

Canberra Montessori Society Inc

ABN: 47 589 903 537

Financial Statements

For the year ended 31 December 2023

Canberra Montessori Society Inc

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Canberra Montessori Society Inc

Directors' report
31 December 2023

The responsible persons present their report on Canberra Montessori Society Inc for the financial year ended 31 December 2023.

Information on board members

The names of each person who has been a board member during the year and to date of the report are:

Tim Bourke - Board Chair
Christine Harrison
Sean West Money
Katrina March
Marion McEwin
Michael Skinner
Ziad Zakout
Anupam Malhotra

Responsible persons have been in office since the start of the financial year to the date of the report unless otherwise stated.

Principal activities

The principal activities of Canberra Montessori Society Inc 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; and
2. Increasing the number of qualified Montessori teachers in the sector by providing access to accredited training opportunities

No significant changes in the nature of the Association's activity occurred during the financial year.

Operating results

The profit from ordinary activities of the Association amounted to \$781,183 (2022: loss \$548,656)

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Association during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Environmental issues

The Association's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Canberra Montessori Society Inc.

Canberra Montessori Society Inc

Directors' report
31 December 2023

Auditor's Independence Declaration

The auditor's independence declaration in accordance with Section 60-40 of the *Associations Incorporations Act (ACT) 1991*, for the year ended 31 December 2023 has been received and can be found on the following page of the financial report.

Signed in accordance with a resolution of the Board of directors.



Tim Bourke

Board Member

Dated: 15/3/24

Auditor's independence declaration to the responsible persons of Canberra Montessori Society Inc

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023, there have been:

- no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Tim Allen (Director)



Laterals Accounting Solutions
213 Auburn Street,
Goulburn NSW 2580

Dated:

Canberra Montessori Society Inc

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

	Note	2023 \$	2022 \$
Revenue	5		
School fees		3,208,580	2,414,400
Grants			
Grant Revenue - ACT		232,342	201,354
Grant Revenue - Federal		929,370	753,391
Grant Revenue - Sport		6,400	6,500
Grant Revenue - Other		60,367	892
Total Grants		1,228,479	962,137
Member subscriptions		14,302	15,775
Enrolment/Application Fees		6,350	3,300
Capital Fees		64,000	38,400
Fundraising revenue		2,332	558
Total Revenue		4,524,043	3,434,570
Other income	5	37,318	33,869
Total income		4,561,361	3,468,439
Expenses			
Depreciation and amortisation		(134,290)	(146,969)
Employee benefit expenses		(2,916,003)	(3,032,525)
Finance expenses		(42,946)	(21,240)
Impairment losses on receivables		(13,869)	(64,625)
Insurance		(82,006)	(117,566)
Other expenses		(101,409)	(89,525)
Classroom Stationery & Materials		(59,796)	(137,577)
Computer Expenses		(50,623)	(46,243)
Staff training		(21,031)	(26,768)
Administrative expenses		(108,322)	(31,531)
Marketing expenses		(2,400)	(8,825)
Repairs and maintenance		(181,390)	(238,754)
Other occupancy costs		(66,093)	(54,947)
Total expenses		(3,780,178)	(4,017,095)
Profit (loss) for the year		781,183	(548,656)
Total comprehensive income for the year		781,183	(548,656)

The accompanying notes form part of these financial statements.

Canberra Montessori Society Inc

Statement of changes in equity

For the year ended 31 December 2023

2022	Retained earnings \$	Total \$	Total equity \$
Opening balance	2,106,318	2,106,318	2,106,318
Profit (loss) for the year	(548,656)	(548,656)	(548,656)
Closing balance	1,557,662	1,557,662	1,557,662

2023	Retained earnings \$	Total \$	Total equity \$
Opening balance	1,557,661	1,557,661	1,557,661
Profit for the year	781,183	781,183	781,183
Closing balance	2,338,844	2,338,844	2,338,844

The accompanying notes form part of these financial statements.

Canberra Montessori Society Inc

Statement of financial position

As at 31 December 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	7	440,247	36,218
Trade and other receivables		111,166	153,174
Other assets			
Prepayments		17,197	15,419
Prepaid Insurance		122,711	100,078
Total current assets		691,321	304,889
Non-current assets			
Property, plant and equipment	8	2,502,280	2,553,947
Total assets		3,193,601	2,858,836
Liabilities			
Current liabilities			
Trade and other payables	9	217,995	521,129
Borrowings	10	93,072	203,158
Employee leave entitlements	12	299,066	250,290
Other liabilities	11	26,490	22,940
Total Current liabilities		636,623	997,517
Non-current liabilities			
Borrowings	10	138,667	215,314
Employee leave entitlements	12	16,957	5,128
Other liabilities	11	62,510	83,215
Total non-current liabilities		218,134	303,657
Total liabilities		854,757	1,301,174
Net assets		2,338,844	1,557,662
Equity			
Retained earnings		2,338,844	1,557,662

The accompanying notes form part of these financial statements.

Canberra Montessori Society Inc

Statement of cash flows

For the year ended 31 December 2023

	2023	2022
	\$	\$
Cash flows from operating activities:		
Receipts from customers	4,589,499	3,392,221
Payments to suppliers and employees	(3,873,168)	(3,337,478)
Interest paid	(42,946)	(21,240)
Net cash flows from/(used in) operating activities	673,385	33,503
Cash flows from investing activities:		
Purchase of property, plant and equipment	(82,623)	(15,403)
Cash flows from financing activities:		
Proceeds from borrowings	-	10,880
Repayment of borrowings	(186,733)	(112,972)
Net cash provided by/(used in) financing activities	(186,733)	(102,092)
Net increase/(decrease) in cash and cash equivalents	404,029	(83,992)
Cash and cash equivalents at beginning of year	36,218	120,210
Cash and cash equivalents at end of financial year	440,247	36,218

The accompanying notes form part of these financial statements.

Canberra Montessori Society Inc

Notes to the financial statements

For the year ended 31 December 2023

1. Introduction

The financial report covers Canberra Montessori Society Inc as an individual entity. Canberra Montessori Society Inc is a not-for-profit Incorporated Association, registered and domiciled in Australia.

The functional and presentation currency of Canberra Montessori Society Inc is Australian dollars.

The financial report was authorised for issue by those charged with governance on 14 March 2024.

Comparatives are consistent with prior years, unless otherwise stated.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policy information adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

3. Material accounting policy information

a. Income tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

b. Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

c. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

d. Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

3. Material accounting policy information (continued)

d. Impairment of non-financial assets (continued)

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

e. Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

i. Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

3. Material accounting policy information (continued)

e. Financial instruments (continued)

i. Financial assets (continued)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

Where the simplified approach to expected credit loss (ECL) is not applied, the Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses.

The Association has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Canberra Montessori Society Inc

Notes to the financial statements

For the year ended 31 December 2023

3. Material accounting policy information (continued)

e. Financial instruments (continued)

ii. Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

f. Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 31 December 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

4. Critical accounting estimates and judgements

The responsible persons make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

5. Revenue and other income

a. Accounting policy

i. Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of control of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

ii. Grant revenue

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Canberra Montessori Society Inc

Notes to the financial statements

For the year ended 31 December 2023

5. Revenue and other income (continued)

a. Accounting policy (continued)

ii. Grant revenue (continued)

Grant income arising from non-enforceable contracts or those without sufficiently specific performance obligations is recognised on receipt unless it relates to capital grants which meet certain criteria.

Enforceable capital grants received to enable the Association to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the entity are recognised as revenue as and when the obligation to construct or purchase is completed.

- For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.
- For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the entity.

iii. Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

iv. Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

6. Auditor's remuneration

	2023	2022
	\$	\$
Remuneration of the auditor of the Association, Laterals Accounting Solutions, for:		
Auditing or reviewing the financial statements	4,000	3,400

7. Cash and cash equivalents

a. Accounting policy

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

b. Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Canberra Montessori Society Inc

Notes to the financial statements

For the year ended 31 December 2023

7. Cash and cash equivalents (continued)

b. Reconciliation of cash (continued)

	2023	2022
	\$	\$
Cash and cash equivalents		
Cash at bank	439,247	35,218
Cash on hand	1,000	1,000
	440,247	36,218

8. Property, plant and equipment

a. Accounting policy

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

i. Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings & improvements	2.5%
Plant & equipment	20-25%
Office equipment	20-25%
Computer equipment	40-50%
Furniture, fixtures & fittings	15-25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Canberra Montessori Society Inc

Notes to the financial statements

For the year ended 31 December 2023

8. Property, plant and equipment (continued)

b. Property, plant and equipment details

Summary	2023 \$	2022 \$
Buildings	2,454,877	2,504,811
Plant and equipment	456	4,487
Office equipment	6,789	9,328
Computer equipment	22,154	6,746
Furniture, fixtures and fittings	18,004	28,575
	2,502,280	2,553,947

9. Trade and other payables

Current	2023 \$	2022 \$
Trade payables	11,208	58,640
ATO amounts payable	159,533	307,817
Accrued expenses	3,600	6,955
Accrued wages & Superannuation	43,654	147,717
	217,995	521,129

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

10. Borrowings

Current	2023 \$	2022 \$
Secured	93,072	93,072
Insurance Finance - Unsecured	-	110,086
Non-current	2023 \$	2022 \$
Secured	215,313	215,314

Canberra Montessori Society Inc

Notes to the financial statements

For the year ended 31 December 2023

11. Other liabilities

	\$	\$
Deferred income	16,744	17,971
Other liabilities		
Other liabilities	2,246	-
Enrolment Deposits - Current	7,500	4,969
Total Other liabilities	9,746	4,969
	26,490	22,940

Non-current	2023	2022
	\$	\$
Other liabilities		
Enrolment Deposits - Non-current	62,510	83,215
	62,510	83,215

12. Employee leave entitlements

a. Accounting policy

Provision is made for the Association's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

b. Employee leave entitlement details

Current	2023	2022
	\$	\$
Long service leave	249,920	218,618
Annual leave	49,146	31,672
	299,066	250,290
Non-current	2023	2022
	\$	\$
Long service leave	16,957	5,128

Canberra Montessori Society Inc

Notes to the financial statements

For the year ended 31 December 2023

13. Financial risk management

Financial assets	2023	2022
	\$	\$
Held at amortised cost		
Cash and cash equivalents	440,247	36,218
Trade and other receivables	111,166	153,174
	551,413	189,392

14. Contingencies

In the opinion of the Directors, the Association did not have any contingencies at 2023 (2022: None).

15. Related parties

a. Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

16. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2023	2022
	\$	\$
Profit/(loss) for the year	781,183	(548,656)
Add / (less) non-cash items:		
Depreciation and amortisation	134,290	146,969
Impairment of receivables	13,869	64,625
Changes in assets and liabilities:		
(increase) / decrease in receivables	28,139	(76,218)
(increase) / decrease in other assets	(24,411)	23,862
increase / (decrease) in payables	(303,134)	361,732
increase / (decrease) in employee benefits	60,605	76,672
increase / (decrease) in other liabilities	(17,155)	(15,483)
Cash flows from operations	673,386	33,503

17. Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

Canberra Montessori Society Inc

Notes to the financial statements

For the year ended 31 December 2023

18. Statutory information

The registered office and principal place of business of the Association is:

Canberra Montessori Society Inc
35 Mulley Street
Holder ACT Australia
2611

Canberra Montessori Society Inc

Responsible persons' declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Associations Incorporations Act (ACT) 1991*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2022*.



Tim Bourke

Board Chair

Dated: 15/3/24

Independent audit report to the members of Canberra Montessori Society Inc

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a simplified disclosure financial report of Canberra Montessori Society Inc (the Association), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the Responsible persons' declaration.

In our opinion, the accompanying financial report of the Association is in accordance with the *Associations Incorporations Act (ACT) 1991*, including:

1. giving a true and fair view of the Association's financial position as at 31 December 2023 and of its financial performance for the year ended; and
2. complying with Australian Accounting Standards - Simplified Disclosures and the *Associations Incorporations Act (ACT) 1991*.

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 Entity in accordance with the auditor independence requirements of 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 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.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management 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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

Canberra Montessori Society Inc

Notes to the financial statements

For the year ended 31 December 2023

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 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.

Tim Allen (Director)



LATERALS

Laterals Accounting Solutions
213 Auburn Street,
Goulburn NSW 2580

Dated:

