

**SYDNEY MONTESSORI SOCIETY**

(A Company limited by Guarantee)

A.C.N. 001 265 738

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

SYDNEY MONTESSORI SOCIETY  
(A Company Limited by Guarantee)  
A.C.N. 001 265 738  
**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 2019**

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## DIRECTORS' REPORT

### DIRECTORS

The Directors are pleased to present their report together with the audited Financial Statements of Sydney Montessori Society for the year ended 31 December 2019.

The names of the Directors in office of this report are:

	<u>Date Appointed</u>	<u>Position</u>
Andrew Hansen	21/02/2017	Chairman
James McCullough	20/02/2018	Vice Chair
Rini Chandra	20/02/2018	Treasurer
Crystal Isaac	20/02/2018	Secretary
Jane Girot	20/02/2018	Fundraising

Those who resigned in 2018/2019:      Date Appointed      Date Resigned  
NIL

### Information on Directors

#### Andrew Hansen-Chairperson

Qualifications — Bachelors of Engineering (Civil), Certified Practicing Project Director.  
Currently Senior Project Manager for Westpac workplace transformation. Experience includes leading complex and large projects & programs, and smart technology strategies and deployments across diverse industries.  
Special Responsibilities — Chair the school council

#### Rini Chandra — Treasurer

Qualifications — Bachelor of Economics- Accounting, Master of Commerce-Accounting & Finance, Certified Professional Accountant.  
Experience — Over 15 years' experience collaborating with senior leaders as a project manager and management accountant. At present employed by Vardar Holdings Pty Ltd as the Financial Controller.

#### James McCullough-Vice Chair

Qualifications — Master of Business Analytics, B.A (Hons.) Psychology/Philosophy  
Experience — Currently a product manager at Atlassian (software Development Company): 10 years' experience in business analytics and financial modelling across several sectors (e.g. e-commerce, software, retirement/aged care, not-for-profit).

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**Jane Girot- Fundraising**

Qualifications — Certificate in Governance for Not-for-Profits, Graduate Certificate in Arts Administration, Bachelor of Visual Arts. Experienced Office Coordinator with 10 years of administrative experience within university and educational settings.

**Crystal Isaac — Secretary**

Qualifications — Diploma in Energetic healing.

Experience — A customer service management professional with over 10 years' experience in the Beauty and Spa industry. Co-managing a team of 25 at the spa at the Four Seasons.

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### Meetings of Directors

During the financial year, and to the date of this report 9 meetings of Directors were held. Attendance by each Directors was as follow:

Name of Director	Number Eligible to attend	Number attended
Andrew Hansen	9	9
Crystal Isaac	9	6
Jane Girot	9	9
Rini Chandru	9	7
James Mc Cullough	9	8

### Objectives and Priorities

The vision of the School is to realise the potential in each child by developing independence, adaptability and a passion for learning. The objectives include providing high quality education consistent with Montessori methods for the local community within an effective physical environment in a financially sustainable manner.

The current priorities (both short and long term) are centred on ensuring strong student enrolments, ensuring staff capacity and development, as well as continued building improvements.

### Principal Activities

The principal activity during the year was the operation of a school providing a Montessori education for 3-6 years old children. The school also did fundraising and planning for future premises, the income from which has been taken up in the building fund.

### Performance Measurement

The school uses a variety of quantitative and qualitative key performance indicators including feedback from parents, formal staff review, reviews by Department of Education and the Board of Studies, financial surplus and fundraising targets.

### Operating Results

The net surplus amounted to \$21,201 (2018: \$8,217) Likely developments in the operations of the economic entity and the expected results of those operations in future financial years have not been included in the Financial Statements as the inclusion of such information is likely to result in unreasonable prejudice to the economic entity.

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**Events Subsequent to Balance Date**

Since the end of the financial year, the Directors are not aware of any matter or circumstances not otherwise dealt with in the report.

**Directors' Benefits**

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or a related body corporate with the Director, a firm of which the Director is a member or an entity in which the Director has a substantial financial interest.

**Other**

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

No indemnities have been given during or since the financial year, for any person who is or has been an auditor of the Company. Indemnities have been given to persons who are or have been Directors of the Company and premiums of \$1772.41 were paid in relation to Directors indemnity insurance.

No party has applied for leave of court to bring proceedings on behalf of the company or to intervene in any proceedings to which the company is a party for the purpose of taking responsibilities on behalf of the company for all or any part of those proceedings.

The Sydney Montessori Society was incorporated as a Company limited by guarantee on the 20<sup>th</sup> November 1974, to carry on the activities previously carried out by the Sydney Montessori Society. Pursuant to the Company's memorandum of association, every member has undertaken, in the event of a deficiency or winding up, to contribute an amount not exceeding \$50. The total maximum members' liability on winding up is \$1,200 based on 24 members.


**Auditor's Independence Declaration**

A copy of the Auditor's Independence declaration as required under section 307C of the *Corporations Act 2001* is set out below.

**Resolution**

Signed in accordance with a resolution of the Directors.

Shikha Chadha   
Treasurer

Andrew Hansen   
Chairperson

Sydney

Date: 11<sup>th</sup> May

2020

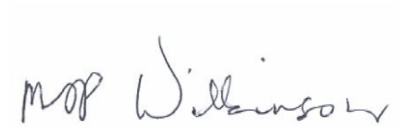
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AUDITORS INDEPENDENCE DECLARATION UNDER  
SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF SYDNEY MONTESSORI SOCIETY

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019, there have been:

1. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Signature:



Mark Stuart Pressland Wilkinson  
ASIC Registered Company Auditor: 4485

*Liability limited by a scheme approved under Professional Standards Legislation*

Date: 8 May 2020  
Address: 6 Kintyre Crescent (PO Box 235), Leopold Vic 3224  
Email: [auditvalue@bigpond.com](mailto:auditvalue@bigpond.com)  
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR  
THE YEAR ENDED 31 DECEMBER 2019**

	Note	<b>2019</b>	<b>2018</b>
		\$	\$
Revenue	3	479,965	471,869
Expenses, excluding finance costs	2	(458,764)	(457,957)
Finance costs		<u>0</u>	<u>0</u>
Surplus before tax		21,201	13,912
Income tax expense	1(a)	<u>0</u>	<u>0</u>
<b>Surplus for the year</b>		21,201	13,912
Other comprehensive income-transfer to Retained Earnings		<u>0</u>	<u>(5,695)</u>
<b>Surplus and other comprehensive income for the year attributable to members</b>		<b>21,201</b>	<b>8,217</b>

The accompanying notes form part of the Financial Statements



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**BALANCE SHEET AS AT 31 DECEMBER 2019**

	Note	2019	2018
		\$	\$
<b>Current Assets</b>			
Cash	4	517,731	495,564
Receivables	5	2,200	17,855
Other	6	6,521	6,602
<b>Total Current Assets</b>		526,452	520,021
<b>Non-Current Assets</b>			
Property, plant and equipment	7	28,346	44,198
<b>Total Non-Current Assets</b>		28,346	44,198
<b>Total Assets</b>		<b>554,798</b>	<b>564,219</b>
<b>Current Liabilities</b>			
Creditors and other payables	8	207,909	238,531
Provisions	9	38,086	38,086
<b>Total Current Liabilities</b>		245,995	276,617
<b>Total Liabilities</b>		245,995	276,617
<b>Net Assets</b>		308,803	287,602
<b>Members' Funds</b>		308,803	287,602

The Accompanying notes form part of the Financial Statements

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**STATEMENT OF CHANGES EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Current Earnings</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$
<b>Balance as at 01/01/2018</b>	(45,284)	<b>318,974</b>	<b>273,690</b>
Surplus for the year attributable to Members	13,912		13,912
Transfers to and from Reserves			
Transfers to and from Retained earnings			0
Other Comprehensive Income - Transfers to Retained earnings	(5,695)	5,695	0
<b>Balance as at 31/12/2018</b>	<b>(37,067)</b>	<b>324,669</b>	<b>287,602</b>
Surplus for the year attributable to Members	21,201		21,201
Other Comprehensive Income - Transfers to Retained earnings	0	0	0
<b>Balance as at 31/12/2019</b>	<b>(15,866)</b>	<b>324,669</b>	<b>308,803</b>

The accompanying notes form part of the Financial Statements

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CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
<i>Receipts</i>			
Fees, forfeited security deposits		368,180	354,202
Interest received		8,594	1,389
Other -Transfers from Building Fund (Rent), Donations		0	521
<i>Cash flows from government</i>			
Receipts of subsidies		103,191	115,757
<i>Payments</i>			
Wages and salaries		(343,292)	(345,686)
Suppliers and others		(113,370)	(96,943)
<b>Net cash (used in)/received in operating activities</b>	<b>2</b>	<b>23,303</b>	<b>29,240</b>
<b>Cash flows used in investing activities</b>			
Payments for purchase of property, plant and equipment		(1,136)	(21,000)
<b>Cash at the beginning of the financial year</b>	<b>1</b>	<b>495,564</b>	<b>487,324</b>
<b>Cash at the end of the financial year</b>		<b>517,731</b>	<b>495,564</b>

The accompanying notes form part of the Financial Statements.

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**Notes to the statement of cash flows**

1. Reconciliation of cash

For the purposes of the Cash Flow Statement, cash includes cash on hand and cash at bank.

2. Reconciliation of net cash (used)/received in operating activities to operating surplus:

	<b>2019</b>	<b>2018</b>
	\$	\$
Operating surplus before income tax and other comprehensive income	21,201	13,912
Depreciation – non-cash	1,044	545
Amortisation of improvements – non-cash	15,944	19,927
Increase/(Decrease) in receivables	15,655	3,060
(Increase)/Decrease in other current assets	81	(92)
(Increase)/Decrease in other non-current assets	0	0
Increase/ (Decrease) in creditors and borrowings	(30,622)	(5,012)
Increase/ (Decrease) in provisions	0	(3,100)
<b>Net cash (used in)/received in operating activities</b>	<b>23,303</b>	<b>29,240</b>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**1. STATEMENT OF ACCOUNTING POLICIES**

The Directors have determined that the Company is not a Reporting Entity.

The Financial Statements are a Special Purpose Financial Report prepared in order to satisfy the financial reporting requirements of the Company and the needs of the Members.

The Financial Statements cover The Sydney Montessori Society and the Sydney Montessori Society School Building Fund as separate entities. The Sydney Montessori Society is a Company Limited by Guarantee, incorporated and domiciled in Australia.

The Financial Statements have been prepared in accordance with the requirements of the following Australian Equivalents of International Financial Reporting Standards (AIFRS) and the Corporations Act in so far as they are applicable to Non-Reporting Entities.

AASB 101	Presentation of Financial Statements
AASB 102	Inventories
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110	Events after the Reporting Period
AASB 116	Property, Plant and Equipment
AASB 117	Leases
AASB 118	Revenue
AASB 119	Employee Benefits
AASB 124	Related Party Disclosures
AASB 128	Investments in Associates and Joint Ventures
AASB 136	Impairment of Assets
AASB 137	Provisions, Contingent Liabilities and Contingent Assets
AASB 1039	Concise Financial Reports
AASB 1048	Interpretation and Application of Standards
AASB 1054	Australian Additional Disclosures
AASB 1057	Income of Not-For-Profit entities
AASB 1058	Application of Australian Accounting Standards

No other Australia Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been specifically applied.

The Financial Statements have been prepared on the basis of a Going Concern and on an accruals basis; are based on historic costs and do not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

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**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

The following is a summary of the significant accounting policies adopted by the Company in the preparation of the Financial Statements. These policies have been consistently applied.

(a) Income Tax

The Company is exempt from taxation under Section 51 of the Income Tax Assessment Act.

(b) Property, Plant & Equipment

Property, plant and equipment are included at cost or at independent or Directors' valuation. The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated over the useful lives commencing from the time the asset is ready for use, at rates approximating 5% on a prime cost basis. Leasehold improvements, as shown at Note 7 of the Financial Statements, relate to the refurbishment of the property at Cressy Road, North Ryde. Contributions received for no or a nominal value are recognised at their fair value on acquisition date as an asset in the Balance sheet and as revenue in the Statement of Profit or Loss and Other Comprehensive Income.

(c) Member's Equity

The Sydney Montessori Society was incorporated as a Company limited by guarantee on 20 November 1974. Pursuant to the Company's memorandum of association, every member has undertaken, in the event of a deficiency or winding up, to contribute an amount not exceeding \$50.

(d) Industry & Geographical Segments

The Company operates wholly within Australia in the industry of school and kindergarten education.

(e) Employee Benefits

Provision is made in respect of the Company's liability for long service leave at balance date. Long service leave is accrued in respect of employees with more than 1 year of service with the Company. Untaken annual leave entitlements (if any) are provided for.

(f) Revenue

Government grants (Contributions) from NSW Department of Education and NESAs are recognised in the Balance Sheet and Statement of Profit or Loss and Other Comprehensive Income at fair value when the Company obtains control of the contribution or the right to receive the contribution. It is probable the economic benefits comprising the contribution will flow to the entity; and can be measured reliably.

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**1: STATEMENT OF ACCOUNTING POLICIES (continued)**

(f) Revenue (continued)

Recognition of Revenue received in advance (Government Grants, Tuition Fees, and Membership Fees) is deferred in the Balance Sheet.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance sheet are shown inclusive of GST.

(h) Stock on Hand

Stock on hand is measured at cost less provision for loss of service potential. Provision is made in the period in which obsolete and slow-moving stock is identified.

(i) Related Party Transactions

No transactions occur with Directors or other Related Parties requiring disclosure in these Financial Statements.

(j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments including any guaranteed residual values. Lease payments are allocated between the reduction of the leased liability and the lease interest expense for the period. Lease assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments from 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.

(k) Economic Dependence

The Company is dependent on Government Subsidies for a material part of its revenue. At the date of these Financial Statements, the Directors have no reason to believe that Governments will not continue to support the Company.

**1: STATEMENT OF ACCOUNTING POLICIES (continued)**

(l) Creditors and other payables

Creditors and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within thirty days.

(m) Cash and cash equivalents

Cash and cash equivalents included cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three to six months or less, and bank overdrafts, if any.

(n) Receivables and prepayments

Receivables include amounts due from parents for services provided. Prepayments represent amounts paid by the Company at the end of the reporting period for goods and services yet to be received. Receivables and prepayments are expected to be collected/realised within twelve months from the end of the reporting period. The balance is recognised as a current asset.

(o) Impairment

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. After testing, any excess of the asset's carrying value over its recoverable amount is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(p) Critical accounting estimates and judgments

The Company evaluates estimates and judgments incorporated into the Financial Statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.



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**2: OPERATING SURPLUS**

The operating surplus before income tax includes the following items of revenue and expense:

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>EXPENSES</b>		
Amortisation of improvements	15,944	19,927
Audit fees (paid or accrued)	7,373	7,055
Classroom and cleaning	13,122	13,490
Depreciation of plant and equipment	1,044	545
Employee costs	343,292	345,686
Insurance – Childcare, Directors and Officers	9,126	8,829
Other	23,334	21,726
Provision for long service leave-net	5,034	0
Rent / Licence	35,178	34,849
Utilities	5,317	5,850
<b>TOTAL EXPENSES</b>	<b>458,764</b>	<b>457,957</b>

No Director received remuneration during the year.

**3: OPERATING REVENUE**

<b>REVENUE</b>	<b>2019</b>	<b>2018</b>
	\$	\$
Donation	-	521
Enrolment Fees	1,615	1,190
Forfeited Security Deposits	5,500	8,580
Government subsidies Dept. Ed & PDSP	94,191	104,350
Government subsidies- NESA	9,000	11,407
Interest received	8,594	1,389
Membership Fees	3,440	2,720
Tuition & other fees	357,625	341,712
<b>TOTAL OPERATING REVENUE</b>	<b>479,965</b>	<b>471,869</b>

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<b>4: CASH</b>	<b>2019</b>	<b>2018</b>
	\$	\$
Cash on hand	200	200
Cash at the Bank	217,531	195,364
Term Deposit	300,000	300,000
<b>TOTAL CASH</b>	<b>517,731</b>	<b>495,564</b>
<b>5: RECEIVABLES</b>	<b>2019</b>	<b>2018</b>
	\$	\$
Current tuition fees receivable	2,200	17,855
<b>TOTAL RECEIVABLES</b>	<b>2,200</b>	<b>17,855</b>
<b>6: OTHER ASSETS</b>	<b>2019</b>	<b>2018</b>
	\$	\$
Current prepayments	5,985	6,009
Stock on hand (At Cost less provision 2019: \$2,586 2018: \$2,050)	536	593
<b>TOTAL OTHER ASSETS</b>	<b>6,521</b>	<b>6,602</b>
<b>7: PROPERTY, PLANT AND EQUIPMENT</b>	<b>2019</b>	<b>2018</b>
	\$	\$
Plant and equipment at cost	45,971	44,836
Less: Accumulated depreciation	(43,277)	(42,234)
(Depreciation of \$1,044 was charged, 2018: \$545)		
<b>Total Plant and Equipment</b>	<b>2,694</b>	<b>2,602</b>
Leasehold improvement at cost	341,358	341,358
Less: Accumulated amortisation	(315,706)	(299,762)
<b>Total Leasehold improvement</b>	<b>25,652</b>	<b>41,596</b>
No leasehold improvement has been purchased (2018: \$21,000)		
Amortisation of \$15,944 was charged (2018: \$19,927)		
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>28,346</b>	<b>44,198</b>

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**8: CREDITOR & OTHER PAYABLES**

	<b>2019</b>	<b>2018</b>
	\$	\$
Current		
Trade creditors, accruals and clearing accounts	45,533	30,364
Government funding in advance	34,980	23,276
Tuition fees in advance	(2,160)	57,964
Membership fees in advance	2,124	2,124
Net GST payable	7,919	5,700
Amount due to Building Fund	59,013	52,003
Refundable security deposits	60,500	67,100
	207,909	238,531
<b>TOTAL CREDITOR &amp; OTHER PAYABLES</b>	<b>207,909</b>	<b>238,531</b>

Trade creditors, accruals and clearing accounts include \$23,220 (2018: \$15,291) owing to the building fund.

**9: PROVISIONS**

	<b>2019</b>	<b>2018</b>
	\$	\$
Current		
Provision for long service leave	38,086	38,086
	38,086	38,086
<b>TOTAL PROVISIONS</b>	<b>38,086</b>	<b>38,086</b>

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**10: COMMITMENTS FOR CAPITAL EXPENDITURE AND OPERATING LEASES**

Non-cancellable operating leases contracted for but not capitalised in the Financial Statements:  
Commitments arising from the License Agreement with the Council of Ryde as referred to in the narrative.

	2019	2018
	\$	\$
Payable Not later than 1 year	5,863	37,784
Later than 1 year but not later than 5 years	-	5,858
Later than 5 years	-	-

A License Agreement was signed in June 2015 with The Council of City of Ryde for a 5-year term leased, commencing 2 June 2015, at the current location of 109 Cressy Road North Ryde, NSW 2113, for a License Fee of \$32,500 per annum, plus GST. A new licence will be entered into in 2020. The License Fee is subject to increase by the current Local Government Cost Index (LGCI).

**11. CONTINGENT LIABILITIES**

The Company had no contingent liabilities at Balance Date.

**12. CAPITAL MANAGEMENT**

The Company's capital consists of its financial assets less its financial liabilities.

Directors control the capital of the Company to ensure that adequate cash flows are generated to fund its programs and ensure that the overall risk management is in line with this objective. Risk management practices included a late fee policy, forfeiture of security deposits, and regular analysis of profitability and future cash flow requirements.

Directors manage the Company's capital by assessing its financial risks and responding to changes in these risks and in the market. These responses include the consideration of tuition fee levels.

The strategy of the Company in managing its future cash flow requirements is to ensure that sufficient cash is on hand to meet employee costs and to pay trade and other payables.

There have been no changes to the strategy adopted to control the capital of the Company since prior year and the Company continues to have no net debt.

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**13. ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS**

The Australian Accounting Standards Board (AASB) has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future periods. The Entity has decided against early adoption of these Standards and Interpretations.

AASB Amendment	Standards Affected	Application Date of Standard. Accounting periods commencing on or after:
AASB 2018-6 <sup>1</sup>	AASB 3#	1 January 2020
AASB 2018-7 <sup>2</sup>	AASB 2#, 101#, 108, 110, 134# 137 & Framework	1 January 2020

1. This standard amends the definition of a “Business” for Business Combination Purposes.
2. This standard amends the definition of “Material”, in line with amendments made by the International Accounting Standards Board, to also give consideration to; information that is obscured; who the primary users of a specific entity’s financial statements are and the characteristics of those users.

# Not currently applicable to the Entity.

**14 MEMBERS GUARANTEE**

The Sydney Montessori Society was incorporated as a Company limited by guarantee on 20 November 1974, to carry on the activities previously carried out by the Sydney Montessori Society. Pursuant to the Company’s memorandum of association, every member has undertaken, in the event of a deficiency or winding up, to contribute an amount not exceeding \$50. The total maximum members’ liability on winding up is \$1,400, based on 28 members.

**15 EVENTS AFTER THE REPORTING PERIOD**

There have been no significant events occurring after the balance date, which may affect either the operations or results of the operations of the Company.

The Financial Statements were authorised for issue by the Directors on the date shown in the Statement by Directors.

SYDNEY MONTESSORI SOCIETY  
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**16 ENTITY DETAILS**

The registered office of the Company is:  
109 Cressy Road, North Ryde NSW 2113

The principal place of business is:  
109 Cressy Road, North Ryde NSW 2113

The trading name of the business is:  
The Children's House Montessori School

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**STATEMENT BY DIRECTORS**

The Directors have determined that the Company is not a reporting entity and that these Financial Statements should be prepared in accordance with the accounting policies described in note 1.

In the opinion of the Directors of the Company:

- 1 (a) The Statement of Profit or Loss and Other Comprehensive Income gives a true and fair view of the Company's profit or loss for the financial year ended 31 December 2019.
- (b) The Balance Sheet gives a true and fair view of the Company's state of affairs as at the end of the financial year.
- 2 At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 3 The Financial Statements and Notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

This statement is made in accordance with a resolution of the Responsible Entity, being the Board of Directors and is signed for and on behalf of the Directors by:

Andrew Hansen (Chairperson):



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Shikha Chandra (Treasurer):



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Sydney

Date: 11<sup>th</sup> May 2020

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SYDNEY MONTESSORI SOCIETY**

(A Company limited by guarantee) (Page 1 of 4)

**Scope**

I have audited the accompanying Financial Statements, being a Special Purpose Financial Report of Sydney Montessori Society ("the Company"), which comprises the Balance Sheet as at 31 December 2019 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a Summary of Significant Accounting Policies, other explanatory Notes and the Directors' Declaration.

**Qualified Audit Opinion**

In my opinion, except for the effects on the Financial Statements of such adjustments, if any, as might have been required had the limitation on my audit procedures referred to in the qualification paragraph not existed, the Financial Statements present fairly in accordance with the accounting policies described in Note 1 to the Financial Statements. Also, with the financial position of the Sydney Montessori Society as at 31<sup>st</sup> December, 2019, and the results of its operations and its cash flows for the year then ended and complies with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*.

**Basis of Qualified Opinion**

Donations and Fundraising activities form part of the revenue for the Company, which has determined that it is impracticable to establish controls over the collection of such monies prior to entry into its financial records. Accordingly, as the evidence available to me regarding these sources of revenue was limited, my procedures with respect to these revenues had to be restricted to the amounts recorded in the financial records. I therefore am unable to express an opinion whether such revenues obtained by the Company are complete.

**Directors' Responsibility for the Financial Statements**

The Directors' of the Company are responsible for the preparation and fair presentation of the Financial Statements and have determined that the accounting policies described in Note 1 to the Financial Statements are appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the needs of the Members. The Directors' responsibility includes implementing and maintaining internal controls they determine are necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the Financial Statements, the Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. I have nothing to report in this regard.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
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(A Company limited by guarantee) Continued. Page 2 of 4

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

The Directors are responsible for any other information included in the Financial Report, which is not covered by my Auditor's Report and accordingly I do not express any form of assurance conclusion thereon. In connection with my audit, my responsibility is to read such other information and consider whether the other information is materially inconsistent with the Financial Statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

**Auditor's Responsibility**

My objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report to the Members that includes my opinion based on my audit and based on the accounting policies adopted by the Directors' as set out in Note 1. These policies do not require the application of all Australian Accounting Standards. 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 these Financial Statements.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements. I also:

- Identify and assess the risks of material misstatement of the Financial Statements, 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 my 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 audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
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- 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represents the underlying transactions and events in a manner that achieves fair presentation.  
I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.  
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Independence**

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001* previously provided to the Directors of the Company would be in the same terms if provided as at the date of this Auditor's Report.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
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**Basis of Accounting**

Without further modifying my opinion, I draw attention to Note 1 of the Financial Statements, which describes the basis of accounting. The Financial Statements have been prepared for distribution to Members for the purpose of fulfilling the Directors' Financial Reporting responsibilities including those under Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the Financial Statements may not be suitable for other purposes. Accordingly, I disclaim any assumption of responsibility for any reliance on this Report or on the Financial Statements to which it relates to any other persons, or for any purpose other than that for which it was prepared.

Signature:



Mark Stuart Pressland Wilkinson  
ASIC Registered Company Auditor: 4485

*Liability limited by a scheme approved under Professional Standards Legislation*

Date: 8 May 2020

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