

**Canberra Montessori Society
Incorporated**

ABN47 589 903 537

Financial Statements
For the year ended 31 December 2021

Laterals Accounting Solutions
35 Montague Street
Goulburn NSW 2580

Phone: 0248220555

Website: www.laterals.com.au

Canberra Montessori Society Incorporated
ABN 47 589 903 537

Contents

<u>Board Report</u>	<u>3</u>
<u>Statement by the Board</u>	<u>5</u>
<u>Independent Auditor's Report</u>	<u>6</u>
<u>Income & Expenditure Statement</u>	<u>8</u>
<u>Detailed Statement of Financial Position</u>	<u>9</u>
<u>Statement of Cash Flows</u>	<u>12</u>
<u>Notes to the Financial Statements</u>	<u>14</u>

Canberra Montessori Society Incorporated
ABN 47 589 903 537
Board Report
For the year ended 31 December 2021

Your Board of Directors submits the financial accounts of the Canberra Montessori Society Incorporated for the financial year ended 31 December 2021.

Board Members

The names of Board Members at the date of this report are:

Tim Bourke
Christine Harrison
Anupam Malhotra

Principal Activities

The principal activities of the Association during the financial year were:

- 1) Providing Montessori educational services through a complete suite of early childhood education and primary classes from age 18 months to 12 years.
- 2) Increasing the number of qualified Montessori teachers in the sector by providing access to accredited training opportunities.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The deficit from ordinary activities amounted to \$119,446 (2020 Surplus: \$37,229)

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which have or will significantly affect the reportable income & expenditure statement.

Whilst the Board is actively monitoring student enrolments and enrolment projections, at the time of publishing this report there are no matters or circumstances known to the Board that significantly affect the operations of the Society, the financial results of those operations, or the state of affairs of the Society in subsequent financial years.

Canberra Montessori Society Incorporated

ABN 47 589 903 537

Board Report

For the year ended 31 December 2021

Signed in accordance with a resolution of the Members of the Board on :



Board Member



Board Member

Canberra Montessori Society Incorporated

ABN 47 589 903 537

Statement by the Board

For the year ended 31 December 2021

In the opinion of the Board the Income & Expenditure Statement, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents a true and fair view of the financial position of Canberra Montessori Society Incorporated as at 31 December 2021 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. The financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.
3. At the 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.

This statement is made in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013 and is signed for and on behalf of the Board by:



Board Member



Board Member

Date:

1/4/2022

Canberra Montessori Society Incorporated
ABN 47 589 903 537
Independent Auditor's Report

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Canberra Montessori Society Incorporated (the association), which comprises the statement of financial position as at 31 December 2021, the income and expenditure statement 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 certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report of Canberra Montessori Society Incorporated is in accordance with the Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 including:

- (a) giving a true and fair view of the association's financial position as at 31 December 2021 and of its performance for the year then ended; and
- (b) that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012.

Basis for Opinion

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

Information Other than the Financial Report and Auditor's Report Thereon

The committee of the association is responsible for the other information. The other information comprises the information included in the association's annual report for the year ended 31 December 2021, 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 the Committee for the Financial Report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act and for such internal control as the committee determines 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 committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Canberra Montessori Society Incorporated

ABN 47 589 903 537

Independent Auditor's Report**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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's 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 the committee 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.

Signed on

Tim Allen, Director
Laterals Chartered Accountants
35 Montague St, Goulburn NSW

Canberra Montessori Society Incorporated

ABN 47 589 903 537

Income & Expenditure Statement

For the year ended 31 December 2021

	2021 \$	2020 \$
Income		
School Fees	2,314,921	1,942,326
Capital Fees	38,940	55,000
Fundraising	16,882	-
Membership Fees	19,871	20,518
Grant Income	828,798	666,039
Other Income	32,577	18,000
Interest Received	1	330
Centerlink Parental Allowance	-	13,506
Workers Comp Reimbursements	7,842	32,800
COVID-19 Funding	-	580,493
Total income	<u>3,259,832</u>	<u>3,329,012</u>
Expenses		
Advertising & Promotion	7,980	5,868
Bad debts	10,866	4,067
Building & Maintenance	148,693	184,309
Borrowing Costs	8,447	16,412
Classroom Stationery & Materials	64,310	52,706
Computer Expenses	55,638	45,015
Depreciation	156,113	165,424
Employee Expenses	2,635,398	2,554,789
Fundraising	53	-
Insurance	106,051	98,322
Occupancy Expense	57,982	54,000
Other Expenses from Ordinary Activities	92,538	96,350
Staff Training	26,539	8,528
Subscriptions & Levies	8,670	5,993
Total expenses	<u>3,379,278</u>	<u>3,291,783</u>
Surplus (Deficit) from ordinary activities	<u>(119,446)</u>	<u>37,229</u>
Opening retained surplus	2,225,764	2,188,535
Net Surplus (Deficit) attributable to the association	<u>(119,446)</u>	<u>37,229</u>
Closing retained surplus	<u>2,106,318</u>	<u>2,225,764</u>

The accompanying notes form part of these financial statements.

Canberra Montessori Society Incorporated
ABN 47 589 903 537
Detailed Statement of Financial Position as at 31 December 2021

	2021 \$	2020 \$
Current Assets		
Cash Assets		
Cash at Bank	114,880	279,402
Cash on Hand	1,000	1,000
Cash in Transit	4,330	-
	<u>120,210</u>	<u>280,402</u>
Receivables		
Trade Debtors	141,581	73,553
	<u>141,581</u>	<u>73,553</u>
Other		
Prepayments	49,172	4,691
Prepaid Insurance	90,187	-
Sundry Debtors	-	2,578
	<u>139,359</u>	<u>7,269</u>
Total Current Assets	<u>401,150</u>	<u>361,224</u>
Non-Current Assets		
Property, Plant and Equipment		
Buildings/Leasehold Improvements	4,028,613	4,023,913
Less: Accumulated Depreciation	(1,442,460)	(1,343,330)
Office, Plant & Equipment	621,996	596,155
Less: Accumulated Depreciation	(522,636)	(465,652)
	<u>2,685,513</u>	<u>2,811,086</u>
Total Non-Current Assets	<u>2,685,513</u>	<u>2,811,086</u>
Total Assets	<u>3,086,663</u>	<u>3,172,310</u>

The accompanying notes form part of these financial statements.

Canberra Montessori Society Incorporated
ABN 47 589 903 537
Detailed Statement of Financial Position as at 31 December 2021

	2021	2020
	\$	\$
<hr/>		
Current Liabilities		
Payables		
Unsecured:		
- Trade Creditors	60,380	24,636
- Accruals	11,015	4,549
- Employee related accruals	88,002	108,402
	<u>159,397</u>	<u>137,587</u>
Financial Liabilities		
Unsecured:		
- Insurance Finance	99,206	-
Secured:		
- Bank loans	93,072	143,040
	<u>192,278</u>	<u>143,040</u>
Provisions		
Provision for Long Service Leave	113,245	115,614
Provision for Annual Leave	25,173	46,461
	<u>138,418</u>	<u>162,075</u>
Other		
Grants & Fees Received in Advance	19,156	22,223
Enrolment Deposits Held	26,300	31,755
	<u>45,456</u>	<u>53,978</u>
Total Current Liabilities	<u>535,549</u>	<u>496,680</u>

The accompanying notes form part of these financial statements.

Canberra Montessori Society Incorporated
ABN 47 589 903 537
Detailed Statement of Financial Position as at 31 December 2021

	2021	2020
	\$	\$
<hr/>		
Non-Current Liabilities		
Financial Liabilities		
Secured:		
- Bank loans	328,286	333,781
- Hire purchase	-	672
	<u>328,286</u>	<u>334,453</u>
Provisions		
Provision for Long Service Leave	40,328	20,756
Enrolment Deposits Held	76,182	94,657
	<u>116,510</u>	<u>115,413</u>
Total Non-Current Liabilities	<u>444,796</u>	<u>449,866</u>
Total Liabilities	<u>980,345</u>	<u>946,546</u>
Net Assets	<u>2,106,318</u>	<u>2,225,764</u>
 Members' Funds		
Accumulated surplus (deficit)	<u>2,106,318</u>	<u>2,225,764</u>
Total Members' Funds	<u>2,106,318</u>	<u>2,225,764</u>

The accompanying notes form part of these financial statements.

Canberra Montessori Society Incorporated**ABN 47 589 903 537****Statement of Cash Flows****For the year ended 31 December 2021**

	2021 \$	2020 \$
Cash Flow From Operating Activities		
Receipts from customers	3,180,937	3,306,646
Payments to Suppliers and employees	(3,345,214)	(3,200,474)
Interest received	1	330
Interest and other costs of finance	(8,447)	(16,412)
Net cash provided by (used in) operating activities (note 2)	<u>(172,723)</u>	<u>90,090</u>
Cash Flow From Investing Activities		
Payment for:		
Payments for property, plant and equipment	<u>(30,540)</u>	<u>(20,398)</u>
Net cash provided by (used in) investing activities	<u>(30,540)</u>	<u>(20,398)</u>
Cash Flow From Financing Activities		
Proceeds of borrowings	99,206	136,891
Repayment of borrowings	<u>(56,135)</u>	<u>(3,041)</u>
Net cash provided by (used in) financing activities	<u>43,071</u>	<u>133,850</u>
Net increase (decrease) in cash held	(160,192)	203,542
Cash at the beginning of the year	<u>280,402</u>	<u>76,860</u>
Cash at the end of the year (note 1)	<u><u>120,210</u></u>	<u><u>280,402</u></u>

The accompanying notes form part of these financial statements.

Canberra Montessori Society Incorporated

ABN 47 589 903 537

Statement of Cash Flows

For the year ended 31 December 2021

	2021	2020
<hr/>		
Note 1. Reconciliation Of Cash		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.		
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at Bank	114,880	279,402
Cash on Hand	1,000	1,000
Cash in Transit	4,330	-
	<hr/>	<hr/>
	120,210	280,402
	<hr/>	<hr/>

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Operating Profit After Income Tax

Operating profit after income tax	(119,446)	37,229
Depreciation	156,113	165,424
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(68,028)	(17,969)
(Increase) decrease in prepayments	(132,090)	(4,552)
Increase (decrease) in trade creditors and accruals	21,810	(62,318)
Increase (decrease) in other creditors	(8,522)	(30,118)
Increase (decrease) in employee entitlements	(4,085)	58,476
Increase (decrease) in sundry provisions	(18,475)	(56,082)
Net cash provided by (used in) operating activities	<hr/>	<hr/>
	(172,723)	90,090
	<hr/>	<hr/>

Canberra Montessori Society Incorporated**ABN 47 589 903 537****Notes to the Financial Statements****For the year ended 31 December 2021**

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

The financial report covers Canberra Montessori Society Incorporated as an individual entity. Canberra Montessori Society Incorporated is an association incorporated in the Australian Capital Territory under the Associations Incorporation Act 1991.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Going Concern Basis of Accounting

The Association's Balance Sheet is showing a net current ratio of 0.75:1 (2020 0.73:1). This ratio has resulted largely from the Association's explicit strategy of debt reduction over the past several years.

The Association has currently allowed for loan repayments of \$93,072 over the next 12 months, which are recorded as a current liability in accordance with the Australian Accounting Standards. Further amounts recorded as current liabilities include Long Service Leave liabilities of \$113,245, which are not expected to be paid in full over the next 12 months. Also shown in current liabilities are Grants & Fees Received in Advance of \$19,156 and Enrolment Deposits Held of \$26,300 which are expected to result in only minor cash outflows to the Association.

The Association continues to be able to pay debts on or before the due date and has no restrictions in place from any suppliers.

The Association has continued discussions with its financier regarding the tenor of loans outstanding to better align with commercial practise in relation to School asset funding. The Association has a high level of equity available in the infrastructure it holds to support these discussions.

Income tax

The Association is a tax exempt body under Division 50 of the Income Tax Assessment Act 1997.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

a) Plant and equipment

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

Canberra Montessori Society Incorporated

ABN 47 589 903 537

Notes to the Financial Statements

For the year ended 31 December 2021

b) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to Canberra Montessori Society Incorporated commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Asset	Depreciation Rate %
Buildings and improvements	2.5%
Plant and Office equipment	20%
Computers	25%

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to Canberra Montessori Society Incorporated are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value.

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

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

Investments

Shares in listed companies held as current assets are valued at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities before income tax.

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments.

The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

Employee entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Contributions are made by Canberra Montessori Society Incorporated to employee superannuation funds and are charged as expenses when incurred.

Canberra Montessori Society Incorporated

ABN 47 589 903 537

Notes to the Financial Statements

For the year ended 31 December 2021

Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in all call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

Comparative Figures

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

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).