



2019



Melbourne Montessori School Ltd and controlled entities

ACN: 005 315 855

Consolidated Annual Report and Financial Statements
For the Year Ended 31 December 2019

Melbourne Montessori School
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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.

1. Chair's Report

The 2019 school year has been a year where the planning and building for an "end to end" school became reality and significant goals in the Strategic Plan were put in place.

A partner with expertise in both Long Day Care and the Montessori pedagogy was found. This enabled us to offer, from the start of 2020, the Montessori experience for children from three months of age. The Long Day Care was developed in response to many parent and guardian requests over several years to provide a solution for families where all parents and guardians worked during the day.

Our first Year 11 was completed and it meant the year ended with much excitement as 2020 would consequently see the debut of Year 12 students being taught in the School. To offer the best possible education, a choice of qualification was developed for Years 11 and 12. International Baccalaureate (IB) and Montessori Careers Programme were created to allow students a more tailored springboard into adult life, whether further education, the workplace or other venture was their next chapter.

2019 was a year of considerable financial investment with the school staffing increased by six people. This was required to make sure Year 11 and 12 students would continue to flourish. With student numbers able to grow by over 20% through the Long Day Care partnership and new building at Brighton campus, 2019 ended with an amazing opportunity to grow the Montessori community.

Sadly, 2019 was a year where two long standing members of the Board stepped down.

Paul Maginnity left after 11 years as Board member and Chair. Paul's vision, dedication and hard work were integral to the School successfully transforming itself from a junior school of under 200 children to the "end to end" school at his departure with a capacity for over 400.

LJ Ryan also left at the end of December after six years. LJ had a deep understanding of the School's history, community and potential for further growth. Through her immeasurable work on both the Board and various committees, combined with harmonious relationships built with key stakeholders over many years, she became Melbourne Montessori's champion for improvement.

I would like to thank all members of the Board for their contribution during the year. They have again freely given so much of their time to help make the School a better place for children and an environment where people enjoy working. The School is fortunate to have such altruistic people.

Finally, I would also like to offer the Board's thanks to the entire School staff, both in the classrooms and back of house. Every time I visit either campus I am struck by the children's engagement in their learning and happy faces. Helping children learn and develop is not easy, despite how the staff make it look! Gay, her Executive and broader team work tirelessly, more than we are able to observe, to make a positive difference in the children's lives.

Chris Burke
Chair

The new play area for Cycle 1 children at the Brighton Campus



2. MMS Foundation Report

The mission of the MMS Foundation is to raise financial and in-kind support and create wider community support through the engagement of Alumni and Friends of Melbourne Montessori School.

A focus this year was the re-engagement of our Melbourne Montessori School Alumni. In March the inaugural Alumni Reunion was held in the newly completed IB Building at the Brighton Campus. The evening was attended by past students, parents and staff who attended the various stages in our School's history - Brighton Montessori School, Caulfield Montessori School and Melbourne Montessori School.

Our founding families, and two 'Class of 1974 students', from the Melbourne Montessori Children's Centre which operated out of the hall at the Brighton Campus, marveled at the view from the IB Building and how the School had grown over the past forty-five years. Alumni connected with current staff and old friends, viewed the School memorabilia including many old photos and shared wonderful stories about our School. This event will be held annually and next year will be held at the Caulfield Campus.

The first Annual Giving Appeal was held in June with the Melbourne Montessori School community generously donating \$2,924 to the Foundation. The goal to quadruple this year's annual Foundation grant to \$2,000 was achieved.

The Foundation hosted the annual MMS Alumni Graduates of 2014 Reunion in December. Five students, including our first Melbourne Montessori Senior School cohort, joined our Junior School 2019

Graduates to share Senior School stories and discuss their plans for life beyond school.

The MMS Foundation & Master Plan Newsletter were published in March & October 2019.

The Voluntary Building Fund Levy raised \$100,365. Thank you to all the MMS families who have generously supported this tax-deductible levy. The levy contributes to the loan repayments on the Brighton Campus and the maintenance of our existing buildings.

The Foundation distributed a \$5,000 grant to the MMS Building Fund in support of the campus redevelopment to the enhance our learning spaces. Accumulative Foundation grants total \$5,500.

MMS Foundation Board members Marcell Judkin and Simon Digby retired during the year. Thank you to Marcell and Simon for sharing their time, energy and expertise. In December we welcomed Melissa Schraner, current MMS Parent, to the MMS Foundation Board. A final thanks to long-serving Board members Hali Halphen, Paul Magnnity, Moana Weir and Steven Castan for their ongoing support and commitment.

The financial operations for the financial year ended 31 December 2019 resulted in a total comprehensive income (net deficit) of \$ 681.00. ^(SEP) The Foundations corpus is \$36,103, a 9% increase from the previous year.

LJ Ryan
Melbourne Montessori School
Foundation Chair



Melbourne Montessori School founding families attending the inaugural Alumni Reunion.

3. Principal's Report

Melbourne Montessori School (MMS) began the inaugural Year 11 of the International Baccalaureate in our new building as we gained IB registration in January. This meant that for the first time ever, Melbourne Montessori School is a school registered to offer education from Parent and Toddler to Year 12. From the outset, the new building, which affords us the biggest space at MMS, was used for a wide variety of events from whole staff meetings, Art Show, parent film screenings, an Alumni reunion, international seminar and a fundraiser. We upgraded the middle Cycle 1 playground and cleared the internal fence, hedge and old play equipment which expanded the area of available playground for Cycle 1 children.

This year the emphasis was on extending our curriculum further again, as we gained registration to deliver a vocational program, the Montessori Careers Program, which also fulfils VCAL and VET criteria. We networked with cluster groups to develop connections with TAFE providers and prepared our staff to teach in this area. This is a first in Australia, to offer a senior secondary Montessori program. Our senior school won the National Innovation Award 2019, one of only 7 schools in Victoria and our first international trip was undertaken to Nepal where the students helped in building part of a school. We entered our first DAV debating team.

Coding was a major development at MMS as we developed our curriculum to include the use of Cubetto, Spheros and EV3 Lego Mindstorm robots from Prep to Year 6. STEM excursions and incursions meant that our upper primary students were given numerous opportunities to explore robotics too. BYOD or Bring Your Own Device in Senior School was an innovation which has helped our IT department greatly and we purchased a laser cutter for one of the Micro Economy groups.

We entered into a partnership with Headland Montessori, a very experienced, top quality Sydney childcare group, which will mean that we can deliver excellent Montessori educational choices for our parents for children from birth to age 6 years. We also undertook many more Montessori workshops for parents and supported the training of new Montessori teachers from AMI and MWEI training centres. We continued to send fundraising money to the indigenous, Montessori P.S. Papulankutchka in the Western Desert.

Gay Wales
Principal

The IB building was officially opened in March with the ribbon being cut by three Year 11 students who have attended MMS since the commenced in Cycle 1 in 2006.



4. Performance Report

4.1 Adding value

At MMS we take a truly holistic approach to the education of the children. Whilst the academic achievements of students 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. 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 every day in our school. We are also extremely grateful to the many dedicated parents who so generously give their time or resources and contribute to the life of the children in many ways.

4.2 Camps, Excursions and Incursions

Cycle 5 went on their first camp of the year to the Brisbane Ranges where they hiked, went mountaineering and abseiling. They lived in tents and did all their own cooking. They also went on a challenging snow-hiking camp at Mittagundi in Victoria's High Country. Others went on a skiing camp to Mt Buller. Cycle 5s went ice skating each week and near the end of the year undertook a METEC driver training day.

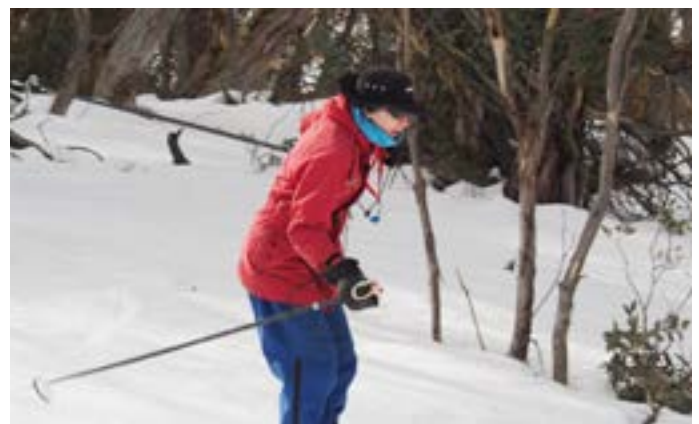


Getting ready to abseil in the Brisbane Ranges

The Cycle 5s helped with catering at a number of events eg. Alumni event, Montessori conference and Open Day. They worked to fix keyboards at School and maintained and repaired musical instruments.

Cycle 4 went on their initial camp of the year to ArtRocks in western Victoria. They undertook

canoeing, cycling, surfing, hiking and glass and ceramic art. Later in the year, they went on the Curriculum Camp to the Great Barrier Reef and the Daintree Rainforest as part of the 'Connection to the Sea'. The Cycle 4s furthered their businesses; had lessons in marketing and the maintaining of balance sheets and continued to run diverse small businesses increasing the range to include some laser cut and woodworked products as well as a coffee shop.



Skiing at Mt Buller

The Cycle 4s also visited the Alexander Calder exhibition at the NGV, had an incursion about DNA and Ancient American Indian hoop dancing and storytelling. More practically, they also had a speaker at Collingwood Children's Farm enlighten them about methods of irrigation; went on a field trip to look at fossils as part of their Science units where one of our students found an extraordinary, large group of vertebrae which are now being investigated by the Museum; it seems to be the backbone of a prehistoric whale. They went climbing and caving at UpUnlimited.

Cycle 3 camp was held extremely successfully at Portsea and Iluka Camps this year. They undertook many activities including giant swing, ropes course, snorkelling etc. The Year 3 Camp was held again for one night at the beautiful Campaspe Downs. Two optional ski camps were also run at Mt Buller.

All Cycle 2 and 3 children visited the exhibition of Alexander Calder at the National Gallery of Victoria and were able to join a Circus Workshop as part of the Art program which featured the art around famous circus performers. The Cycle 2 and 3 children were also lucky enough to experience an indigenous dance

incursion as part of their Performing Arts program. PIE Productions brought Ryka Ali to work with the children.

Cycle 3 had weekly incursions from the group Young Engineers and attended an inaugural Montessori United Nations Day at Gisborne Montessori School. The Graduates attended a wonderful concert and lecture given by the jazz legend, Wynton Marsalis, and his 20 piece big band Jazz at the Lincoln Centre at Hamer Hall. They continued weekly sessions about leadership and growth mindset and later undertook a six week course around Mindfulness.

The Graduates continued to fundraise for a different charity each term and worked with students across the school.



Selling donuts at the Graduate fundraiser

Cycle 2 went on an excursion to the Melbourne Museum with a focus on Bugs and had an incursion where they were able to view the sun through a solar telescope with a special filter which only allows hydrogen alpha light through. A marine biologist, currently working in Samoa came and lectured about his work to the Cycle 2 children.

We held Book Week and Italian Day for all junior school children and all students undertook sessions in Family Life and were instructed again on how to stay safe while using the Internet and social media. Cycle 1 children had two incursions from the Fire Brigade amongst other things. We held inaugural Montessori Football Holiday programs which were well-attended.

Other extracurricular opportunities include Chess, Yoga, Book Club, Robotics, Future Club, Cross Country, Drama, Skiing, Soccer, School Band and Choir.

We had an increased emphasis on parent education during 2019 and other than our special information sessions about Montessori philosophy, we started regular sessions on how to deal with toddler issues. We also held sessions on childhood confidence and how to handle childhood behaviour; Body Safety on social media for parents and staff and the work being done internationally by Montessori to support under privileged children.

4.3 Numeracy and Literacy

4.3.1 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, Grammar and Punctuation. In Spelling, seventy-five per cent scored at or above the National Minimum Standard for Year 5.

We had the highest result ever for our Writing results.



Working on test tube division

4.3.2 Year 5

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



Junior Sports Day

4.3.3 Year 7

achieved very highly with the average student achieving above the National Minimum Standard for Year 9 in every subject area. Seventy-five per cent of the students achieved at or above the National Minimum Standard for Year 9 – the highest rating described in NAPLAN in every subject area, with 90% of them achieving at or above the National Minimum Standard for Year 9 in Reading (Comprehension), Spelling and Numeracy.



Learning about plants

4.3.4 Year 9

In our third cohort of Year 9 students, we achieved our highest scores in every subject area for the 3 years. 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 at or above the National Minimum Standard for Year 9 in every subject area.

Senior School Production of Animal Farm



4.3.5 Result Tables

Curriculum Area	Year 3	Year 5
Reading	100%	96%
Writing	100%	100%
Spelling	100%	96%
Grammar & Punctuation	100%	96%
Numeracy	100%	100%

Curriculum Area	Year 7	Year 9
Reading	100%	100%
Writing	87%	93%
Spelling	100%	100%
Grammar & Punctuation	100%	100%
Numeracy	93%	100%

Percentage at or above National Minimum Standard

4.3.6 Numeracy and Literacy 3 Year trend

The NAPLAN results have been very consistent across the last three years with further improvement in 2019, particularly in the Junior School areas of writing, spelling and numeracy.

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

4.4 Graduate Outcomes/Destination

A total of 34 graduates completed Year 6 education within Cycle 3. The destination of these students was as follows:

School	No of Students
Melbourne Montessori School Cycle 4	14
Other Government School	9
Other independent Schools	11

4.5 Attendance Data

Attendance data as collected and reported in August 2019 and submitted to the Department of Education was as follows:

Campus	Attendance
Brighton Campus	79.22%
Caulfield Campus	84.43%



Cycle 1 children trying out their football skills



Parent and Toddler reading lesson

Cycle 4 Ice Hockey



4.6 Human Resources Information

4.6.1 Headcount and FTE

As at the end of August 2019 the School's FTE was 63.6.

In terms of total headcount, the figure was 82 (65 Female and 17 Male).

4.6.1 Qualifications

A summary of qualifications held by all staff shows the following:

Qualification	Number
Masters Degrees	11
Bachelor Degrees	53
Grad Diplomas/Diplomas and Certificates	16

In addition, 31 members of teaching staff have specific Montessori Qualifications.

4.6.2 Professional Development

During the 2019 financial year the School spent a total of \$74,547 in Professional Development expenditure. This figure is the direct cost for training programs and materials and does not include any costs associated with back-filling staff attending any courses.



Cycle 2 Mathematics lesson

Cycle 2 and 3 2019 Showcase - A Night at Melbourne Museum





5. Financial Statements

Melbourne Montessori School Ltd

ACN 005 315 855

Financial Statements

For the Year Ended 31 December 2019



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For the Year Ended 31 December 2019

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Directors' Report 31 December 2019

The directors present their report on Melbourne Montessori School Ltd for the financial year ended 31 December 2019.

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:

Chris Burke

Qualifications

Experience

(Chairperson)

HND in Business & Finance from Thames Valley University (UK)
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.

LJ Ryan

Qualifications

Experience

BBus (Marketing)

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.

Gaudenz Schneider

Qualifications

Experience

MSc, Economics and Finance; MSc Economics, Econometrics
Gaudenz has extensive experience as a Quantitative Analyst. He creates investment solutions by applying more than 15 years' experience over asset classes and structured products. His career has equipped him with expertise in Financial Innovation and experience in digital product delivery.

Diana Marie Tremigliozi

Qualifications

Experience

BEcon (Accounting)

Diana has over 18 years of experience in various government administration roles including most recently in infrastructure delivery at Regional Development Victoria.

Nicole Monique Seuret-Batterham

Qualifications

Experience

II/BA, BBus (Marketing and HR)

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.

Paul Maginnity

Qualifications

Experience

Finance Director

BCom, Dip Fin Serv (FPA)

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.



Directors' Report 31 December 2019

1. General information Information on directors

Joshua Murnane

Qualifications

Adv Dip in Business (Public Relations), Graduate Certificate in Management (Marketing), MBA, Graduate Diploma in Management (Marketing /Marketing Management)

Experience

Joshua has over 12 years of sales and marketing leadership experience with Australian SME's. He is currently a small business owner specialising in getting the most out of your marketing spend and understanding how campaigns need to be structured so that business goals are being met.

Pradeep Philip

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, Ergo Consilium, 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.

Neil Cook

Qualifications

(appointed 28 May 2019)

Graduate Diploma in Construction Management

Various qualifications in change management, design thinking and operations management.

Experience

Neil has over 25 years' experience in strategy and operations within the legal sector. He is currently working as the Global Legal Operations Director for Computershare, focussing improving the operational effectiveness and efficiency of the legal team across 8 countries.

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

Review of operations

The financial operations for the financial year ended 31 December 2018 resulted in total comprehensive income of \$ (496,151) (2018: \$24,874).

The total number of students at census date for 2019 was 278 including Primary 176, Secondary 60, Kindergarten 29, and unfunded 3 year old students was 13. The total number of students at census date for 2018 was 413 including Primary 262, Secondary 52, Kindergarten 39, and unfunded 3 year old students was 60.

The school's average number of Early Learner students during the year was 25 (2018: 34).

The school's average number of Parent Toddler students during the year was 31 (2018: 24).



Directors' Report

31 December 2019

1. General information

Review of operations

Melbourne Montessori School acknowledges with appreciation the valuable assistance and support given during the year by all the parents, teachers and the Fundraising Committee. 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 high school 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 Strategic Plan 2018-2028 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 MontessoriSchool Ltd during the financial year were that of an independent school providing pre-school and primary education.

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.

2. Other items

Significant changes in state of affairs

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.



Directors' Report

31 December 2019

2. Other items

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, nine meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Chris Burke	10	8
LJ Ryan	10	7
Gaudenz Schneider	10	6
Diana Marie Tremiglozzi	10	7
Nicole Monique Seuret-Batterham	10	7
Paul Maginnity	10	-
Joshua Murnane	10	7
Pradeep Philip	10	7
Neil Cook	6	4

Indemnification and insurance of officers and auditors

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.

Directors' Report 31 December 2019

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 2019 has been received and can be found on page of the financial report.

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

Director: 
Chris Burke

Director: 
Gaudenz Schneider

Dated 29 June 2020



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

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019, 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)

29 June 2020
Melbourne, Australia



Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue	3.	5,719,934	5,381,737
Other income	3.	2,373,801	2,069,228
Employee benefits expense		(6,131,241)	(5,537,381)
Depreciation and amortisation expense		(756,030)	(391,406)
Occupancy expenses		(355,615)	(389,469)
Student education expenses		(440,586)	(387,583)
Operating expenses		(466,603)	(473,977)
Finance costs		(246,428)	(128,026)
Surplus for the year		(302,768)	143,123
Depreciation on revaluation of property, plant and equipment		(193,383)	(193,381)
Total comprehensive income for the year		(496,151)	(50,258)

The accompanying notes form part of these financial statements.



Statement of Financial Position 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	733,772	198,922
Trade and other receivables	5	166,503	188,454
Prepayments		106,563	104,238
TOTAL CURRENT ASSETS		1,006,838	491,614
NON-CURRENT ASSETS			
Investments in subsidiaries		200	200
Property, plant and equipment	6	21,862,459	21,849,814
TOTAL NON-CURRENT ASSETS		21,862,659	21,850,014
TOTAL ASSETS		22,869,497	22,341,628
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	278,456	221,255
Employee benefits	8	297,821	266,328
Other liabilities	9	1,931,564	2,086,939
TOTAL CURRENT LIABILITIES		2,507,841	2,574,522
NON-CURRENT LIABILITIES			
Employee benefits	8	130,138	139,437
Borrowings	10	6,325,000	5,225,000
TOTAL NON-CURRENT LIABILITIES		6,455,138	5,364,437
TOTAL LIABILITIES		8,962,979	7,938,959
NET ASSETS		13,906,518	14,402,669
EQUITY			
General reserves		1,701,517	1,701,517
Asset revaluation reserve		11,467,126	11,660,506
Retained earnings		737,875	1,040,646
TOTAL EQUITY		13,906,518	14,402,669

The accompanying notes form part of these financial statements.



Statement of Changes in Equity For the Year Ended 31 December 2019

2019

	Retained earnings \$	Asset Revaluation Reserve \$	General Reserves \$	Total \$
Balance at 1 January 2019	1,040,646	11,660,506	1,701,517	14,402,669
Deficit attributable to members	(496,151)	-	-	(496,151)
Transfers of depreciation on revaluation from retained earnings to asset revaluation reserve	193,380	(193,380)	-	-
Balance at 31 December 2019	737,875	11,467,126	1,701,517	13,906,518

2018

	Retained earnings \$	Asset Revaluation Reserve \$	General Reserves \$	Total \$
Balance at 1 January 2018	897,523	11,853,887	1,701,517	14,452,927
Deficit attributable to members	(50,258)	-	-	(50,258)
Transfers of depreciation on revaluation from retained earnings to asset revaluation reserve	193,381	(193,381)	-	-
Balance at 31 December 2018	1,040,646	11,660,506	1,701 517	14,402,669

The accompanying notes form part of these financial statements.



Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES :			
Receipts from customers		6,375,820	5,454,575
Interest received		1,308	3,639
Finance cost		(246,428)	(128,026)
Payments to suppliers		(7,495,849)	(6,712,030)
Receipts from government grants		1,762,055	2,065,589
Net cash provided by operating activities	18	396,906	683,747
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from disposal of plant and equipment		-	3,000
Payments to acquire property, plant and equipment		(962,056)	(2,311,961)
Net cash used by investing activities		(962,056)	2,308,961
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net movement in borrowings		1,100,000	1,290,000
Net cash provided by/ (used in) financing activities		1,100,000	1,290,000
Net increase/ (decrease) in cash and cash equivalents held		534,850	(335,214)
Cash and cash equivalents at beginning of year		198,922	534,136
Cash and cash equivalents at end of financial year	4	733,772	198,922

The accompanying notes form part of these financial statements.



Notes to the Financial Statements For the Year Ended 31 December 2019

The financial report covers Melbourne Montessori School Ltd as an individual entity. Melbourne Montessori School Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Melbourne Montessori School Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 26 June 2020.

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.

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). Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated below.

(c). Income Tax

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

(d). Revenue and other income

For Comparative period

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).

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.



Notes to the Financial Statements For the Year Ended 31 December 2019

1. Summary of Significant Accounting Policies

(d). Revenue and other income

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.

Revenue from contracts with customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

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

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

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Fee income

Revenue from the provision of fees in respect of schooling is recognised under AASB 15. Revenue is recognised at the start of each term with this being considered the point that the customer receives the benefit.

A receivable in relation to these services is recognised when a bill has been invoiced, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.



Notes to the Financial Statements For the Year Ended 31 December 2019

1. Summary of Significant Accounting Policies

(d). Revenue and other income

Specific revenue streams

Grant income

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

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

All current grants do not contain sufficiently specific performance obligations and as such are not captured under AASB 15. They are instead recognised under AASB 1058: Income of not-for-profit entities. Under this standard, revenue is recognised when the company first recognises an asset in the transaction.

(e). 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.

(f). 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 statement of financial position.

Cash flows in the 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.

(g). Property, Plant and Equipment

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

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.



Notes to the Financial Statements For the Year Ended 31 December 2019

1. Summary of Significant Accounting Policies

(g). Property, Plant and Equipment

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%
Playground equipment	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.

(h). 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 statement of cash flows and are presented within current liabilities on the statement of financial position.

(i). Financial instruments

Initial recognition and measurement

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



Notes to the Financial Statements For the Year Ended 31 December 2019

1. Summary of Significant Accounting Policies

(i). Financial instruments

Financial assets

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

Classification

On initial recognition, the Company measures financial assets at amortised cost.

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

Amortised cost

Assets measured at amortised cost are financial assets where the business model is to hold assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

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

Impairment of financial assets

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

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held) or the financial assets is more than 90 days past due.

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

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.



Notes to the Financial Statements For the Year Ended 31 December 2019

1. Summary of Significant Accounting Policies

(i). Financial instruments

Financial assets

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

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

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(j). Employee benefits

Provision is made for the Company'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.

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. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company 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.

(k). Provisions

Provisions are recognised when the Company 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 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.

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.



Notes to the Financial Statements

For the Year Ended 31 December 2019

2. Critical Accounting Estimates and Judgments

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.

The significant estimates and judgements made have been described below.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.



Notes to the Financial Statements For the Year Ended 31 December 2019

3. Revenue and Other Income

Revenue from continuing operations

	2019 \$	2018 \$
Fees revenue		
- Fees revenue	5,719,934	5,381,737
Other income		
- Camps and excursion levies	192,513	133,718
- Fundraising	3,762	1,752
- Government grants	1,762,055	1,645,932
- Interest	1,308	3,639
- Other income	373,763	230,190
- Recoveries	1,700	-
- Registration fees	38,700	31,400
- Rental income	-	22,597
	2,373,801	2,069,228

4. Cash and cash equivalents

	2019 \$	2018 \$
Cash at bank	733,772	191,422
Short-term bank deposits	-	7,500
	733,772	198,922

5. Trade and other receivables

	2019 \$	2018 \$
CURRENT		
Trade receivables	214,139	245,532
Provision for impairment	(96,291)	(107,113)
	117,848	138,419
Related party receivables	-	12,328
Other receivables	18,707	15,156
Deposits	29,948	22,551
Total current trade and other receivables	166,503	188,454

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



Notes to the Financial Statements For the Year Ended 31 December 2019

6. Property, plant and equipment

	2019 \$	2018 \$
LAND AND BUILDINGS		
Freehold land		
At cost	15,670,216	6,070,216
Total Land	15,670,216	6,070,216
Buildings		
Owned - At independent valuation	3,656,341	8,155,920
Leased - At cost	3,857,836	6,427,784
Accumulated depreciation	(2,129,696)	(1,600,142)
Work in progress	288,673	2,342,602
Total buildings	5,673,154	15,326,164
Total land and buildings	21,343,370	21,396,380
PLANT AND EQUIPMENT		
Office furniture and equipment		
At cost	1,111,765	951,931
Accumulated depreciation	(625,739)	(539,265)
Total office furniture and equipment	486,026	412,666
Classroom equipment		
At cost	61,406	61,406
Accumulated depreciation	(58,065)	(55,413)
Total classroom equipment	3,341	5,993
Playground equipment		
At cost	121,041	110,333
Accumulated depreciation	(91,319)	(75,558)
Total playground equipment	29,722	34,775
Total plant and equipment	519,089	453,434
Total property, plant and equipment	21,862,459	21,849,814



Notes to the Financial Statements For the Year Ended 31 December 2019

6. Property, plant and equipment

(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:

	Land \$	Buildings \$	Office furniture & equipment \$	Classroom equipment \$	Playground equipment \$	Total \$
Year ended 31 December 2019						
Balance at the beginning of year	6,070,216	15,326,164	412,666	5,993	34,775	21,849,814
Additions	-	790,530	170,034	-	1,492	962,056
Depreciation expense	-	(529,554)	(96,674)	(2,652)	(6,545)	(635,425)
Transfer between asset classes	9,600,000	(9,600,000)	-	-	-	-
Impairment loss in income	-	(313,986)	-	-	-	(313,986)
Balance at the end of the year	15,670,216	5,673,154	486,026	3,341	29,722	21,862,459

7. Trade and other payables

	2019 \$	2018 \$
CURRENT		
Unsecured liabilities		
Trade payables	59,398	113,612
Sundry payables and accrued expenses	212,147	107,643
Related party payables	6,911	-
	278,456	221,255

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

8. Employee Benefits

	2019 \$	2018 \$
CURRENT		
Provision for annual leave	50,823	55,894
Provision for long service leave	246,998	210,434
	297,821	266,328
NON-CURRENT		
Provision for long service leave	130,138	139,437
	130,138	139,437



Notes to the Financial Statements For the Year Ended 31 December 2019

9. Other liabilities

	2019 \$	2018 \$
CURRENT		
Other liability	322,101	341,801
Amounts received in advance	1,609,463	1,745,138
	1,931,564	2,086,939

10. Borrowings

	2019 \$	2018 \$
NON-CURRENT		
Secured liabilities		
Bank loans	6,325,000	5,225,000

The School has a term loan facility amounting to \$6,500,000. The loan runs up to July 2021 with an interest rate of around 4.55% p.a.

11. Capital and Leasing Commitments

(a). Operating Leases

	2019 \$	2018 \$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	113,850
- between one year and five years	-	455,400
- later than five years	-	208,725
	-	777,975

The lease for the Ricoh copiers finished during 2019 a new lease with Fuji Xerox was started in Feb 2020.

12. Remuneration of Auditor

	2019 \$	2018 \$
Remuneration of the independent auditor of the Company, Banks Group Assurance Pty Ltd, for:		
- auditing services	22,000	22,000

13. Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$516,890 (2018: \$441,616).



Notes to the Financial Statements For the Year Ended 31 December 2019

14. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019 (31 December 2018: None).

15. Financial Risk Management

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

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

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

The Company does not speculate in financial assets.

The most significant financial risks to which the Company 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 Company are:

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

16. Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company 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 Company. At 31 December 2019 the number of members was 307 (2018: 316).

17. Related Parties

The Company'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 2019

17. Related Parties

(b). Key management personnel

(i) *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 are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 13.: Interests of Key Management Personnel (KMP).

Other transactions with KMP and their related entities are shown below.

(c). Transactions with related parties

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

The following transactions occurred with related parties:

18. Cash Flow Information

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

	2019	2018
	\$	\$
(Deficit) / Surplus for the year	(496,151)	(50,258)
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus:		
- depreciation	756,030	391,406
- depreciation on revaluation of property, plant and equipment	193,383	193,381
Changes in assets and liabilities:		
- decrease / (increase) in trade and other receivables	(133,424)	238,819
- decrease / (increase) in other assets	(2,325)	(11,635)
- increase / (decrease) in trade and other payables	57,202	(74,889)
- increase / (decrease) in employee benefits	22,191	(3,077)
Cashflow from operations	396,906	683,747



Notes to the Financial Statements For the Year Ended 31 December 2019

19. Events Occurring After the Reporting Date

The financial report was authorised for issue on 26 June 2020 by the Board of Directors.

The rapid outbreak of the coronavirus (COVID-19) presents an alarming health crisis and has a significant impact on the economies of the affected countries. The extent of the impact of COVID-19 on the Group's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on its members, employees and vendors all of which are uncertain and cannot be predicted.

This event will not individually or collectively cast a significant doubt on the Group's ability to continue as a going concern and all the going concern assumptions are still appropriate as a basis for the preparation of the Group's financial statements.

Except for the above, no other 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.

20. Company Details

The registered office and principal place of business of the company is:
Melbourne Montessori School Ltd
6 Roselea Street
CAULFIELD SOUTH VIC 3162

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages , 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 2019 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company 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
Chris Burke

Director
Gaudenz Schneider

Dated 29 June 2020



Independent Audit Report to the members of Melbourne Montessori School Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Melbourne Montessori School Ltd (the Company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, 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 Company is in accordance with the Division 60 of the *Australian Charities and Not for profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2019 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 Company 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.

Emphasis of Matter

We draw attention to Note 19 of the financial report, which describes the events occurring after the reporting date. Our opinion is not modified in respect of this matter.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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



Independent Audit Report to the members of Melbourne Montessori School Ltd

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



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Brighton Campus:
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We acknowledge and pay respects to the Indigenous communities and countries that have cared for and nourished the land on which we work for countless generations and centuries.

Expect more from education