers and support staff in preparing children for life now and in the future is clearly evident. Even when confronted with the challenges associated with COVID-19, our teams did not want the learning of our students to be compromised and quickly transitioned to an off-campus/online mode of learning that was outstanding - and appreciated by our parents.

At the next Association meeting, an updated SCEA Strategic Plan will be presented. New strategic priorities and plans will be outlined that we expect will cast a vision for the organisation we want to become. Of course, as we write these plans, we are ever mindful of the spirit of Psalm 127, which reminds us that unless the Lord builds our organisation, we labour in vain. Included in the changes required to position SCEA for the future, is the need to review and rewrite the Constitution, which will be an important task for the Board and Association. I hope that you will enthusiastically engage in this process.

SCEA's missional effectiveness in the future is dependent on our ability as a community to hear the voice of God and work in partnership to build an organisation that will be a blessing not just for the students we currently serve, but also for the generations to come. I look forward to working with you on this critically important task.

Blessings,



Dr Graeme Cross
Chief Executive Officer

Beechboro Christian School

Beechboro Christian School has always been a school that values their culturally rich community and they kicked off 2019 with the celebration of Harmony Day.

Under the Principalship of Justin Krause in 2019, supported by the Head of Primary, Michael Bolan, and Mrs Clare Midgley, as Curriculum Coordinator, the school has maintained a positive trajectory of academic rigour with strong pastoral care support.

Beechboro continued to embed a range of high-quality teaching and learning approaches, linked to writing, mental maths, reading and phonics. Significant exploration, trial and evaluation of a new maths approach was undertaken, ready for full implementation in 2020.

This year, Beechboro Christian School's NAPLAN results continued to show a very positive growth, reflecting the focus on whole school approaches.

Their successful Electives program continued into 2019, allowing the Year 4-6 students an opportunity to further channel their passion and interest in Japanese, Sport, Art and Music.

An academic extension program (STRIVE) was established, involving students from Year 3-6. STRIVE focused on problem solving, thinking outside the box, and designing solutions to real problems.

Beechboro Christian School's after school program expanded with the introduction of Dance, taught by Mrs Maddison Wright, one of the Year 2 teachers and a highly experienced dance teacher. Students also had the opportunity to be part of an After-School Sports, Coding Club, Run Club and Art Club throughout the year.

2019 saw the introduction of 'Parent Collectives' to engage with families and build supportive networking opportunities for parents. These evening events were very well received, by the community, and featured a range of speakers and topics.

After many years of service as a volunteer within the school community, Lyn Tilbury, lovingly known as 'Nana Lyn' by the staff and students, was honoured for her diligent and humble service as their Canteen manager. The Canteen is now known in the school as "Nana Lyn's Kitchen".

At the end of the year, the school bade farewell to Mrs Linda Hewson, who served as a much-loved teacher within the community for 26 years. Mrs Hewson started teaching within the Early Years, but later moved on to become the Art Specialist where she had an incredible way of teaching Art through a Biblical lens.

Mr Justin Krause, the school's Principal, also finished up at the end of the year, after serving for four years as the Executive Principal of Beechboro Christian School and Ellenbrook Christian College. Mr Krause brought about many positive changes within his tenure as Principal and was a much loved and respected member of the school community. He leaves a legacy after leading Beechboro Christian School towards furthering their academic and pastoral success and continuing to embed a strong positive culture of community within the school.

2019 BCS Community Highlights and Initiatives

- Harmony Day
- 'Parent Collectives'
- Book Week
- Year 4 Camp to Ern Halliday
- Year 6 Sydney/Canberra Tour
- Year 6 Transition Days to Ellenbrook Christian College
- Year 5 & 6 Girls Leadership Forum at Perth Ladies College

- Introduction of Coffee Carpark Catchups
- BCS 'Big Breakfast'
- Bennett Springs Fair
- Year 5 Camp to Point Peron

Mr Michael Bolan
Principal (Current)



Ellenbrook Christian College

The 2019 College Year was a year of significant challenge and change for the Ellenbrook Christian College community. Mr Justin Krause, ECC Principal, concluded his work at the end of the year, after serving four years as the Executive Principal of both Beechboro Christian School and Ellenbrook Christian College. Mr Krause brought about many positive changes to the College during his tenure as Principal and there was a sense of loss at his departure.

The end of 2019 also saw a change in leadership structure within the Secondary school as Mr Peter Bolt, Dean of Students and Ms Helen Murray, Dean of Curriculum, made decisions to pursue alternative career pathways. Their departure provided an opportunity to consider a restructure in leadership roles. New leadership roles were introduced, with a Dean of Senior Studies, a Dean of Wellbeing (Years 10 to 12) and a Dean of Wellbeing (Years 7 to 9) being established. These introductions meant that a Dean of Curriculum, a Dean of Students and three, Year Coordinator roles were dissolved.

The College also suffered the devastating loss of one of its students, Will Verran, who died in a car accident on the way to school in November. The death of Will had an enormous impact on the staff, students and families of the College community.

The Year 12 student body were greatly impacted by the loss of their peer and friend, and that, at a very significant and vital time in their education. The College community came together around both Will's family and the students, in a show of unity, strength, encouragement and care.

Despite the very significant changes and challenges presented across the year, the retention of students within the College, was excellent, with only two Year 6 students leaving to attend secondary schooling at alternative schools. The majority of students stayed on to take a place within the College.

College NAPLAN results for 2019, showed improvement that was achieved across all key learning areas, providing another positive outcome for the College and an incentive for further improvement for the current year.

The Heads of School, Mrs Liana Luyt and Mr Andrew Johnston, as well as the Business Manager, Mr David White, have led their teams conscientiously, and enjoy the love and trust of the staff serving with them. These three people are to be commended for their commitment to ensuring that things continued running, despite the upheaval that took place throughout the year. Regardless of all that took place throughout 2019, there were still many highlights that were the result of the hard work of the staff.

2019 ECC Community Highlights

School Beans Launch (College Coffee Shop)	ECC Art Exhibition
The Year 7 Transition Program	SCEAVision Performing Arts Event
Father's & Grandfather's Day Breakfast	College Drama Productions including: <i>'Escape Room'</i> , <i>'Away'</i> , <i>'The Tempest'</i> , <i>'Midsommer Nights Dream'</i> ,
Mother's & Grandmother's Morning Tea	Movie Premier- <i>'Gone for the Moment'</i>
Book Week	Fundraising Committee Events including: <i>Roller Disco</i> , <i>Family Games Night</i> , <i>Colour Run</i>
Bennett Springs Fair	College Music Eisteddfod
Year 4 Camp at the Ern Halliday	Year 6 Graduation and Awards Assembly
Year 5 Camp to Point Peron	Secondary Awards Assembly
Year 6 Sydney/Canberra Tour	Year 12 Graduation
Year 7 Camp	
Year 9 Camp	
Leaders to Leavers Adventure in the Philippines	
Carols on the Green	

Mr Michael Pitman
Principal



Kalamunda Christian School

"The dream begins, most of the time, with a teacher who believes in you, who tugs and pushes and leads you on to the next plateau, sometimes poking you with a sharp stick called truth." - Dan Rather

The process of drawing together an annual report, gives great opportunity to see the wonderful things that have been happening within our school. As you read, I trust that you too will be reminded how we have travelled through 2019. Our commitment to excellence and pursuit to ensure each child reaches their potential is evident in all that we do.

Our Purpose Statement is to equip and empower our students to reach their God-given potential. All that we do is firmly founded in our focus of being Christ-centered. This is underpinned by our core values of integrity, humility and honour which continue to be part of everyday life in the classroom.

At Kalamunda Christian School, teachers inspire, develop, and grow their students through various experiences and interactions within the school community. There is a clear vision and purpose focused on excellence in teaching and learning. Staff strive to provide the best possible education for each student, ensuring they develop a broad range of skills to enable them to take responsibility for their own direction and to adapt to a changing world.

The key focus is to support individuals to reach their potential academically, socially and emotionally. As such, staff are reflective in their practice; responsive to students' needs and work collegially to provide students with the experiences that will allow them to progress. We recognise the importance of the spiritual dimension of a person's wellbeing. The Christian faith and values underpin all we do as a school.

By outlining key strategies, achievements and areas for ongoing improvement, we can also celebrate our successes, showcase our students and identify those areas where growth and/or change is required. At the heart of our school though, is a vibrant and caring community. We have the blessing of partnering with parents in the education of children; watching them grow and develop into young people who can take their place in society as leaders, community shapers and advocates for those in need.

Mrs Michelle Cockrell
Principal



Mundaring Christian College

It doesn't sound exciting to say, but the process of Registration for our College was a focus of our attention for 2019. Let me put this in some context. Independent Schools are required to be registered with the DES in order to operate in Western Australia. This process has distinctly changed over the years that I have been Principal at MCC. Originally, the focus was on School Improvement Strategies and was overseen by a supportive group of experienced educators from across the public and private sectors, who would investigate every element of school Governance, Leadership, Policy management and operation. The presentation of documents culminated in a visit from a group of assessors with varying specialties. Their demeanor was to find areas that could be improved and be supportive. A sliding scale of one to (generally) four years is awarded to a school on the basis of confidence generated by the visit and audit with a list of required recommendations for attention.

The Royal Commission into Child Safety in Institutions became a watershed for the Registration process. The extent of the audit remained, but the emphasis on Child Safety and Compliance became far more rigorous. Compliance sounds bureaucratic and rigor sounds inquisitorial. In fact, the process was a remarkable opportunity for our College to refine our processes in order to provide established safety for students, and rigor in every area of accountability for our College. The documents and policies submitted by the College, with the support of our Association, were forensically investigated by a dedicated group of specialists and the inspection was similarly specialised and accompanied with well prepared and penetrating questions.

Throughout the year, our staff worked together refining processes of strong education, rigorous safety and responsiveness of our College to parents, students and the broader community. The presentation of our documents, explanation of our processes and practice and inspection of our College occurred in August 2019. The Chief Inspector stated at the end of this process that, "I would be glad for my children to come to this school... There will be no recommendations for areas of concern... Congratulations." The DES awarded Mundaring Christian College, five years of registration, which is the longest period of registration that can be offered, and reflects confidence in our Association and the quality of life at our College.

In terms of the life of the College, 2019 brought a number of significant milestones. The development of MCC towards our goal of becoming a Basketball Academy progressed substantially. Basketball electives recommenced for Years 7 to 10, with specialist teaching from nationally accredited coach, Mr. Phil Croot. 83 students in four classes participated in the 12-month Basketball option, and these players developed a range of practical and game related skills across the year. The school continues to be strongly represented in local domestic Basketball competitions, with 23 teams proudly wearing the MCC Navy uniforms in the Summer competition.

The Secondary Campus continues to grow and develop. Our Year 12 graduates consistently achieve 100% graduation. Our campus, built on 110 acres, continues to take advantage of our bushland spaces with the building of tracks for our mountain biking program, and horticulture and animal care resources growing. Our Year 11/12 Hospitality program began in 2019. This is a paid traineeship where students produce and serve high quality food and excellent barista coffee every Friday. Having a timetable that allows for all students to engage in full day courses on Friday enhances the opportunity to pursue extensive programs in the community. Our student engagement program has developed through student Voice-box suggestions, deepening our leadership program to every year group and building House affiliation through regular events.

The Primary Campus developed significant whole school day programs throughout the year including an exposition of presentations for Easter and activities for Aboriginal and Torres Strait Indigenous Children's Day, culminating in a student developed commemorative mural. Our emphasis on literacy continues with the Macquarie University MiniLit (years 1-2) and MaqLit (years 3-6) initiatives as programs of intervention and support to lift reading and comprehension. Reading Eggs began as a school wide program to cultivate and extend literacy in the areas of grammar and fluency. The success of the Seven Steps writing project was extended into the Secondary school.

Mr Rod McNeill
Principal



Northshore Christian Grammar School

Northshore continues to meet and exceed all goals set for its growth and the development of our students. Original projections for the student population was 138, but at August's Federal Census 167 students were enrolled. This is more than 20% higher than predicted. Enrolments were so strong towards the end of 2019, that it was decided to create a second kindergarten class for 2020. Year 7 enrolments also exceeded expectations. Northshore's school improvement goals include 'Building Community, Improving Literacy and Communicating Better.' We are proud to report that interim measures within each of these goals were met and exceeded.

Building Community and Culture

Our aim is to build a strong community and a healthy supportive culture. We maintain strong links with community groups such as churches, local government and a range of charities. These contacts have not only benefitted our students by being able to meet with the mayoral office and attending youth groups, but also enable us to serve and support the community as well. There is no better feeling than to help others in need.

All of Northshore's community events are open to the public. We run these events quarterly. Whilst all events are satisfying and successful in bringing our community together in fellowship, the highlight in 2019 was the Family Fun Day.

'With God, all things are possible'
Matthew 19:26

Building on Success

Construction of a specialised high school building and sports hall was completed at the end of 2019. This important step develops the capacity of our campus here in Alkimos. It was a great reward for the prayers and hopes of our community. The vision that was articulated was realised. We are now able to fully cater for the growing needs of students from Kindergarten to Year 12.

Northshore continues to leverage the extensive resources of Swan Christian Education Association (SCEA). In 2019, all students from Grade 3 - Year 8 were able to access the outdoor education facility at Camp Withnell and participate in interschool sports, arts and academic events. The collective strength of SCEA provided great opportunities for our students and staff that could not be achieved alone.

Finally, this year saw us join Christian School's Australia (CSA). This important membership will further enhance the educational and spiritual experience for our community.

The combination of 'state of the art' local facilities, the collective resources of SCEA and joining CSA means that students and families at Northshore are exceptionally well-resourced. These three important elements have been laid upon the excellent foundation provided by our staff, who are committed to serving their students.

I would like to thank the entire community for their faith and commitment to the success of Northshore in 2019.

Mr Stuart Chisholm
Principal



Southern Hills Christian College

As I reflect on the year 2019, it's clear that God has greatly blessed our school. Steady enrolments continue to grow our student body, and dedicated work by attentive staff continues to grow each individual student. The effort and commitment of the staff and students throughout 2019 has been endorsed with tangible results, as expressed through the NAPLAN testing and reports.

Our Primary School aims to ensure that the strong NAPLAN results achieved by the students in 2019, can be maintained and built upon in the coming year. The core areas of Mathematics and English Literacy will continue to be a major focus for Professional Learning and resource development.

2019 has been a year of consolidation for the secondary teachers: working at building on the successes of the previous years and extending students to achieve far more than they think they're capable. This has entailed analysing the performance of our students, identifying key elements of successes and determining how we can further develop our students. We produced long term plans demonstrating how to cover all aspects of the curriculum as well as short term plans with clear learning intentions, success criteria and differentiation for students with specific needs.

Over the year staff pursued their own growth through additional study and higher degrees; further equipping themselves, to serve the SHCC community. We have also upskilled our teachers with professional learning opportunities, and it has been rewarding to see strategies from these sessions used in the classroom.

We continued throughout 2019 to work with our student leaders by taking them to professional learning, providing avenues for student voice (advocacy), and have raised monies via fundraising for many good causes. Hamburger day is a particular favourite! Another highlight was watching the Year 10s flourish at Kurrawang this year as well as on Leavers2Leaders, our Philippines service trip for Year 11s and 12s.

Our students in Years 4-12 one again completed an online Wellbeing Census that provides us feedback on how students are tracking from a mental health perspective so we can implement strategies to assist them.

We strengthened our relationship with the Fathering Project throughout 2019 and had Michael Klinger (former Perth Scorchers player) attend a function at the College, which was a definite highlight. The gymnasium has never had so many kids playing one game of indoor cricket before. We have also had BBQs, reading dads, board games evenings and activity mornings. These events have been very encouraging and all involved have been uplifted by the experience.

Our Kindy and Pre-Primary children were introduced to a digital learning program which provided the children with engaging and educational experiences in Chinese as well as access to a world of cultural possibilities.

Our Three-Year-Old Kickstart program enrolments have grown substantially, and we opened a second class in Term Two. As a result, our Pre-Primary class moved to B Block and an amazing nature playground was installed for the Pre-Primary and Year 1s. The new play area has provided the children with a safe and inspiring space where they can be creative as well as challenged.

Other significant capital improvements made over the year were: a large brick open area for primary students to use in their play, a super-sized concrete chess board which has been enjoyed by students of all ages, multiple shade sails installed, as well as the important behind the scenes work of air-conditioning, lighting, painting, plumbing, and more. The year ended with plans underway for carpark improvement which will allow a new contract with Transperth.

Finally, 2019 saw our team blessed with the additions of a wonderful School Chaplain, Kate Wheatly, and the highly experienced and much valued Michael Pitman, as the Head of Primary and the Year 4 teacher. Sadly, we had to say farewell to Mike when he took up the position of Principal at Ellenbrook Christian College in 2020. With a year as full, exciting, tiring, and rewarding as we have had, I can't wait to see what the future holds.

Mr Paul Beacham
Principal



Swan Christian College

Romans 8: 28 – “And we know that God causes everything to work together for the good of those who love God and are called according to his purpose for them”

In 2019, the College leadership led the College community on an intentional focus on the concept of 'One College, Five sub-schools'. Throughout this period, school policy has been extensively recrafted to strongly reflect a single organisation. Despite a 10-year-old merger between the Junior and Secondary schools, many policy statements and daily management structures were compartmentalised and inconsistent in application. To this end Behaviour Management, Homework, Assessment, Evacuation, Lockdown and a whole raft of additional policies are now amalgamated with greater consistency across sub school application. The development of a concise and comprehensive staff handbook has simplified availability of policies and procedures for all members of staff.

In terms of academic outcomes considerable effort has been put into the long game of building academic standards across the Junior School.

To this end a number of key strategic initiatives have been established:

- Kindergarten and Junior Primary class structures have been modified to accommodate larger cohorts. When enquiry is high enough, the JS classes in the lower grades will be staffed suitably to enable classes of thirty, building overall JS numbers and enabling a cohort of students who have all experienced a consistent JS teaching and learning program.
- The enrolment point in year five has been assessed and managed closely enabling the creation of a year six scholarship program building the academic profile of the JS.
- Whole JS staff training has occurred in key areas of Literacy. This has then resulted in the formal adoption of a single consistent literacy acquisition program that is considered cutting edge and highly valued across the world.

Other strategies across the various sub schools have also been an exciting area of our work this past year:

- Excellence has been recognised in the pastoral program called "Living Well". Initiated in the Middle School, it has been expanded into the Senior School. It is anticipated that this program will also extend down to the Junior School where enthusiasm for this initiative is strong.
- The work in Junior School Literacy, particularly the "Talk for Writing" program will have an increasingly valuable part to play in the lower secondary classes. As this program builds across the years, it is anticipated that there will be a useful place for further training of staff in the Middle School resulting in improved literacy skills for middle and senior school students.
- A single "School Improvement Plan" has been established targeting key initiatives that will focus on further growth and implementation for the whole College.
- The JS leadership profile has been raised across the entire College with JS staff increasingly represented in the presentation of PL for all staff. Additionally, tasks such as rebuilding the schools Critical Incident Management Program has provided increasing recognition of JS expertise college wide.

The College has embarked on a Master Planning process focused on developing a physical plan detailing what the College will be like in 10 years' time. This plan is focused on the learning "flow" of students through the College and will recommend a series of staged developments based on refurbishment, repurposing, and new building projects. This project will extend into 2020 and it is hoped that it will be launched towards the end of that year.

Swan Christian College continues to grow as a caring and generous community embracing and welcoming all who enter its gates. I encourage all who belong here to give praise for the many blessings and make the most of every opportunity provided.

Mr Adrian Scott
Principal



Board of Directors



Mr Robert Edkins
Board Chair

Attendance at Meetings:
11/11



Mr Kenneth Carter
Board Deputy

Attendance at Meetings:
7/11



Mrs Shelley Forbes

Attendance at Meetings:
9/11



Mr Don Warner

Attendance at Meetings:
9/11

*Resigned June 2020



Mr Stephen McAlpine

Attendance at Meetings:
7/11



Mr Craig Clark

Attendance at Meetings:
11/11



Mr Terry Myers

Attendance at Meetings:
11/11

Mrs Lauren Chaine

The SCEA Constitution allows the Board to co-opt Directors who will serve until the next scheduled Annual General Meeting (AGM) if the Board deems it necessary.

In October 2019, Lauren Chaine was co-opted to the Board, and served as a Director until June 2020.

On behalf of the Association, the Board would like to thank Lauren for her contribution during this time.

Declared Interests

Mr Robert Edkins

- Child at Swan Christian College
- Managing Director, Food Fibre and Land International Group
- Chairman, Point Peron Aquatic Youth and Family Association
- Director, Rangelands NRM Coordinating Group
- Director, Metabolic Symphony (concluded August 2018)
- Spouse previously employed at KCS (concluded June 2018)

Mr Don Warner

- Chairman of the Board - Sowilo Community school (Board Chairperson: Feb 2018, Board Member: Oct 2013-2018)

Mr Terry Myers

- Spouse employed at Swan Christian College
- Son employed at Swan Christian College

Mr Kenneth Carter

- Spouse previously employed at SCEA in ICT role (concluded February 2019)
- Child previously at Swan Christian College (graduated 2018)

Mrs Shelley Forbes

- Works for Alta-1 (Elected 4 Nov 2019)
- Previously Worked for Catholic Education of Western Australia (Concluded Nov 2019)
- Co-opted to Board of Australian Council for Educational Leaders ACEL WA Branch

Mr Stephen McAlpine

- Child at Swan Christian College (another graduated 2018)
- Spouse runs a SCEA EAP
- Pastor at Providence, who leases building from Swan Christian College

Mr Craig Clark

- Children at Kalamunda Christian School
- Employer provides services to SCEA schools

Board Professional Development

This list notes all the Professional Development (PD) undertaken by Board Members during 2019, (not all PD was undertaken by all Board Members):

- Better Education Conference
- Australian Governance Summit
- National Policy Forum Christian Schools Conference
- Child Protection

Financial Overview

2019 was another blessed year for SCEA on the financial front. We received an unqualified report from our Auditors, which is included in the published financial statements below. I am pleased to report that we met our lending banking covenants, and the Board approved budget. However, our overall financial performance was well below the targets that should be achieved for a school system like SCEA. Our main challenge is to ensure financial sustainability in the years ahead, so that we pass on an effective and strong organisation to the next generation. By putting in place sound business and operational targets and practices, we aim to be in a position to produce sufficient cash for future capital projects and the success of our schools.

Enrolment numbers and Government funding

SCEA's income is driven by enrolment numbers at each school, with the majority of income being derived from recurrent State and Federal grants. The Federal grants make up almost 50% of overall income. During 2021 and beyond, the funding methodology has changed, and we anticipate that this new model will produce a marginally better outcome for SCEA.

Enrolment numbers have been in a slight decline from 2015 until 2018, but in recent years, there has been a steady increase. This positive trend has continued into 2020.

Staffing costs

Staffing costs are our main expense, and the challenge remains to manage this expense in the context of our business model. After extensive external benchmarking, it was confirmed that some of our schools do operate at an unsustainably high level of staffing. This will be monitored in the short and medium-term to ensure that these costs match enrolments at our schools. Our hope is that our current positive enrolment trend will continue and improve the overall staffing ratios.

Capital and debt

During 2019, the first phase of secondary classroom buildings and an undercover sports facility was completed at Northshore Christian Grammar School. The project was completed at a value of \$5.2Mil. It was primarily funded via a combination of a Capital Grant (\$1.4Mil) and a low-interest loan from the WA State (\$3.56Mil).

The planning phase for the enclosure of the undercover area and additional classroom and specialist rooms at Mundaring Christian College (Secondary Campus) also commenced. This is currently under construction and will help the school meet the demands associated with its growing secondary enrolments. The project's estimated costs are \$4.5Mil and will be primarily funded via a Capital Grant (\$1.5Mil) and a low-interest loan (\$2.6Mil).

SCEA continues to carry a sizeable debt. At the end of 31 December 2019, this was \$27.3Mil. Debt is vital for our capital expenditure; however, it does add weight to the organisation's long term financial obligations.

COVID-19

SCEA has maintained its strategy to keep sufficient cash reserves to fund its operational and working capital requirements. During 2020, this strategy was significantly tested during the initial stages of COVID-19. SCEA was able to navigate this challenging time by assisting families in granting them financial assistance where needed. It was also in the fortunate position of limiting the need to stand down or make staff redundant as was the case in other schools.

Mr Rowan Joubert
Chief Financial Officer

Swan Christian Education
Association

Financial Statements

Directors Declaration

In the opinion of the Board of Swan Christian Education Association Inc

The Board have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

In the opinion of the Board, the financial report as set out on pages 2 to 13:

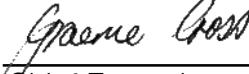
1. a) Presents fairly in all material respects the Associations' financial position for the year ended 31 Dec 2019 in accordance with the Accounting policies as disclosed in note 1;
b) Complying with the Associations Incorporation Act 2015 (WA); and
c) the Australian Charities and Not-for-profit Commission Regulation 2013.
2. At the end date of this statement there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.
3. The Directors have resolved not to revalue the land and buildings this year.

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

On behalf of the Board by resolution of the Directors.



President



Chief Executive

Date : 14/05/2020

Independent Auditor's Report

To the Members of Swan Christian Education Association Inc.

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Swan Christian Education Association Inc. ("the Association"), which comprises the statement of financial position as at 31 December 2019, the statement of financial performance, the statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the financial report of Swan Christian Education Association is in accordance with the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) presents fairly, in all material respects the Association's financial position as at 31 December 2019 and of its performance for the year ended on that date in accordance with the Accounting Policies as disclosed in note 1;
- (b) complying with the Associations Incorporation Act 2015 (WA); and
- (c) the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Board to meet the requirements of the Associations Incorporation Act 2015 (WA) and the Australian Charities and Not-for-profits Commission Regulation 2013. As a result, the financial report may not be suitable for another purpose.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Independent Auditor's Report

To the Members of Swan Christian Education Association Inc. (Continued)



Responsibilities of Directors for the Financial Report

The Directors are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 31 December 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 Directors for the Financial Report

The Directors are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporation Act 2015 (WA) and the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the 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.

Independent Auditor's Report

To the Members of Swan Christian Education Association Inc. (Continued)



- ▶ 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 Association's internal control.
- ▶ Evaluate the appropriateness of accounting policies used based on the accounting policies disclosed in Note 1 and the reasonableness of accounting estimates and related disclosures made by the Directors.
- ▶ Conclude on the appropriateness of the Directors' 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 Association'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 Association 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.


BENTLEYS
Chartered Accountants


DOUG BELL CA
Partner

Dated at Perth this 14th day of May 2020

SWAN CHRISTIAN EDUCATION ASSOCIATION INC

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 December 2019

INCOME	NOTE	2019 \$	2018 \$
Families income inc Tuition fees		20,145,498	19,753,138
Interest Income		233,911	327,061
Other net income	3	2,672,458	2,998,739
Profit on Sale of Assets		2,257	1,796
Rental Income		80,712	-
Special Educational Grants		865,294	878,763
State & Commonwealth Grants		40,235,533	37,542,903
TOTAL INCOME		64,235,663	61,502,400
EXPENDITURE			
<i>Tuition</i>			
Salaries		33,652,423	31,583,506
Tuition Expenses		3,518,786	3,368,222
		37,171,209	34,951,728
<i>Administration & General</i>			
Administration Salaries		6,128,124	6,097,115
Admin, computers, bank, cleaning & security		1,202,908	1,663,804
Maint / Grounds & Cleaning Wages & Exp		3,047,261	3,101,811
Advertising Staff and Marketing		269,058	252,035
Professional fees	4	342,285	174,133
Bad debts write off		90,813	133,665
Depreciation		3,880,166	3,941,366
Doubtful Debt expense/(reversal)		(41,834)	(74,104)
Insurance General		307,451	286,303
Light, Rates, Water & Telephone		850,855	816,150
Long Service Leave		859,544	512,995
OH&S expenses		21,379	20,596
Printing, Stationery & Office		300,318	315,946
Super, Staff expenses and WCA	5	5,292,770	4,770,575
Subscriptions		166,134	164,674
Transport, Motor Vehicle & Travel		499,580	444,514
		23,216,812	22,621,578

This Statement of Financial Performance should be read in conjunction with the accompanying notes.

SWAN CHRISTIAN EDUCATION ASSOCIATION INC

**STATEMENT OF FINANCIAL PERFORMANCE - continued
for the year ended 31 December 2019**

	2019	2018
	\$	\$
Interest	1,000,710	1,024,078
Rent- Leased Properties	22,556	59,640
	1,023,266	1,083,718
TOTAL EXPENDITURE	61,411,286	58,657,024
Assets scrapped	574	3,239
NET OPERATING SURPLUS FOR THE YEAR	2,823,802	2,842,137
NON-OPERATING ACTIVITIES		
TRANSFERS FROM / (TO) RESERVES AND FUNDS		
Transfer from / (to) Family Hardship Fund	17	-
Transfer from / (to) School Development Fund	20	(45,080)
NET SURPLUS TRANSFERRED	(602,108)	109,709
	2,221,694	2,906,766

This Statement of Financial Performance should be read in conjunction with the accompanying notes.

SWAN CHRISTIAN EDUCATION ASSOCIATION INC

STATEMENT OF FINANCIAL POSITION
for the year ended 31 December 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash at Bank	6	10,931,070	12,502,141
Receivables	7	1,285,118	1,161,859
Prepayments	8	579,341	1,229,461
Stock		309,593	268,499
Total Current Assets		<u>13,105,122</u>	<u>15,161,960</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	9	93,861,033	91,051,012
Right of use Asset	21	536,157	-
Total Non-current assets		<u>94,397,190</u>	<u>91,051,012</u>
TOTAL ASSETS		<u>107,502,312</u>	<u>106,212,972</u>
CURRENT LIABILITIES			
Payables	10	3,132,982	3,618,398
Provisions - Current	11	2,299,296	2,304,336
Current Lease Liability	21	40,505	-
Loans payable within 12 months	12	1,656,238	1,699,986
Total Current Liabilities		<u>7,129,021</u>	<u>7,622,720</u>
NON-CURRENT LIABILITIES			
Provisions - Non-Current	11	2,279,821	2,072,114
Non - Current Lease Liability	21	511,485	-
Loans	13	25,730,936	27,403,479
Total Non-Current Liabilities		<u>28,522,242</u>	<u>29,475,593</u>
TOTAL LIABILITIES		<u>35,651,263</u>	<u>37,098,313</u>
NET ASSETS		<u>71,851,049</u>	<u>69,114,659</u>
Represented by:			
Accumulated Surplus	14	56,414,355	54,192,660
School councils	15	118,490	206,983
Building / Library Fund	16	600,493	599,413
Family Hardship Fund	17	150,000	150,000
School Development Fund	20	2,595,786	1,993,678
Revaluation Reserve Account	18	11,971,925	11,971,925
NET EQUITY		<u>71,851,049</u>	<u>69,114,659</u>

This Statement of Financial Performance should be read in conjunction with the accompanying notes.

SWAN CHRISTIAN EDUCATION ASSOCIATION INC

STATEMENT OF CASH FLOWS
for the year ended 31 December 2019

	2019 \$	2018 \$
Cash Flows From Operations		
Receipts from student fees	19,978,362	19,657,315
Grants received recurrent	41,100,827	38,421,665
Other income	1,056,587	1,068,985
Interest Received	233,911	327,061
Payments to suppliers and employees	(56,991,698)	(54,534,272)
Interest and borrowing costs paid	(1,000,710)	(1,024,078)
Net Cash Flows From Operations	4,377,279	3,916,676
Cash Flows From Investing Activities		
Funding other projects - Government Grants	983,020	1,264,000
Enrolment Bonds received / (refunded)	(122,753)	(82,050)
Non refundable endowment & building fund	713,563	665,754
Acquisition of buildings and plant and equipment	(5,805,889)	(3,057,068)
Net Cash Flows (used in)/from Investing	(4,232,059)	(1,209,364)
Cash Flows From Financing Activities		
Loans draw down		
Loans Repaid	(1,699,986)	(1,531,032)
Proceeds from loans	(16,305)	2,804,440
Net Cash Flows (used in) / from Financing	(1,716,291)	1,273,408
NET CASH FLOWS	(1,571,071)	3,980,718
Cash Position		
Opening Balance	12,502,141	8,521,421
Net Cash Flows	(1,571,071)	3,980,718
Closing Balance	10,931,070	12,502,141

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

SWAN CHRISTIAN EDUCATION ASSOCIATION INC

Notes to the accounts for the year ended 31 December 2019

1 Summary of significant Accounting Policies

These special purpose accounts reflect the activities of the Swan Christian Education Association (Inc).

The accounts incorporate the following schools and colleges:

Southern Hills Christian College	Mundaring Christian School
Beechboro Christian School	Swan Christian College
Ellenbrook Christian College	Kalamunda Christian School
Northshore Christian Grammar School	

The Association is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the Association's constitution, Associations Incorporations Act 2015 (WA) and the Australian Charities & Not-for-profits Commission Regulation 2013 and are prepared in accordance with the accounting policies below.

a) Basis of Preparation.

The accounts are prepared in accordance with the historical cost convention on an accrual basis. Except where otherwise stated accounting policies are consistent with those of the previous year.

b) Income Tax.

Swan Christian Education Association Inc is exempt from payment of income tax under section 23(2) of the Income Tax Assessment Act.

c) Property, Plant and Equipment

Land is stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation.

Revaluations are performed by independent valuers. Any revaluation movements arising on the revaluation of land is recognised in the revaluation reserve. Land is not depreciated.

<u>Site</u>	<u>Date of valuation adopted in financial report</u>
Swan Christian College	22-Jul-09
Swan Christian College - Junior School Campus	22-Jul-09
Kalamunda Christian School	31-Dec-05
Mundaring Christian School	31-Dec-05
Southern Hills Christian College	31-Dec-05
Ellenbrook Christian College	31-Dec-05
Padbury Terrace (Association Office)	31-Dec-05

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

1 Summary of significant Accounting Policies cont.....

Depreciation

The following Depreciation rates have been applied to calculate the charge for the year:

Buildings	%
Constructed:-	
i) Buildings	2.5
ii) Auxiliary structures (shade structures, gazebos etc.)	20
Transportables	10
Plant & Machinery	10
Furniture and Equipment	
Furnishings (desks chairs cabinets shelving etc.)	10
Music equipment	15
Computers	25
Motor Vehicles	
All vehicles	20
Low value assets	33.3

d) Inventories

The uniform inventory is valued at the lower of cost and net realisable value

e) Employee Entitlements

Liabilities for annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. A liability for long service leave is recognised, and is measured at the current value of leave owing to the respective employees. Calculation has been made for all employees on a pro-rata basis (excluding the first two years) of the long service in terms of their Enterprise Bargaining Agreement of SCEA Inc - and non teaching staff. No consideration is given to future wage rates and salary levels.

f) Provision for Doubtful Debts and Bad Debts written off

A provision for doubtful debts is made following an assessment of overdue debtors and bad debts are only written off where it is confirmed that these will not be received.

g) Security Arrangements

The Bank overdraft and Bank loans disclosed in Note 12 and Note 13 are secured by mortgages over some of the fixed property of the Association

h) Going Concern

The financial statements have been prepared on a going concern basis. The Board believes this basis is appropriate because the Association has adequate finance facilities in place as disclosed in Note 19, to cover timing differences.

The Association is dependent on the ongoing receipt of grants from federal and state governments to ensure the continuance of its education services.

Subsequent to year-end the existing commercial loans has been renewed for a further 18 months lapsing 31 Aug 2021

Some provisions and funds received in advance are also included in current liabilities.

1 Summary of significant Accounting Policies cont.....

i) Library stock

The library stock are fully depreciated in the year of purchase.

j) Revenue

Tuition Fees

Tuition fees are recognised in the period of tuition by the Association. Tuition fees received in advance are recognised as unearned income liability, until such point that the tuition is rendered.

Government Grants

The Association receives government grants which are required to be measured under AASB 1058 Income of Not-for-Profit Entities. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. Such grants are recognised as a liability when received and recognised as income upon completion of the building pursuant to the grant.

Interest Income

Interest income is recognised on an accrual basis taking into account the interest rate applicable to the financial assets.

k) Receivables

Tuition receivables are measured at cost. Tuition receivables are assessed for indicators of impairment at the end of each reporting period. A separate provision for doubtful debts is recognised for any estimated loss from collection of tuition receivables. When a tuition receivable is considered uncollectible, it is written off against the provision for doubtful debts account.

l) Other Financial Liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

m) Capital Contributions Fund

Until 31 Dec 2017, capital grants received by the Association in excess of \$100,000 relating to the acquisition of fixed assets were included in equity as capital contributions in order to recognise the income over the useful life of the asset and thereby matching the revenue with the expenditure over this period. These contributions were credited to income over the expected useful life of the related assets on a straight line basis.

n) School Council, Building / Library Funds & Family Hardship Fund

School Council funds are administered by the schools and the funds are raised to facilitate projects out of the normal school curriculum and the funds are allocated accordingly.

The Building / Library funds are accumulated from donations made by members and staff of the association to fund future building projects.

The family hardship fund was established to assist families with financial hardship to continue their enrolments by making a contribution to the tuition fees.

1 Summary of significant Accounting Policies cont.....

o) Leases

The Association as lessee

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

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

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

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

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

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

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

The financial impact from the adoption of this standard is disclosed in note 22.

The Association as lessor

Upon entering into each contract as a lessor, the Association assesses if the lease is a finance or operating lease.

A contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease. Initial direct costs incurred in entering into an operating lease (for example, legal cost, costs to set up equipment) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Association's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Association applies AASB 15 to allocate the consideration under the contract to each component.

Based on the assessment by the Association, it was determined there was no impact on the Association. As such, the Association has not recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117: Leases where the Association is the lessee.

There has been no significant change from prior year treatment for leases where the Association is a lessor.

Lease liabilities are measured at the present value of the remaining lease payments, where applicable. The Association's incremental borrowing rate as at 1 January 2019 was used to discount the lease payments.

The right-of-use assets, where applicable for the remaining leases have been measured and recognised in the statement of financial position as at 1 January 2019 by taking into consideration the lease liability and the prepaid and accrued lease payments previously recognised as at 1 January 2019 (that are related to the lease).

SWAN CHRISTIAN EDUCATION ASSOCIATION INC

**Notes to the accounts for the year
ended 31 December 2019**

	2019 \$	2018 \$
2 Gross income		
Canteens	667,682	576,429
Uniforms	188,324	155,558
3 Other Net Income		
Transport	78,143	50,594
Uniform Shops	45,902	88,108
Other income	1,534,473	1,565,966
Income from Canteens	30,919	30,071
Capital Grants	983,020	1,264,000
	2,672,458	2,998,739
Other Income includes donations, hire, capital grants and fundraising		
4 Audit and Professional Fees		
Fee for audit	44,103	41,322
Other professional fees	298,182	132,811
	342,285	174,133
5 Staff Related Expenses		
The major items included in Staff Expenses are Superannuation \$4,052,225 (2018 - \$3,633,508) and Workers Compensation and Income Protection \$1,034,262 (2018 - \$936,565)		
6 Cash Assets		
General Funds	8,025,109	9,797,207
Building Fund	627,307	618,290
Family hardship and bonds	100,000	91,097
Library Fund	91,002	89,837
School Accounts	278,283	257,574
Term Deposits Funds invested	1,809,368	1,648,137
	10,931,070	12,502,141
7 Receivables		
Debtors- Tuition	2,548,651	2,461,214
Bad & Doubtful debts provision	(1,284,001)	(1,325,835)
Debtors - Sundry	20,468	26,480
	1,285,118	1,161,859
8 Prepayments		
Computer expenses	270,122	211,815
Payroll	141,829	966,505
Other	167,390	51,141
	579,341	1,229,461

SWAN CHRISTIAN EDUCATION ASSOCIATION INC

**Notes to the accounts for the year
ended 31 December 2019 (Continued)**

9 *Property, Plant & Equipment*

Freehold Land and Buildings & Improvements

Swan Christian College

Buildings & Improvements - At Cost

Less: Accumulated Depreciation

Land - Valuation 22 July 2009

	2019	2018
	\$	\$
swansnr		
20,680,634	20,647,937	
(7,072,261)	(6,436,180)	
5,748,317	5,748,317	
	19,356,690	19,960,074

Swan Christian College - Junior School Campus

Buildings & Improvements -At Cost

Less: Accumulated Depreciation

Land - Valuation 22 July 2009

wanjnr		
3,742,669	3,742,669	
(1,614,260)	(1,484,084)	
1,991,862	1,991,862	
	4,120,271	4,250,447

Swan Christian College - Trade Training Centre

Buildings & Improvements - At Cost

Plant and equipment - At cost

Less: Accumulated Depreciation

wanttc		
4,645,504	4,645,504	
1,312,992	1,310,692	
(1,796,770)	(1,549,505)	
	4,161,726	4,406,691

Kalamunda Christian School

Buildings & Improvements -At Cost

Less: Accumulated Depreciation

Land - Kalamunda - At Independent Valuation 31 December 2005

kal		
7,504,976	7,328,547	
(1,787,849)	(1,629,546)	
830,000	830,000	
	6,547,127	6,529,001

Mundaring Christian College

Buildings & Improvements -At Cost

Less: Accumulated Depreciation

Land - Mundaring - At Independent Valuation 31 December 2005

nun		
7,333,045	6,650,621	
(2,671,002)	(2,151,546)	
400,000	400,000	
	5,062,043	4,899,075

Mundaring Christian College - Parkerville Campus

Land at cost

Building and Improvement at cost

Transfer from WIP - building and improvement

Impairment - Transportable

Less: Accumulated Depreciation

nun		
2,202,931	2,202,931	
13,523,073	9,746,680	
	14,789,173	14,789,173
	3,776,393	
(105,304)	(105,304)	
(831,527)	(831,527)	

9 *Property, Plant & Equipment continued...*

Beechboro Christian School
Buildings & Improvements -At Cost
Less: Accumulated Depreciation

	2019	2018
	\$	\$
	100	100
Buildings & Improvements -At Cost	4,103,973	4,103,973
Less: Accumulated Depreciation	(2,667,564)	(2,377,156)
	1,436,409	1,726,817

The land is held on a 20 year lease from the Cracovia club.

Southern Hills Christian College
Buildings & Improvements -At Cost
At Independent Valuation 31 December 2005
Less: Accumulated Depreciation
Land - Armadale - At Independent Valuation 31 December 2005

h	5,960,594	5,899,404
	(2,247,484)	(2,096,362)
	900,000	900,000
	4,613,110	4,703,042

Ellenbrook Christian College
Buildings & Improvements -At Cost
At Independent Valuation 31 December 2005
Less: Accumulated Depreciation
Land - Ellenbrook - At Independent Valuation 31 December 2005

eb	13,633,741	13,594,288
	(4,294,739)	(3,925,101)
	2,100,000	2,100,000
	11,439,002	11,769,187

Padbury Terrace (Association Office)
Buildings & Improvements -At Cost
At Independent Valuation 31 December 2005
Less: Accumulated Depreciation
Land - Association - At Independent Valuation 31 December 2005

adm	1,098,043	1,098,043
	(358,925)	(332,820)
	1,200,000	1,200,000
	1,939,118	1,965,223

Northshore Grammar Christian School
Land at cost
Buildings & Improvements - At Cost
Less: Accumulated Depreciation

ns	5,126,711	5,126,711
	12,333,827	7,863,463
	(590,048)	(379,533)
	16,870,490	12,610,641

Other Assets
Plant & Machinery - at Cost
Less: Accumulated Depreciation

	1,384,735	1,092,844
	(406,273)	(280,498)
	978,462	812,346

9 *Property, Plant & Equipment continue...*

	2019	2018
	\$	\$
Computer Hardware & Software - at Cost	11,080,673	10,948,482
Less: Accumulated Depreciation	(10,207,265)	(9,948,211)
	<u>873,408</u>	<u>1,000,271</u>
Furniture & Equipment- at Cost	6,950,072	6,527,782
Less: Accumulated Depreciation	(5,434,143)	(5,111,295)
	<u>1,515,929</u>	<u>1,416,487</u>
Motor Vehicles - at Cost	468,204	463,210
Less: Accumulated Depreciation	(321,978)	(256,643)
	<u>146,226</u>	<u>206,567</u>
Library - at valuation	938,994	893,258
Less: Accumulated Depreciation	(927,143)	(887,288)
	<u>11,851</u>	<u>5,970</u>

The library stock was valued at Directors valuation in 2009. Replacements are fully depreciated in the year of purchase.

Total Property, Plant & Equipment

93,861,033	91,051,012
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10 Payables

Payables and accruals	2,895,718	3,258,382
Families, bonds and outside funds	237,264	360,016
	<u>3,132,982</u>	<u>3,618,398</u>

11 Provisions

Current Liability

Long service leave - Current	623,022	744,032
Executive study leave	89,600	77,112
Annual leave	855,933	787,998
General Provisions	679,500	679,500
Fees and Grants in advance	-	15,694
Employment related provisions	<u>51,241</u>	-
	<u>2,299,296</u>	<u>2,304,336</u>

Non-Current Liability

Long Service Leave	2,279,821	2,072,114
	<u>2,279,821</u>	<u>2,072,114</u>

	2019 \$	2018 \$
12 Loans		
Current Portion - Payable next 12 months		
Commercial Bank Loans and leases - Current	356,666	356,666
State Government Low Interest Loans - Current	<u>1,299,572</u>	<u>1,343,320</u>
	1,656,238	1,699,986
13 Loans		
Long Term Loans		
Commercial Bank Loans and leases	14,100,928	14,457,594
State Government Low Interest Loans	<u>11,630,008</u>	<u>12,945,885</u>
	25,730,936	27,403,479
14 Accumulated Funds		
Opening Balance	54,192,660	34,525,929
Net Surplus for the year	2,221,694	2,906,766
Transfer from Capital contributions	<u>16,759,965</u>	
	56,414,355	54,192,660
15 School Council funds		
Net balances at year end	118,490	206,983
16 Building / Library Fund		
Opening Balance	599,413	598,205
Net Contributions/(Distributions)	<u>1,080</u>	<u>1,208</u>
	600,493	599,413
17 Family Hardship Fund		
Opening Balance	150,000	104,920
Current year assistance less transfers	-	45,080
	150,000	150,000
This fund has been established to assist families in financial hardship		
Current year hardship applications has been funded as part of fee assistance		
18 Revaluation reserve		
Revaluation reserve	11,971,925	11,971,925
	11,971,925	11,971,925
19 Finance Facilities		
The Association continues to receive recurrent and capital grants from Commonwealth and State Government funding.		

In addition, the Association has general bank finance facilities of \$27m (2018 - \$29m) in place of which \$6.6m (2018 : \$8.7M) is undrawn. This includes an overdraft facility of \$0.5m (2018 - \$1.5Mil)

20	School Development Fund		
	Amounts resolved to be appropriated to fund	1,993,678	2,103,387
	Plus amounts transferred - current year	713,563	665,757
	Less amounts appropriated - current year	(111,455)	(775,466)
		2,595,786	1,993,678

21	Leases		
<u>Right of use assets</u>			
	Right of use assets	536,157	-
		536,157	-

<u>Lease Liabilities</u>			
Current	40,504	-	
Non-current	511,485	-	
	551,989	-	

Refer to Note 22 for further details on adoption of AASB 16 Leases

22 Effects of Adoption of AASB 16 Leases

This note explains the impact of the adoption of AASB 16 *Leases* on the Association's financial statements and discloses the new accounting policies that have been applied from 1 January 2019. The Association has adopted AASB 16 retrospectively from 1 January 2019, but has not restated comparatives for the 31 December 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

a. Adjustments recognised on adoption of AASB 16

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under AASB117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.14%.

Operating lease commitments disclosed as at 1 January 2019	726,805
Discounted using the lessee's incremental borrowing rate of at the date of initial application	589,773
Lease liability recognised as at 1 January 2019	589,773
Of which are:	
· Current lease liabilities	37,784
· Non-current lease liabilities	551,989
	589,773

The associated right-of-use assets for leases were measured on a retrospective basis as if the new rules had always been applied, other than those for which this could not be determined, which are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 1 January 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets were as follows:

	1-Jan 2019 \$
Right of use of assets	589,773
Total right-of-use assets	589,773

23 Subsequent Events

There have been no subsequent events that occurred after the end of 31 Dec 2019 that significantly affect the stated affairs or operations at the school, except for the onset of COVID-19 which is noted below.

Subsequent to year end, the world and local community has been impacted by the onset of COVID-19. The Association has been monitoring the potential impact of COVID-19 and its operations and has plans in place to minimise the impact and is well placed financially to sustain short term disruptions to its operations. Given the uncertainty over the situation, the Association is not in a position to determine the full impact that COVID-19 will have on its operations, or quantify any financial impact.

24 Capital Commitments

The Association has committed to a construction contract to the value of \$3,565,302 for further development at the Parkerville secondary campus of Mundaring Christian College. It is expected that this project will be completed by the end of 2020. The overall expected costs for this project will be \$4,546,000.



Beechboro
Christian School



Ellenbrook
CHRISTIAN COLLEGE



Northshore
Christian Grammar School



Mundaring
CHRISTIAN COLLEGE



SOUTHERN HILLS
Christian College



Swan Christian
EDUCATION ASSOCIATION