



Inspiring our children
to create a better world
with their *own* two hands

**Melbourne
Montessori
School**

Melbourne Montessori School Ltd and controlled entities

ACN: 005 315 855

**Consolidated Annual Report and Financial Statements
For the Year Ended 31 December 2017**

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Melbourne Montessori School acknowledges the support of the Victorian Government

Note: The report will also be available in the administration area for public view at both Caulfield Campus and Brighton Campus in hard copy format, as well as on the School website and a copy will also be sent to the Victorian State Register.

Chair's Report

The Melbourne Montessori School (MMS) Board is proud of the School's performance in the 2017 calendar year.

In 2017, the school successfully added Year 9 to the Adolescent Cycle 4 program at the Brighton campus, while Cycles 1, 2 and 3 and the Early Learners Program continued to provide a solid base for the school overall.

The School remains financially strong at a pivotal time as the Board considers the new year five year strategic plan to begin in 2018.

In January 2017, settlement was reached on the school's purchase of property at 737 Hawthorn Rd, which adjoins the Brighton campus. The purchase creates fantastic flexibility for the school as it refines its master plan for Brighton.

During the year, a new Cycle 4 portable classroom was added to the campus creating an additional 3 learning spaces. Meanwhile, at Caulfield the staff room was completed and a new Cycle 3 classroom was opened

I would like to thank my fellow Board members for their ongoing efforts in during 2017: LJ Ryan (Deputy Chair), Jim McDonald (Finance Director), Diana Tremiglozzi, Nicole Seuret-Batterham, Paul Maginnity, Pradeep Philip and Chris Burke.

During the 12 month period we also had three Directors step down from the Board: Tony Swain, Heico Wesselius and Michael Westaway. I thank them all for their long-standing contribution to the Board.

The School is very fortunate to have such a committed group of directors willing to contribute their time and efforts.

As at 31 December 2017 the Board comprised six elected directors and two appointed directors.

The Board is also privileged to work with a fabulous executive team, ably lead by the Principal in Gay Wales, who run the school so effectively on a day to day basis

Dean Yates
Chair



Cathedral Ranges rock-climbing. Cycle 4, 2017.

Principal's Report

Improvement and expansion continued at MMS as we purchased the house at 737 Hawthorn Road which has enabled us to grow the school footprint and which gives us the opportunity to make our amenities more useful and effective.

We installed a new portable classroom which delivered 3 additional learning spaces at Brighton and an extra Staff Room for the Cycle 4 staff. At Caulfield we refurbished our new Cycle 3 classroom and added a dedicated Staff Room, Administration offices and LDU spaces. Two additional classes were added as we grew to Year 9 and added our fourth Cycle 3 class.

This year the emphasis has been on greater excellence as we saw staff and students soar to new levels in all areas of the school curriculum and extra curricula activities. Our children had fascinating incursions from the Discovery Dome, the Astronomical Society of Victoria and Australian authors during Book Week; they visited Werribee Open Range Zoo, China Town, went Rock Climbing in the Cathedral Ranges and were lucky enough to experience aspects of our indigenous culture during an incursion from Island Dreaming. The Cycle 4s were led on a connection to the people across a week in the Grampians by an elder from the region.

Our Art Show raised the bar again, the Mid-Year Concert was outstanding as our new Performing Arts program revelled in the talents of our students, while the Graduate Speech Night reached new heights in excellence and the celebration of individual motivation.

The Graduates studied leadership skills in two specialised programs and we were delighted to see them increase their influence on the younger children as they rose to the occasion time and again. They ran the Jarrod Hampton Sports Day, SEPEP sport lessons and their own Graduation Speech Night. They raised money for the RSPCA, Make a Wish, WWF and Papulankutcha again.

Gay Wales
Principal



Excursion at Collingwood Children's Farm, 2017

Melbourne Montessori School Foundation Report

The MMS Foundation continued to capacity build this year, with a focus on our Alumni and developing an Alumni Engagement strategy. To implement this strategy an Alumni Working Group, including current and Alumni parents, was established. The first annual Alumni Family Day is planned for 2018. The opportunity to reconnect with our Alumni and their families is an exciting opportunity for the School and the Foundation.

An Alumni database, prior to 2006 and electronic records, has been collated from old parent ledgers and school records with a list of Alumni who attended Brighton Montessori, Caulfield Montessori or the merged entity, Melbourne Montessori School.

The Foundation hosted the third MMS Alumni Graduates of 2012 Reunion Lunch in December. Attendees included six of the ten students from the class of 2012, several parents and members of the Alumni Working Group. Our Graduates of 2017, 23 students, listened intently whilst our Graduate Alumni shared stories of life at Senior School, adjusting to homework and how to make new friends. With hindsight, they all expressed the importance of just being yourself. These students will complete either their VCE or IB studies next year and we wish them every success in their studies and life beyond school.

The Voluntary Building Fund Levy raised \$97,680 this year. We thank the 57% of families who have generously supported this tax-deductible levy. This levy contributes to the loan repayments on the Brighton Campus and the maintenance of our existing buildings.

The MMS Foundation achieved the following short-term goals during the year:

- The creation of an Alumni Engagement Strategy
- The establishment of an Alumni Working Group consisting of current and Alumni parents
- The third Alumni event with the MMS Alumni Graduates 2012 lunch held in December
- The MMS Foundation & Master Plan Newsletter published in March & September 2017

The MMS Foundation continued working towards achieving the following longer-term goals:

- The continued creation of the Alumni database and broader Alumni reconnection and engagement strategy
- The implementation of the MMS & MMS Foundation Fundraising Plan 2014 - 2023
- The development of the MMS Capital Campaign to support the redevelopment of the Brighton and Caulfield Campuses.

The success of the MMS Foundation is dependent on the contributions of the Board Members who give generously of their time, energy and expertise.

Thank you to our current Directors - Hali Halphen, Marcell Judkins, Steven Castan, Moana Weir, Paul Maginnity - and Simon Digby who joined the Board in November. During the year, Georgia Denisenko, a founding Director, and Heico Wesselius, Deputy Chair resigned. It is important to acknowledge their contributions to the Foundation and specifically their work on the MMS Foundation Strategic Plan, Capital Campaign Strategy and MMS Community Finance Fund which provides a legacy well beyond their time as Board Members.

The financial operations for the financial year ended 31 December 2017 resulted in a total comprehensive income of (\$2,835).

LJ Ryan, Chair Melbourne Montessori School Foundation



MMS Alumni Graduates of 2012 with Gay, Yasmin and MMS Graduates of 2017

Melbourne Montessori School Performance Report

How does Melbourne Montessori add Value to the Curriculum?

At MMS we take a truly holistic approach to the education of the children. Whilst the academic achievements of children are very important we believe that there is much to broaden the experience of every child which can contribute to them becoming a life-long learner and member of society. In these times of global uncertainty and change, the children and staff at Melbourne Montessori School continue to live and work in an atmosphere of peace and harmony. Maria Montessori strove diligently to extend the boundaries of peace, and tolerance of difference and all our staff work tirelessly to honour these same values in every corner of the school.

Below are some highlights of our wider education.

Camps, Excursions and Incursions

Cycle 4s went hiking, canoeing and cycling at Beaufort in the Mt Cole National Park and also contributed to the community of Beaufort by helping out for a day. They also visited the Great Barrier Reef and Daintree Rainforest to enhance their Humanities unit on sustainability and to learn of Australians' connection with the sea. They learnt sailing for one term, rock climbing, basketball etc. in Sport. They had a composer teach them how to write their own music, they started their own band and several artists taught them 3D work both sculpting in straw and drawing, and a wood carver taught them woodworking skills. A chef taught them nutritional skills in the kitchen and a digital maker expert helped improve their abilities in robot coding and programming. They had lessons in marketing and balance sheets and began their own small businesses making paper, dried teas and slices and cupcakes for their Micro Economy lessons.

Cycle 3 Camp was held at Lord Somers Camp at Portsea. The Year 3 Camp was held again for one night at the beautiful Campaspe Downs.

Cycle 2 visited Cranbourne Botanic Gardens and Cycle 1 were again entranced by Lynton Allan, an artist who told Australian stories while illustrating them with Australian animals. All Cycle 2 and 3 children visited the collection of works by Edgar Degas at the National Gallery of Victoria.

Numerous incursions and special days were celebrated with an Italian Fiesta and Leigh Hobbs, the children's author, visited for Book Week. The Cycle 4s connected

with the other Montessori adolescent programs whilst the Cycle 3s visited the Shrine and The Jewish Holocaust Museum and Research Centre. The Year 3s also visited the MSO. Many fundraisers were organised for local charities by the Graduates. We helped with the annual Christmas appeal for Anglicare and again sent many resources to Papulankutja in the Western Desert.

Drama is still a huge part of the curriculum at MMS and all children in Cycle 2 and 3 perform in the Mid-Year Concert and Graduation Concert. This year the Melbourne Montessori School Players put on the extraordinary performance of Peter Pan and Wendy and older actors from Cycle 3/4 performed The Tiger Needs New Shoes. Some students were entered into a Public Speaking Competition and the Choir performed in the IPSHA Biennial Choral Performance at the Melbourne Town Hall.

Other extracurricular opportunities include Chess, Yoga, Sport, Cross Country, Drama, Skiing, The Write Club, Guitar, Keyboard, School Band and Choir.

The Graduates continued to fundraise a different charity each term and worked with students across the school. Cycle 4s also worked regularly with the Cycle 1s in a buddy system teaching them how to look after chickens, or how to play soccer or helping them in their garden beds.



Early Learners – Brighton Campus

Literacy and Numeracy Data 2017

Year 3

At Melbourne Montessori School the Year 3 children have maintained their outstanding achievement levels again in Reading, Writing, Spelling and Grammar and Punctuation and Numeracy as these excellent NAPLAN results confirm. In Reading (Comprehension) and Grammar and Punctuation, the average child in Year 3 scored at the National Minimum Standard required for Year 9. This is a remarkable achievement and further, ninety per cent of the entire year level were achieving at or above the National Minimum Standard for Year 5 in Reading, Writing, Numeracy and Grammar and Punctuation.

In Spelling, seventy-five per cent scored at or above the National Minimum Standard for Year 5, and the average child achieved at the National Minimum Standard for Year 7.

Year 5

The Year 5 children achieved equally high results with the average child achieving above the National Minimum Standard for Year 9 in both Reading (Comprehension) and Spelling. The average child achieved at or above the National Minimum Standard for Year 9 in Writing, Numeracy and Grammar and Punctuation. Ninety per cent of children in Reading achieved at or above the National Minimum Standard for Year 7 and ninety per cent achieved at or above the National Minimum Standard for Year 7 in Writing, Spelling, Grammar and Punctuation. In Numeracy, seventy-five per cent of children in Year 5 achieved at or above the National Minimum Standard for Year 7.

Year 7

Our third group of Year 7 students achieved very highly with the average student achieving above the National Minimum Standard for Year 9 in every subject area. Ninety per cent of the students in Reading (Comprehension) and Numeracy achieved at or above the National Minimum Standard for Year 9 – the highest rating described in NAPLAN. In Writing, Spelling and Grammar and Punctuation

seventy-five percent of our students achieved at or above the National Minimum Standard for Year 9.

Year 9

In our first cohort of Year 9 students, the average student achieved above or well above the National Minimum Standard for Year 9 - the highest rating described in NAPLAN in every subject area. Ninety percent of all students achieved either above or well above the National Minimum Standard for Year 9 in every subject area.

Curriculum Area	Year 3	Year 5	Year 7	Year 9
Reading	97%	100%	100%	100%
Writing	100%	100%	100%	91%
Spelling	100%	97%	100%	100%
Grammar & Punctuation	100%	100%	92%	100%
Numeracy	100%	100%	100%	100%

Table: Percentage at or above National Minimum Standard



Cycle 3 Students - Caulfield Campus

Student Attendance

Attendance is recorded twice a day online through the School's database. Teachers and Administration staff monitor student absence and parents are contacted where appropriate.

Overall average attendance for 2017 was 92.10% (2016 85.59%), an increase of 6.51% on 2016 data.

Cycle	Term 1 & 2	Term 3	Average
Cycle 2	93.34%	89.85%	91.60%
Cycle 3	93.22%	89.25%	91.24%
Cycle 4	97.04%	89.92%	93.48%
Average	94.53%	89.67%	92.10%

Student numbers

On Census Day, 4 August 2017, the School had an enrolment of 360 students (3 year old Kinder – Year 9) an increase of 20 students over 2016 of whom 191 were boys and 169 were girls. In addition to this, MMS had 36 Early Learners and 31 Parent Toddlers.

School Surveys

A survey is conducted every 2 years

The 2017/18 School surveys showed satisfaction in Melbourne Montessori to be well above again. Where comparisons are available, the scores for overall satisfaction sit above the state mean, in the upper quartile, in relation to the relevant Independent Schools Victoria reference groups

Parent Satisfaction with the School

The 2018 School survey showed Melbourne Montessori parent satisfaction to be well above again. The scores for overall satisfaction are impressive with 99% of parents agreeing that MMS offers a positive learning environment for their child.

The categories of the survey included:

- academic achievement
- quality of teaching
- assessment and reporting
- pastoral care
- infrastructure and resources
- personal and social development
- communication
- extra-curricular opportunities

Student Satisfaction with the School

The survey, undertaken by Year 5 and 6 students in 2017 highlighted significantly higher student satisfaction across all general areas compared with the state mean in relation

to the relevant Independent Schools Victoria reference groups.

Categories in the survey included:

- academic program
- learning outcomes
- pastoral care
- discipline and safety
- personal and social development
- resources
- school ethos
- peer relations
- transition
- general satisfaction

Teacher Satisfaction with the School

Teachers recorded a higher level of satisfaction than the state mean in relation to the relevant Independent Schools Victoria reference groups in the school-based and workplace domains in the areas of:

- Teaching practice
- Quality of teaching and learning
- Learning support
- Pastoral Care
- School Ethos
- Parental involvement
- Technology
- Student behaviour
- Discipline

MMS Graduates movements

MMS Year 6 Students graduated to the following schools:

Government Schools

McKinnon Secondary	1
Elwood College	1
Templestowe College	1

Independent Schools

St Leonards - Brighton	4
Woodleigh School	1
Xavier College	1
Kilvington Grammar	1
Caulfield Grammar	1
St Michaels Grammar	1
Melbourne Montessori School	11

Unknown	2
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Numeracy and Literacy 3 Year trend

The NAPLAN results have been very consistent across the last three years with further improvement in 2017, particularly in the area of writing, spelling and numeracy.

In every cycle the levels have been consistently steady and have maintained the extremely high levels as detailed above.



Romeo and Juliet 2017 – Cycle 4 production

Student Demographics

Resident Statistics – Caulfield & Brighton Campuses 31 December 2017

	Total Students	Within 5 Km's	Over 5 Km's
C1-C4	360	54%	46%
PT & EL	67	48%	52%
TOTAL	397	51%	49%

Socioeconomic Status Score (SES)

Melbourne Montessori School – 119

Staff Qualifications

Advanced Diploma of Applied Sciences (Naturopathy)	1
Bachelor (Honours) Arts in Montessori Education	1
Bachelor of Accounting	1
Bachelor of Applied Science	2
Bachelor of Arts	3
Bachelor of Arts (major in English Language)	1
Bachelor of Arts in Montessori Education	1

Bachelor of Behavioural Sciences	1
Bachelor of Business	1
Bachelor of Commerce	2
Bachelor of Early Childhood	2
Bachelor of Art Education	1
Bachelor of Education	6
Bachelor of Education (Arts & Crafts)	1
Bachelor of Education (Early Childhood & Primary)	2
Bachelor of Education (Primary)	2
Bachelor of Education (secondary)	2
Bachelor of Education (Secondary)- Arts & Crafts	1
Bachelor of Teaching and Learning (Early Childhood)	1
Bachelor of Arts (School of Humanities)	1
Bachelor of Commerce (Management/Marketing)	1
Bachelor of Music (Performance)	1
Bachelor of Music with Honours	1
Bachelor of Science	4
Bachelor of Science (Home Science)	1
Bachelor of Special Education	1
Bachelor of Teaching (Primary)	1
Bachelor or Creative Arts	1
Bachelor of Arts (English Studies)	1
Bachelor of Arts (English Literature/Philosophy)	1
Certificate of TESOL	1
Certificate III in Children's Services	8
Certificate III in Early Childhood Education and Care	1
Certificate III in Education Support	2
Certificate Education Support-Integration Aide	1
Certificate of Completion Disability Standards for Education	1
Certificate of Completion Early Childhood	1
Certificate of Completion Education Support	1
Certificate of Completion Montessori Elementary Course (6-9 year olds)	1
Certificate of Completion Montessori Method of Education	1
Certificate of Completion Teaching (Primary) (Montessori)	1
Certificate of Education (Integration)	1
Diploma in Systems Technology	1
Diploma Montessori Training Course	6
Diploma of Business (Human Resources)	1
Diploma of Child Psychology	2
Diploma of Children's Services	5
Diploma of Early Childhood (Montessori)	1

Diploma of Early Childhood & Primary Ed – Montessori	2
Diploma of Early Childhood Education and Care	1
Diploma of Early Childhood Montessori (3-6 years)	2
Diploma of Education	2
Diploma of Education (Early Childhood & Primary) (Montessori)	1
Diploma of Education Pre-Primary	1
Diploma of Geology & Geochemistry	1
Diploma of Library/Information Services	1
Diploma of Montessori Method of Education	4
Diploma of Teaching (Primary)	5
Diploma of Teaching Early Childhood	2
Diploma of Early Childhood Teachers Training (Montessori)	1
Diploma of Montessori Education	1
Diploma of Preschool Education Training	1
Diploma of Montessori Method for Children 3-6 years	1
Diploma of Early Childhood Education	1
Graduate Diploma Education Early Childhood Montessori (3-6 years)	1
Graduate Certificate of Marketing	1
Graduate Diploma Arts & Entertainment Management	1
Graduate Diploma of Computer Learning	1
Graduate Diploma of Early Childhood	1
Graduate Diploma of Education	4
Graduate Diploma of Education – Montessori	1
Graduate Diploma of Education (Early Childhood)	1
Graduate Diploma of Education (Secondary)	2
Graduate Diploma of Education (Senior Years)	1
Graduate Diploma of Intellectual Disability Studies	1
Graduate Diploma of Teaching (Early Childhood)	2
Graduate Diploma of Teaching (Secondary)	1
Graduate Diploma of teaching and Learning	1
Master of Arts	2
Masters of Engineering (Research)	1
Masters of School Leadership	1
Masters of Education (Teaching English to speakers of other languages)	1
Master of Special Education	1
Master of Teaching (Primary)	1
Masters of Arts (Communications)	1
Masters of Business Administration	1
Masters of Teaching (Early Childhood & Primary)	1
Masters of Teaching	1
	2
Masters of Teaching (Early Childhood)	1

Masters of Teaching (Secondary)	2
Montessori Assistants Orientation Course (3-6 years)	4
Montessori Diploma Early Childhood (3-6 years)	3
Montessori Orientation Program Adolescent	5
Montessori Teacher Education Course Theory & Practice (2.5-6 years)	1
Post Graduate Diploma Early Childhood	1
Post Graduate Diploma of Education	1
Post Graduate Diploma of Education (secondary)	1
Post Graduate Diploma of Psychology	1
Post Graduate Diploma of Teaching (Secondary)	2
Specialist Certificate Chinese Language (Teaching Primary)	1

Workforce Composition

The composition of the work force in 2017 was an average of 76 permanent staff members, 5 of which was on parental leave and 15 resigned to pursue other opportunities or move interstate. In 2017 our gender ratio of employees was 59 females and 17 males.

In 2017 each cycle classroom had the following mix of appropriate qualifications:

- All Cycle 1 classrooms have a teacher working in the room who have Victorian Institute of Teaching (V.I.T.) registration for Early Childhood and Primary, and an Assistant who has an appropriate Early Childhood qualification. Each classroom has highly trained Montessori educators.
- All Cycle 2 classrooms have a teacher working in the room who have Victorian Institute of Teaching (V.I.T.) registration for Primary and an Assistant who has an appropriate Primary Education qualification. Either or both the teacher and assistant have an approved Montessori qualification.
- All Cycle 3 classrooms have a teacher working in the room who have Victorian Institute of Teaching (V.I.T.) registration for Primary and an approved Montessori Qualification.
- The Cycle 4 classrooms have teachers working in the room who have Victorian Institute of Teaching (V.I.T.) registration for Secondary and the Adolescent Montessori Qualification.

Melbourne Montessori School supports all staff in their commitment to pursue further studies.

Professional Development

As we believe in life-long learning at Melbourne Montessori School, it is essential that all staff are able to pursue continued Montessori professional development. Staff are given in-house specific training on a range of academic and holistic areas. All staff are encouraged to pursue post-graduate study in both Montessori and wider educational areas.

Broader Community Support through Professional Learning

Melbourne Montessori School proudly supports the growth of the next generation of teachers through hosting many student teacher placements in our classrooms.

In 2017 our school directly supported the following learner programs:

- Hosted 30 Student Teacher Placements. These students were from Monash, Deakin, Swinburne, Charles Sturt Universities, as well as AMI placements.
- Supported 5, Year 10 Secondary School, Work experience students;
- Coordinated and supported 4 ongoing volunteers, who assisted in our material making department and also volunteered in our classrooms.

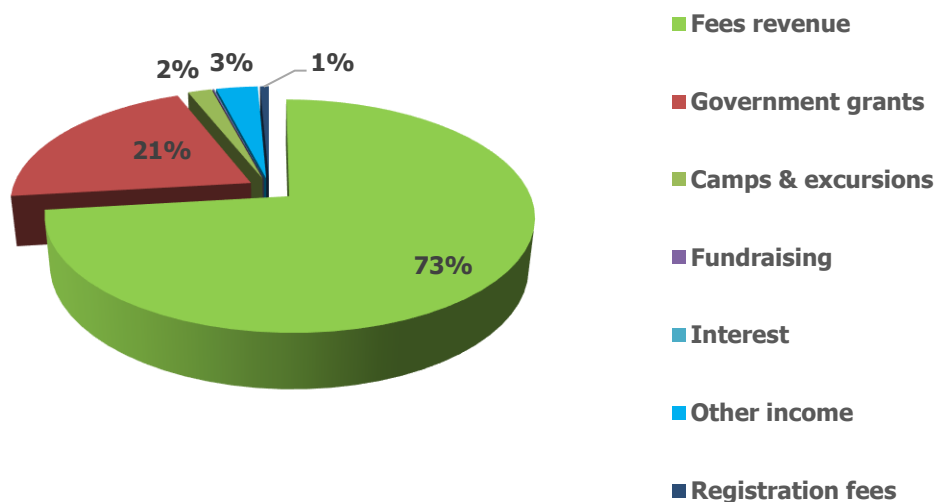
Whilst many achievement's flow from supporting formal and informal learning goals, other outstanding achievements in 2017 were our Deputy Principal's coordination of 4 overseas students who came here on placement from universities in the US, China, Hong Kong and England.

Additionally, we also provided continued assistance to AMI training, MWEI training and set ups for undertaking their courses in our facilities. Finally, the sponsorship we undertook in the Philippine's Montessori School, Manila; Vientiane Montessori School in Laos; Western Desert, Western Australian Montessori Schools; Gisborne, Beechworth and the Torres Strait Montessori Schools

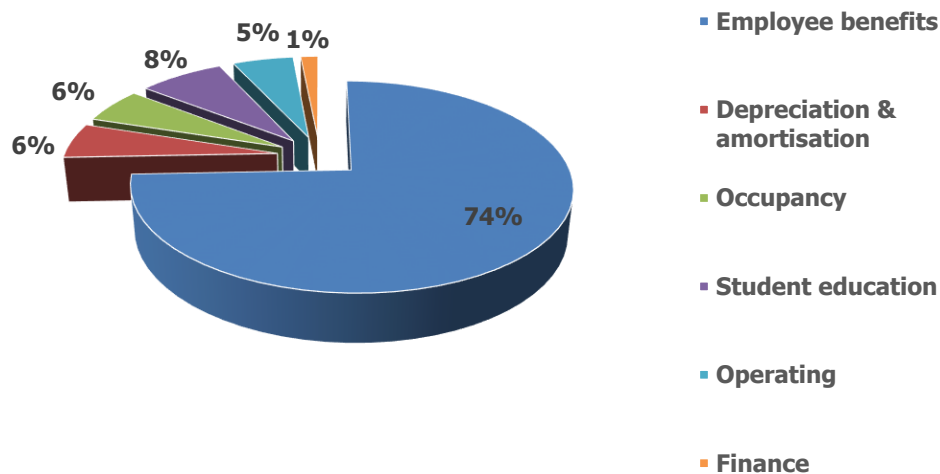


Open Day 2017. Brighton Campus

2017 Income (by funding source)



2017 Expenditure (by category)



Student Ratios (Operational) Dec 2017	(Average all Students. Includes: EL & PT)	
	2017	2016
Tuition Fees Per Student	\$11,988	\$11,255
Total Income Per Student	\$16,218	\$15,294
Government Grants per Student	\$3,406	\$3,307
Teaching Costs per student	\$10,499	\$9,304
Overall Costs per Student	\$15,498	\$13,269

Directors' Report

31 December 2017

The directors present their report on Melbourne Montessori School Ltd for the financial year ended 31 December 2017.

1. General information

Information on directors

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

Dean Yates Board Chair

Qualifications Bachelor of Economics with First Class Honours (University of Tasmania, Executive MBA (Melbourne Business School), Fellow of the Institute of Public Administration Australia (Victoria), Graduate of the Australian Institute of Company Directors

Experience Dean is a Partner at EY in Melbourne. He has dual roles as National leader for EY's engagement with Government Treasury and Finance Departments and the leader of EY's Victorian Government Practice. Prior to joining EY Dean had over 30 year's public sector experience in Melbourne, Canberra and Hobart. He held a number of senior positions in the Victorian Government including Secretary of the Department of Transport, Planning and Local Infrastructure and Deputy Secretary roles in the Department of Premier and Cabinet and the Department of Treasury and Finance.



LJ Ryan Board Deputy Chair

Qualifications BBus (Marketing)

Experience Appointed Interested Director in December 2012. LJ has 25 years of varied experience within the business and philanthropic sector. Currently a Director/Company Secretary and Advisory Board Member for several private family companies.



James McDonald Finance Director

Qualifications BA in Accounting and Economics from Strathclyde University. Chartered Accountant (Scotland)

Experience Jim has spent the last 18 years working in the financial services industry in the UK and Australia for Clydesdale Bank and National Australia Bank. He has held senior roles in Business Banking, Risk and Finance. His current role is heading the finance team for the NAB's customer services team which fulfils retail and business lending for customers. Prior to this Jim led the implementation of a new performance framework in the bank's operations, technology and support teams.



Paul Maginnity Director

Qualifications BCom, Dip Fin Serv (FPA)

Experience Appointed Interested Director in December 2008. Paul has over 20 years of experience in financial services including in senior roles for ANZ, Westpac and Tower Insurance Limited. He has also had roles in banking in London and in small businesses. He is the owner and Managing Director of a boutique finance company.



Diana Tremigliozi	
Qualifications	BEcon (Accounting)
Experience	Diana has over 18 years of experience in various government administration roles including most recently in infrastructure delivery at Regional Development Victoria.



Nicole Seuret-Batterham	
	Director
Qualifications	MBA, BBus (Marketing and HR)
Experience	Nicole's background includes over 15 years of experience in Human Resources, in large multinational companies including EDS, Citibank and BHP both in Australia and Europe. She is currently a small business owner specialising in career coaching for over 45s.



Chris Burke	
	Director
Qualifications	HND in Business & Finance from Thames Valley University (UK)
Experience	Chris has over 25 years' experience working in retail. Currently, Chris manages an Australian nationwide chain in the furniture sector. Previously, Chris has managed business in a variety of countries including the UK, Germany, Portugal, Belgium, Greece and Thailand. Chris has also sat on various committees and boards, including the chairmanship of the Cheshire Chamber of Commerce in the UK



Pradeep Philip	
	Director
Qualifications	B.Econs (Hons) - UNQ, PhD (Economics) - UNQ
Experience	Pradeep is a Partner at Deloitte Access Economics. Prior to this, he established his own boutique advisory firm, <i>Ergo Consilium</i> , following a long career in the public service. He has served as Director of Policy in the Prime Minister's office, Secretary of the Department of Health and Human Services in Victoria, CEO of LaunchVic – a company established by the Victorian Government to promote start-ups and entrepreneurship – and Associate Director General of the Department of Premier and Cabinet in Queensland. He also serves as a member of the Advisory Board of the Melbourne School of Government (University of Melbourne), and is a Director of a non-for-profit charity, Creativity Australia



Michael Westaway	
Qualifications	LLB, Dip Chartered Secretaries
Experience	Appointed Independent Director in August 2014. Michael is a partner in the Melbourne Real Estate and Projects group of HWL Ebsworth Lawyers with more than 20 years of experience in conducting all types of property related matters. He is a member of the Law Institute of Victoria. Resigned 12 July 2017



Heico Wesselius

Qualifications DipComm, BBA, MA MPhil, PHDC

Experience

Appointed Interested Director in December 2013. Heico has a bachelor's in business administration degree in management, economics and law from The Amsterdam Business School (HES), specialising in banking, insurance and finance. He has experience as a strategy consultant for a global management consulting firm in North America and Asia, a Master's degree from New York, and is enrolled in the Economics PhD program at The New School for Social Research in New York. In 2005, he accepted a visiting assistant professorship in strategic design management in the design and management department program at Parsons, the New School for Design (New York) and later he accepted a tenure track assistant professorship (July 2006) in the BBA Program in Design and Management in the School of Design Strategies. Heico also serves as a strategic adviser to several New York based design-led and fashion organisations.



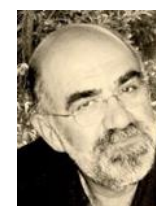
Resigned 16 June 2017

Antony Swain

Qualifications B.Bus (Marketing), GradDipEd

Experience

Appointed Independent Director in January 2012 (previously Interested Director 2004-2007 and 2008-2011). Tony worked with Shell Oil in Australia and the Pacific Islands for 20 years in marketing and general management roles and was a small business owner and director for 14 years. He is now retired. He is the immediate past-Chair of the Board.



Resigned 2 February 2017

Company Secretary

John Bourikas

Qualifications BBus Accounting, Ass Dip Accounting, Cert. Accounting

Experience

John has over 30 years of experience in various Financial & Management roles ranging from Banking (ANZ Bank, Personal, Business Banking and International), Pharmaceuticals, Non For Profits and various small companies. Currently the Business Manager at Melbourne Montessori School.

Appointed 21-Apr-15



Directors have been in office since the start of the financial year to the date of this report and were in office as at the date of this report unless otherwise stated.

Review of operations

The financial operations for the financial year ended 31 December 2017 resulted in total comprehensive Income of \$137,666 (2016: \$4,948,079).

The total number of students at census date for 2017 was 360 including Primary 222, Secondary 44, Kindergarten 50 (4Yr old funded program), and unfunded 3 year old students was 44.

The School's average number of Early Learner students during the year was 33 (2016: 30).

The School's average number of Parent Toddler students during the year was 27 (2016: 27).

Melbourne Montessori School acknowledges with appreciation the valuable assistance and support given during the year by all the parents, teachers and the Parent Association. The Directors also appreciate the efforts of the principal Gay Wales and her team.

Short term and long term objectives

The objectives are pre-school and primary education and now secondary education, following the Montessori philosophy to prepare students for higher education and a successful life.

The School employs qualified teachers who are also qualified or experienced Montessori educators. The School accesses federal, state and private funding sources and encourages input from the parents of the students. The School believes that these strategies have been successful in achieving these objectives.

Strategy for achieving the objectives

The overall strategy for achieving the objectives of the School is set out in the Schools Strategic Plan, which is regularly reviewed throughout the year. Decisions based on major expenditure should coincide with the strategic plan of the School.

Principal activities

The principal activity of Melbourne Montessori School Ltd during the financial year was that of an independent school providing pre-school, primary and secondary education.

The Primary focus was on excellence in Montessori education for our students together with the goal of growing the Cycle 4 (secondary school) in 2017 and beyond.

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

How principal activities assisted in achieving the objectives

Through the course of the year these activities assisted in achieving the objectives of the School by increasing school enrolments in a Montessori environment.

Performance measures

The School measures the achievement of its objectives in a variety of ways including external NAPLAN reporting and the Lead Survey which measures staff and parent satisfaction. The School also performs an internal quality review of its education outcomes at the start of each year and this is continually monitored by the principal.

The Board monitors the performance of the School against the achievement of milestones in the Schools Strategic Plan. The Board also monitors performance of the School's principal against objectives set by the Board.

2. Other items

Significant changes in state of affairs

The School achieved Victorian Registration and Qualifications Authority (VRQA) registration to operate a year 10 secondary school. There have been no significant changes in the state of affairs of the Company 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 could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

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

Meetings of directors

During the financial year, 9 meetings of the Board of directors were held. Attendances by each director during the year were as follows:

Directors (& Company Secretary)	Directors' Board Meetings	
	Number eligible to attend	Number attended
Dean Yates	9	8
LJ Ryan	9	8
Paul Maginnity	9	8
James McDonald	9	9
Antony Swain	0	0
Heico Wesselius	4	3
Diana Tremigliozi	9	8
Michael Westaway	5	4
Nicole Seuret-Batterham	9	8
Pradeep Philip	9	7
Chris Burke	5	3
Company Secretary		
John Bourikas	9	8
Executive Officers		
Gay Wales	9	9
John Bourikas	9	8
Des Rueben	9	8

During the financial year, the school paid insurance premiums insuring the directors of the Melbourne Montessori School and all officers of the consolidated entity and of any related body corporate against a liability incurred as director or officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of premium.

The school has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the school or of any related body corporate against a liability incurred as an officer or auditor.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 31 December 2017 has been received and can be found on page 19 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director
James McDonald

Director.....
Dean Yates

19 April 2018

CONSOLIDATED FINANCIAL STATEMENTS

Auditor's Independence Declaration under the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Melbourne Montessori School Limited and controlled entities

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2017, there have been:

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



Andrew Fisher, Partner (auditor registration number 306364) on behalf of
Banks Group Assurance Pty Ltd, Chartered Accountants
Authorised audit company registration number 294178 (ACN 115 749 598)

Dated: 19 April 2018

Melbourne, Australia

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
Revenue	3	5,085,009	4,486,923
Other income	3	1,868,949	1,618,616
Employee benefits expense		(4,906,576)	(4,136,408)
Depreciation and amortisation expense		(368,543)	(315,247)
Occupancy costs		(237,596)	(202,509)
Student education expenses		(505,301)	(309,550)
Operating expenses		(396,674)	(338,613)
Setup costs		(2,531)	-
Finance costs		(204,685)	(141,114)
Surplus for the year		331,052	662,098
Revaluation change of property, plant and equipment		-	4,285,981
Depreciation on revaluation of property, plant and equipment		(193,386)	-
Total comprehensive income for the year		137,666	4,948,079

Consolidated Statement of Financial Position

31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	568,622	223,970
Trade and other receivables	5	204,898	279,805
Prepayments		92,602	94,735
TOTAL CURRENT ASSETS		866,122	598,510
NON-CURRENT ASSETS			
Property, plant and equipment	6	26,625,641	24,761,755
TOTAL NON-CURRENT ASSETS		26,625,641	24,761,755
TOTAL ASSETS		27,491,763	25,360,265
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	294,085	269,410
Employee benefits	8	256,850	193,845
Other liabilities	9	1,925,221	1,688,648
TOTAL CURRENT LIABILITIES		2,476,156	2,151,903
NON-CURRENT LIABILITIES			
Employee benefits	8	151,993	117,414
Borrowings	10	3,935,000	2,300,000
TOTAL NON-CURRENT LIABILITIES		4,086,993	2,417,414
TOTAL LIABILITIES		6,563,149	4,569,317
NET ASSETS		20,928,614	20,790,948
EQUITY			
Asset revaluation reserve		16,138,627	16,332,013
General reserve		1,701,517	1,701,517
Retained Earnings		3,088,470	2,757,418
TOTAL EQUITY		20,928,614	20,790,948

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2017

2017

	Retained Earnings \$	Asset Revaluation Reserve \$	General Reserves \$	Total \$
Balance at 1 January 2017	2,757,418	16,332,013	1,701,517	20,790,948
Surplus attributable to members of the parent entity	137,666	-	-	137,666
Transfers of depreciation on revaluation from retained earnings to asset revaluation reserve	193,386	(193,386)	-	-
Balance at 31 December 2017	3,088,470	16,138,627	1,701,517	20,928,614

2016

	Retained Earnings \$	Asset Revaluation Reserve \$	General Reserves \$	Total \$
Balance at 1 January 2016	2,095,320	12,046,032	1,701,517	15,842,869
Surplus attributable to members of the parent entity	662,098	-	-	662,098
Revaluation change of property, plant and equipment	-	4,285,981	-	4,285,981
Balance at 31 December 2016	2,757,418	16,332,013	1,701,517	20,790,948

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		5,916,816	4,475,862
Receipt from government grants		1,447,433	1,313,022
Interest received		2,547	6,262
Payments to suppliers		(6,026,647)	(4,688,518)
Finance cost		(204,685)	(141,237)
Net cash provided by operating activities	19	1,135,464	965,391
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments to acquire property, plant and equipment		(2,425,812)	(731,432)
Net cash (used in) investing activities		(2,425,812)	(731,432)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from/ (repayments of) borrowings		1,635,000	(680,206)
Net cash provided by/ (used in) financing activities		1,635,000	(680,206)
Net increase/ (decrease) in cash and cash equivalents held		344,652	(446,247)
Cash and cash equivalents at beginning of year		223,970	670,217
Cash and cash equivalents at end of financial year	4	568,622	223,970

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 31 December 2017

The financial report covers Melbourne Montessori School Limited and controlled entities ('the Group'). Melbourne Montessori School Limited and controlled entities is a not-for-profit Group limited by guarantee, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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.

(b) Principles of Consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 14 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(c) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

Notes to the Financial Statements For the Year Ended 31 December 2017

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the assets, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

(d) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

The prior year figures in the school were restated for capital WIP which has incorrectly been expensed. This was for \$146,706 and has been moved from expenses to capital WIP under property, plant and equipment in the 2016 figures.

(e) Income Tax

No provision for income tax has been raised as the Group is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(f) 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 Group, 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 lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(g) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Notes to the Financial Statements For the Year Ended 31 December 2017

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

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

(h) Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

(i) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

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

(j) 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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(k) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Notes to the Financial Statements For the Year Ended 31 December 2017

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a class by class basis. Buildings and classroom equipment are depreciating using the straight-line method from the date that management determine that the asset is available for use. All other classes are depreciated using the reducing balance method.

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

Fixed asset class	Depreciation rate
Buildings	2.5% - 20%
Furniture, Fixtures and Fittings	20% - 40%
Office Equipment	10% - 20%
Fences, Gates & Grids	20%

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.

(I) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Group 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).

Financial Assets

Financial assets are divided into the following categories which are described in detail below: loans and receivables; and

- available-for-sale financial assets

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

Notes to the Financial Statements For the Year Ended 31 December 2017

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Available-for-sale financial assets

Other non-derivative financial assets are classified as available-for-sale financial assets.

(m) Cash and cash equivalents

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

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

(n) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Notes to the Financial Statements

For the Year Ended 31 December 2017

Employee benefits expected to be settled more than twelve months 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. Cash-flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash-flows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the consolidated statement of financial position if the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(o) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the consolidated statement of profit or loss and other comprehensive income.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(p) New accounting standards and interpretations

Pronouncement	IFRS16 New Lease Standard
Effective Date	1 January 2019
Expected Impact on the Financial Statements	Assets and liabilities will be recognised for all leases with a term greater than 12 months.
Pronouncement	AASB9 Financial Instruments
Effective Date	1 January 2018
Expected Impact on the Financial Statements	There will be significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value.

2 Critical Accounting Estimates and Judgments

The directors 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.

3 Revenue and Other Income

Revenue from continuing operations

2017

2016

Notes to the Financial Statements For the Year Ended 31 December 2017

	\$	\$
Fees revenue		
- Fees revenue	5,085,009	4,486,923
	<u>5,085,009</u>	<u>4,486,923</u>

	2017 \$	2016 \$
Other income		
- Camps and excursion levies	132,291	105,980
- Fundraising	6,223	1,880
- Government grants	1,447,433	1,313,022
- Interest	2,566	6,262
- Net gain on disposal of property, plant and equipment	199,885	155,572
- Other income	48,925	35,900
- Registration fees	31,626	-
	<u>1,868,949</u>	<u>1,618,616</u>

4 Cash and cash equivalents

	2017 \$	2016 \$
Cash on hand	-	-
Cash at bank	557,578	207,048
Short-term bank deposits	7,500	7,500
Other cash and cash equivalents	3,544	9,422
	<u>568,622</u>	<u>223,970</u>

Melbourne Montessori School receives and holds funds in trust on behalf of the Melbourne Montessori School Parents' Association totalling \$3,544 (2016: \$9,422).

5 Trade and other receivables

	2017 \$	2016 \$
CURRENT		
Trade receivables	212,849	291,786
Provision for impairment	(20,139)	(21,139)
	<u>192,710</u>	<u>270,647</u>
Other receivables	12,188	9,158
Total current trade and other receivables	<u>204,898</u>	<u>279,805</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

6 Property, plant and equipment

	2017 \$	2016 \$
LAND AND BUILDINGS		

Notes to the Financial Statements

For the Year Ended 31 December 2017

Freehold land		
Owned - At independent valuation	12,570,216	11,500,000
Total Land	12,570,216	11,500,000
Buildings		
Owned - At independent valuation	14,493,624	13,236,726
Accumulated depreciation	(1,107,645)	(623,237)
Work in progress	292,921	353,283
Total buildings	13,678,900	12,966,772
Total land and buildings	26,249,116	24,466,772
PLANT AND EQUIPMENT		
Office furniture and equipment		
At cost	784,664	636,732
Accumulated depreciation	(458,152)	(392,439)
Total office furniture and equipment	326,512	244,293
Classroom equipment		
At cost	61,406	58,619
Accumulated depreciation	(52,060)	(48,241)
Total classroom equipment	9,346	10,378
Playground equipment		
At cost	108,397	100,057
Accumulated depreciation	(67,730)	(59,745)
Total playground equipment	40,667	40,312
Total plant and equipment	376,525	294,983
Total property, plant and equipment	26,625,641	24,761,755

Notes to the Financial Statements For the Year Ended 31 December 2017

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Consolidated	Land \$	Buildings \$	Office furniture & equipment \$	Classroom equipment \$	Playground equipment \$	Total \$
Year ended 31 December 2017						
Balance at 1 January 2017	11,500,000	12,966,772	244,293	10,378	40,312	24,761,755
Additions	1,070,216	1,196,536	147,931	2,786	8,340	2,425,809
Depreciation expense	-	(484,408)	(65,712)	(3,818)	(7,985)	(561,923)
Balance at the end of the year	12,570,216	13,678,900	326,512	9,346	40,667	26,625,641

7 Trade and other payables

	2017 \$	2016 \$
CURRENT		
Unsecured liabilities		
Trade payables	34,164	38,850
Sundry payables and accrued expenses	259,921	230,560
	294,085	269,410

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

8 Employee Benefits

	2017 \$	2016 \$
Current liabilities		
Long service leave	175,012	146,554
Annual leave	81,838	47,291
	256,850	193,845
Non-current liabilities		
Long service leave	151,993	117,414
	151,993	117,414

Notes to the Financial Statements For the Year Ended 31 December 2017

9 Other liabilities

	2017 \$	2016 \$
CURRENT		
Other liability	278,606	234,913
Amounts received in advance	1,646,615	1,453,735
	<u>1,925,221</u>	<u>1,688,648</u>

10 Borrowings

	2017 \$	2016 \$
NON-CURRENT		
Unsecured liabilities:		
Loan notes	1,750,000	1,800,000
	<u>1,750,000</u>	<u>1,800,000</u>
Secured liabilities		
Bank loans	2,185,000	500,000
Total non-current borrowings	<u>3,935,000</u>	<u>2,300,000</u>
Total borrowings	<u>3,935,000</u>	<u>2,300,000</u>

11 Capital and Leasing Commitments

(a) Operating Leases

	2017 \$	2016 \$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	6,601	6,384
- between one year and five years		3,157
	<u>6,601</u>	<u>9,541</u>

Operating Leases relate to three photocopiers. The school does not have an option to purchase the photocopiers at the expiry of the lease period.

Notes to the Financial Statements For the Year Ended 31 December 2017

(b) Capital Commitments

As at 31 December 2017 the company was committed to incur nil capital expenditure (2016: \$343,000).

(c) Financial Commitments

As at 31 December 2017, the company had nil financial commitment (2016: \$1,485,000).

12 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Group is \$ 329,496 (2016: \$ 318,520).

13 Auditors' Remuneration

	2017 \$	2016 \$
Remuneration of the independent auditor of the Company, Banks Group Assurance Pty Ltd, for:		
- auditing services	21,000	18,200

14 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business	Percentage Owned (%)* 2017	Percentage Owned (%)* 2016
Subsidiaries:			
MMS Unit Trust	Australia	100	100
MMS School Pty Ltd	Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

15 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 31 December 2017 (31 December 2016:None).

Notes to the Financial Statements For the Year Ended 31 December 2017

16 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Group does not speculate in financial assets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Market risk - currency risk, cash flow interest rate risk and price risk
- Credit risk
- Liquidity risk

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Trade and other payables

17 Members' Guarantee

The Group is incorporated under the *Corporations Act 2001* and is a Group limited by guarantee. If the Group is wound up, the constitution states that each member is required to contribute a maximum of \$ 20 each towards meeting any outstandings and obligations of the Group. At 31 December 2017 the number of members was 316 (2016: 304).

18 Related Parties

The Group's main related parties are as follows:

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

Notes to the Financial Statements For the Year Ended 31 December 2017

19 Cash Flow Information

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

	2017 \$	2016 \$
Surplus for the year	137,666	4,948,079
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus:		
- depreciation	368,543	315,247
- revaluation of property, plant and equipment	-	(4,285,981)
- depreciation on revaluation of property, plant and equipment	193,383	-
Changes in assets and liabilities:		
- decrease/ (increase) in trade and other receivables	267,785	(166,092)
- decrease/ (increase) in prepayments	2,132	(29,320)
- increase in trade and other payables	68,371	98,696
- increase in provisions	97,584	84,762
Cashflow from operations	<u>1,135,464</u>	<u>965,391</u>

20 Prior year restatement

The school restated the prior year capital work in progress. \$146,703 of capital work in progress was expensed rather than capitalised and has been brought in as a prior year adjustment.

	Previous Stated \$	2017 Adjustment \$	Revised Stated \$
Consolidated Statement of Profit or Loss and Other Comprehensive Income (extract)			
Occupancy expenses	349,215	(146,706)	202,509
Consolidated Statement of Financial Position (extract)			
Capital work in progress	206,577	146,706	353,283
Consolidated Statement of Changes in Equity (extract)			
Retained surplus	2,610,712	146,706	2,757,418

21 Events Occurring After the Reporting Date

The financial report was authorised for issue on 14 March 2018 by the Board of Directors.

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

Notes to the Financial Statements For the Year Ended 31 December 2017

22 Company Details

The registered office and principal place of business of the group is:
Melbourne Montessori School Limited and controlled entities
6 Roselea Street
CAULFIELD SOUTH VIC 3162

Directors' Declaration

The directors of the Group declare that:

1. The financial statements and notes, as set out on pages 20 to 37, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2017 and of the performance for the year ended on that date of the Group.
2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director
James McDonald

Director
Dean Yates

19 April 2018

Notes to the Financial Statements For the Year Ended 31 December 2017

Independent Audit Report to the members of Melbourne Montessori School Limited and controlled entities

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Melbourne Montessori School Limited and controlled entities (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and *Not-for-profits Commission Regulation 2013*.

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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 confirm that the independence declaration required by the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Regulations 2013* and the *Australian Charities and Notforprofits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a 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 directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

Notes to the Financial Statements For the Year Ended 31 December 2017

Independent Audit Report to the members of Melbourne Montessori School Limited and controlled entities

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 the 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 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 events or conditions that may cast significant doubt on the Company'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 Company 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 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 we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Banks Group Assurance Pty Ltd, Chartered Accountants
Authorised audit company number 294178 (ACN 115 749 598)

Andrew Fisher, Partner
Registration number 306364
Melbourne, Australia

19 April 2018