

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

SYDNEY MONTESSORI SOCIETY
(A Company limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2022

SYDNEY MONTESSORI SOCIETY
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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 2022.

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

	<u>Date Appointed</u>	<u>Position</u>
Sheng Jason Zhang	18/02/2020	Chairman
Shikha Chadha	18/02/2020	Treasurer
Donovan Sia	15/02/2022	Vice Chair
Melissa Tjakrawisada	15/02/2022	Secretary
Denise Underwood	19/05/2020	Principal
Alana Neuman	17/05/2022	Fundraising
Niharika Ghose	21/02/2023	General
Vanessa Tan	21/02/2023	General
Those who resigned in 2022:	<u>Date Appointed</u>	<u>Date Resigned</u>
Alessia Campagna	27/04/2021	31/12/2022
Andrew Hansen	20/02/2018	15/03/2022

Information on Directors

Sheng Jason Zhang- Chairperson

Qualifications: Bachelor of Commerce (Finance Major), Bachelor of Laws (Honours).

Experience: Currently the founder and chief investment officer of JAZ Capital. Ten years' experience in investment banking, acquisitions, mergers, and infrastructure analysis.

Shikha Chadha- Treasurer

Qualifications: Master of Business in Accounting & Finance, Bachelor of Commerce, Diploma in Financial Services.

Experience: Eleven years in Financial Services

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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
Sheng Jason Zhang	9	9
Shikha Chadha	9	5
Andrew Hansen	3	2
Alessia Campagna	9	6
Denise Underwood	9	9
Donovan Sia	9	9
Melissa Tjakrawisada	9	9
Ariana Neuman	6	6

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 fundraise 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 NESAs, financial surplus and fundraising targets.

Operating Results

The net loss amounted to (\$33,013). 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

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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 2022, 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: 1 May 2023
Address: 6 Kintyre Crescent (PO Box 235), Leopold Vic 3224
Email: auditvalue@bigpond.com
Telephone: 0418 77 22 12

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BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022	2021
		\$	\$
Current Assets			
Cash	4	808,497	843,788
Receivables	5	1,774	0
Other	6	3,020	301
Total Current Assets		813,291	844,089
Non-Current Assets			
Property, plant and equipment	7	21,542	24,600
Total Non-Current Assets		21,542	24,600
Total Assets		834,833	868,689
Current Liabilities			
Creditors and other payables	8	267,625	268,469
Provisions	9	38,086	38,086
Total Current Liabilities		305,711	306,555
Total Liabilities		305,711	306,555
Net Assets		529,122	562,134
Members' Funds		529,122	562,134

The accompanying notes form part of the Financial Statements

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
<i>Receipts</i>			
Fees, forfeited security deposits		186,215	159,642
Interest received		1,655	1,672
Other -Transfers from Building Fund (Rent), Donations		500	630
<i>Cash flows from government</i>			
Receipts of subsidies		345,969	489,127
<i>Payments</i>			
Wages and salaries		(486,702)	(432,582)
Suppliers and others		(76,665)	(77,726)
Net cash (used in)/received in operating activities	2	(29,028)	140,763
Cash flows used in investing activities			
Payments for purchase of property, plant and equipment		(1,263)	(2,203)
Cash transferred to building fund		(5,000)	
Cash at the beginning of the financial year	1	843,788	705,228
Cash at the end of the financial year		808,497	843,788

The accompanying notes form part of the Financial Statements.

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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	Cash Flow Statements
AASB 108	Accounting Policies, Changes in Accounting Estimates & Errors
AASB 110	Events after the Balance Sheet Date
AASB 116	Property Plant and Equipment
AASB 117	Leases
AASB 118	Revenue
AASB 119	Employee Benefits
AASB 124	Related party Disclosures
AASB 136	Impairment of Assets
AASB 137	Provisions, Contingent Liabilities and Contingent Assets
AASB 1004	Contributions
AASB 1048	Interpretation and application of standards
AASB 1054	Australian additional disclosures
AASB 1057	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)

reliably. 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.

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2: OPERATING PROFIT

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

	2022	2021
	\$	\$
EXPENSES		
Amortisation of improvements	3,320	3,212
Audit fees (paid or accrued)	5,045	4,950
Classroom and cleaning	12,183	11,055
Depreciation of plant and equipment	665	627
Employee costs	486,702	432,582
Insurance – Childcare, Directors and Officers	11,101	10,402
Other	24,293	22,787
Provision for long service leave-net	0	0
Rent / Licence	19,348	19,348
Utilities	4,695	4,948
TOTAL EXPENSES	567,352	509,911

No Director received remuneration during the year.

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6: OTHER ASSETS	2022	2021
	\$	\$
Current prepayments	2,552	(179)
Stock on hand (At Cost less provision 2021: \$1,750, 2020: \$1,750, 2019: \$2,586 2018: \$2,050)	468	480
TOTAL OTHER ASSETS	3,020	301
	2022	2021
	\$	\$
Plant and equipment at cost	50,896	49,970
Less: Accumulated depreciation	(46,375)	(45,711)
(Depreciation of 2021: \$627, 2020: \$1,805, 2019: \$1,044, 2018: \$545)	4,521	4,259
Total Plant and Equipment	4,521	4,259
Leasehold improvement at cost	343,560	343,560
Less: Accumulated amortisation	(326,539)	(323,219)
Total Leasehold improvement	17,021	20,341
Leasehold improvement were purchased of \$nil (2021: \$Nil)		
Amortisation of \$3,320 was charged (2021: \$3,212)		
TOTAL PROPERTY, PLANT AND EQUIPMENT	21,542	24,600

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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.

	2022	2021
	\$	\$
Payable Not later than 1 year		
Later than 1 year but not later than 5years		
Later than 5 years	-	-

According to a representative of the Ryde City Council :

" Tania (Gamble) passed on your (Denise Underwood) email to me, and I just wanted to let you know the existing licence will continue to stay in a hold-over state probably until the end of the year. My team is currently updating the Community Buildings Licensing Policy and are hoping to have it adopted by Council later in the year. My manager has asked me to assure you that we are very happy with you as a tenant and have absolutely no intention of asking you to vacate the premises. We will be in touch about starting the renewal process as soon as the Licensing Policy is adopted by Council".

Tania Gamble is the Team Leader Community Services for Ryde City Council.

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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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 31st December 2022.
- (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:

Jason Zhang (Chairperson):



Shikha ^{Chadha}~~Chandra~~ (Treasurer):



Sydney

Date: 5-5-2023

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SYDNEY MONTESSORI SOCIETY
(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 I. 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.
- 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

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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

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Date: 1 May 2023

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