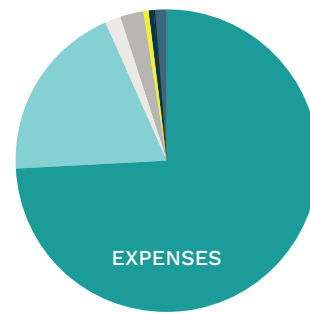
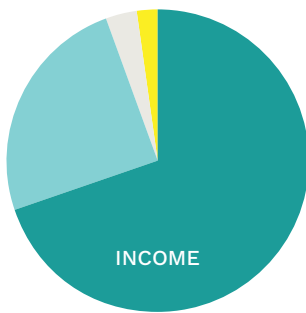


Audited Financial Statements 2023

Total revenue for 2023 for Eastern College Australia decreased by 11% from 2022 to \$2.18M, primarily driven by a decrease in government grants of \$0.5M. However, this was somewhat offset by a 9% increase in tuition revenue, an increase in general donations to \$73K, and an increase in interest revenue by \$43K. Total units studied was slightly up on 2022 to 412 from 391, driven by an increase in demand for education and linguistics courses.

Total expenses increased in 2023 by 9% primarily driven by an increase in employee costs and faculty/student expenses, however, the full impact

was offset by a decrease in spending on publicity and promotions and depreciation expenses. This led to a total deficit of -\$167K in 2023. Salary expenses increased as some of the roles required for ECA's financial turnaround changed from part-time to full-time. This included the new Chief Operations Officer, a new Dean of Education, and other support staff. Faculty and student expenses increased due to increased scholarships given to Master of Transformational Development students who rely heavily on Eastern scholarships in order to study.



INCOME		2023	2022	% Change
Tuition fees	70%	\$1,526,558	\$1,403,321	↑ 9%
Grants	25%	\$535,452	\$1,020,839	↓ 48%
Donations	3%	\$75,451	(\$2,834)	-
Other Revenue	2%	\$43,761	\$23,418	↑ 87%
Total Income		\$2,181,222	\$2,444,744	↓ 11%

EXPENSES		2023	2022	% Change
Employee expenses	74%	\$1,748,056	\$1,589,819	↑ 10%
Faculty and student expenses	19%	\$447,533	\$350,231	↑ 28%
Publicity and promotions expense	2%	\$38,373	\$70,620	↓ 46%
Administration expense	3%	\$58,918	\$63,072	↓ 7%
Depreciation expense	0.5%	\$11,181	\$30,452	↓ 63%
Cleaning expenses	1%	\$15,526	\$12,067	↑ 29%
Household expenses	0.1%	\$2,972	\$7,232	↓ 59%
Property maintenance expenses	1%	\$26,544	\$33,958	↓ 22%
Total Expenses		\$2,349,103	\$2,157,45	↑ 9%

Surplus / (Deficit)	(\$167,881)	\$287,293
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*ECA's finances are audited by SAWARD DAWSON with our Financial Year concluding on 31 December.

Enrolment Summary

The table below outlines units studied at Eastern and, as you can see, there has been a material change in our education courses which now has seen ~100% increase in units studied (reasons are outlined earlier). We continue to believe this will be a growth driver for a sustainable ministry.

The Master of Transformational Development continues to perform well under the leadership of Dr Tanya Riches who is doing an exceptional job in growing the cohort and the scholarship funds for the program. The Bachelor of Applied Social Science (Counselling) has seen a marked decrease in enrolments. We believe this will change as we seek to accredit a Master of Counselling and Bachelor of Counselling for enrolments in 2026. Our new course, the Master of Youth Mental Health and Wellbeing, has started slowly and we believe God will bring more students into this wonderful course.

STUDENTS ENROLLED	2024	2023	% Change	2022
Diploma of Arts	28	27	↑ 4%	61
Bachelor of Arts	3	2	↑ 50%	9
Bachelor of Applied Social Science	38	53	↓ 28%	52
Bachelor of Education	206	102	↑ 102%	86
Grad Certificate of Arts	8	5	↑ 60%	3
Grad Diploma of Arts	35	50	↓ 30%	16
Master of Transformational Development	101	84	↑ 20%	84
Master of Teaching	176	89	↑ 98%	80
Master of Youth Mental Health & Wellbeing	6	0	↑ 100%	0
UNITS STUDIED	601	412	↑ 46%	391



Looking to the Future

Financial Year 2024 Forecast

	Jul 24 YTD	July 23 YTD	% Change		2024 FY Forecast
Total Revenue	\$1,607,134	\$1,246,475	↑	29%	\$2,588,217
Tuition Fees	\$1,318,254	\$953,840	↑	38%	\$2,175,265
Donations	\$15,464	\$51,148	↓	70%	\$80,000
Total Expenses	\$1,623,991	\$1,367,273	↑	19%	\$2,923,966
Salary Expenses (Incl Super)	\$1,045,309	\$922,927	↑	12%	\$1,937,129
EBITDA	(\$16,856)	(\$120,798)	↑	86%	(\$335,749)
Net Income	(\$40,226)	\$140,096	↓	129%	(\$376,616)

In 2023, Eastern College Australia performed better financially than expected despite the huge reduction in government grants of -\$500K compared to the prior year. The impact from the loss of these grants was softened by a strong increase in donations (~\$75K) and strong expense management from salaries to general expenses. Liquidity issues continue to remain a concern for management noting that government grants are not available in 2024. However, we have seen a marked turnaround in student numbers in 2024 as unit enrolment data outlines a 46% increase in units from 2023. This was driven by the formal creation of the CITE Alliance (Christian Initial Teacher Education Alliance) which involved a partnership between the five largest Christian Schools of Victoria—Donvale Christian College, Waverley Christian College, Cairo Christian College, Crest Education, and Flinders Christian Community College.

This Alliance partnered with Eastern as their sole provider for education courses for their potential teacher pipeline which includes year 12 graduates and/or current teacher aides. These students will study undergraduate and graduate level courses at Eastern in Education while, at the same time, continuing to work as teacher trainees at their relevant schools (an apprenticeship model). In addition, given the release of 'free degrees' in Education by the Andrew's government, this has created a large demand for Education degrees. This has driven a significant increase in student and unit numbers, and we believe it will continue to provide the vehicle for growth.

Having said this, Eastern remains financially fragile with an expected loss of \$220K-350K in FY24 with ~\$600K in liquidity remaining. While we remain optimistic that we will deliver a break-even budget soon, we continue to be reliant on the faithfulness of donors to help the sustainability of our ministry.



EASTERN
COLLEGE AUSTRALIA

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