



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 2018

2018

Contents

Chair's Report.....	3
Principal's Report.....	4
Melbourne Montessori School Foundation Report.....	5
Melbourne Montessori School Performance Report.....	6
Directors' Report.....	12
Auditor's Independence Declaration Under the Australian Charities and Not-for-Profits Commission Act to the Directors of Melbourne Montessori School Ltd.....	17
Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	18
Consolidated Statement of Financial Position.....	19
Consolidated Statement of Equity.....	20
Consolidated Statement of Cash Flows.....	21
Notes to the Financial Statement.....	22
Directors' Declaration.....	37
Independent Audit Report to the members of Melbourne Montessori School Ltd and controlled entities.....	38



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 2018 school year has been another successful year for the Melbourne Montessori School.

The Senior School has made its way to the Year 10 level and preparations for the structure and format of Years 11 and 12 are well advanced.

The Junior School continues to build from strength to strength with excellent enrolment numbers in all cycles.

The School is in a very strong financial position which provides stability as important investments are made in the School's future.

The School Board launched the 'Ten years to 2028' plan for the school at the May AGM. This incorporated an updated vision for the Brighton Campus 5-year Master Plan. The Board also developed and released its five-year Strategic Plan for the period from 2018 to 2022. The first temporary building was constructed off-site and delivered at the end of December, ready for our cohort of Year 11 International Baccalaureate (IB) students in 2019. This added four new teaching spaces including a large Art Room, as well as a Band Room, Staff Room, common room and meeting space.

In October, the MMS Community Finance Fund was redeemed and closed. This fantastic social investment initiative provided the School with access to funds at a crucial time in the School's history as it sought to develop the then recently purchased Brighton campus. A sincere thank you to all involved, particularly those who invested funds for the benefit of the School.

As always, it was another big year of deliberations for the Board as all of this work was undertaken. It was also a time of transition with Jim McDonald, our diligent Finance Director retiring after three years. He has been replaced in that role by Gaudi Schneider, who brings excellent finance skills to the Board table. Josh Murnane was also elected to the Board in early 2018 and Chris Burke joined in late 2017.

I thank all members of our volunteer Board for the significant contribution they make to the school and its governance. A special call-out must be made to LJ Ryan, the Deputy Chair, for the many hours she has dedicated to the School and the fantastic support she has provided me in my role as Chair.

The Board sincerely thanks Gay, her Executive, teachers and all the staff for their dedicated day-to-day management and leadership of the school.

This is my last report as Chair. I am retiring from the role and the Board at the end of this calendar year. The new School Chair will be Chris Burke.

It has been a pleasure to play a small role in the School's ongoing development. Long may it prosper!

Dean Yates
Chair



Brighton Campus – Cycle 1 Practical Life

Principal's Report

Melbourne Montessori created new milestones as we commenced Cycle 5 in the senior school and undertook the final stages of the International Baccalaureate Authorisation.

Our first new building of the 5-year Masterplan was constructed offsite and delivered late December. Also the redevelopment of our Brighton campus which includes upgrading the playground, fence and adding a new carpark, was granted planning permission in principle. We added a new website and a phone App 'Bloomz' for parents to connect more closely with classroom activities, and business-quality fibre internet across both campuses.

This year the emphasis was on extending our curriculum further as Maria Montessori's vision for adolescents began with our weekly connection at Collingwood Children's Farm. We also partnered with the top soccer coaching team of Cruyff which brought Montessori Football to all ages. More than 80 children now enjoy after-school soccer and we held our first Montessori holiday program. A Cycle 3 Book Club was begun; Spheros were formalised into our coding curriculum and senior students began their plans for their World Challenge trip to Nepal.

Our inaugural Performing Arts Show *The Lorax* was performed to a huge audience of over 500 people;

entirely realized by the children, the stage management, choreography, sets, props and costumes were created and run by our Caulfield children. The Art Show raised the bar again and our choir performed in the IPSHA Choral Festival.

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 repeatedly rose to the occasion. They ran the Jarrod Hampton Sports Day, some special fundraisers of their own and, as a team, raised money for the Cambodian Kids Can, Royal Children's Hospital and Make a Wish. Last year they sent pens, pencils, books and hygiene items purchased with their fundraising money to the indigenous, Montessori P.S. Papulankutchka in the Western Desert.

Gay Wales
Principal



Senior School – Working on 'The Farm'



Junior School – Athletics Carnival

Melbourne Montessori School Foundation Report

Developing Tomorrow...

It truly takes a community to ensure our School provides excellence in Montessori education.

In line with the Melbourne Montessori School's Tens Years to 2028 vision and the MMS Board's Strategic Plan 2018 – 2022, the MMS Foundation continues to capacity build and support the plans for the School's future.

The MMS Foundation was instrumental in the strategic thinking behind the MMS Community Finance Fund which raised \$1.8M to invest in the school. The funds three-year term expired in October and due to regulatory changes the School closed the MMS CFF and redeemed all educational notes.

The Alumni Engagement strategy to reconnect Alumni students and their families with the School commenced this year. Our Alumni Working Group, consisting of current and Alumni parents, are organising the first Alumni Reunion, 28th March 2019, which brings past students and their families back to Melbourne Montessori School. The opportunity to reconnect with our Alumni and their families is an exciting opportunity for the School and the Foundation.

The Foundation hosted the fourth MMS Alumni Graduates of 2013 Reunion in December. Six students, several parents and members of the Alumni Working Group joined our current Graduates to share insights into Senior School and their plans for life beyond school.

The Voluntary Building Fund Levy raised \$97,287.45 this year. Thank you to the 289 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.

An exciting milestone occurred at the end of the year, the first grant by the MMS Foundation to the MMS Library Fund. This \$500 grant purchased Art Books for the Cycle 2/3 children.

MMS students enjoying the Art Books provided by the MMS Foundation grant to the MMS Library Fund.

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

- Fourth Alumni event with the MMS Graduates and Alumni 2011 lunch held in December
- The MMS Foundation & Master Plan Newsletter published in March & September 2018

- The employment of a Community Engagement Manager to support both the Alumni and MMS Foundation. Kerryln McIver commenced in May and has already made a wonderful contribution
- Two \$10,000 grants from the broader Melbourne Philanthropic Community
- Unsolicited donations of \$1,050 from the MMS Community
- MMS Foundation \$500 grant to the MMS Library Fund to purchase art books
- The MMS Foundation continued working towards achieving the following longer-term goals:
- The revised MMS Capital Campaign Strategy to support the MMS Ten Years to 2028 vision for the School was approved by the MMS Foundation Board and endorsed by the MMS Board
- The implementation of the MMS Alumni engagement strategy
- The implementation of the MMS & MMS Foundation Fundraising Plan 2014 - 2023

Working quietly and without fanfare are the MMS Foundation Board members who work towards developing tomorrow. Thank you to Hali Halphen, Paul Magnnity, Moana Weir, Steven Castan, Marcell Judkins and Simon Digby for volunteering your expertise and time to support the foundation.

The financial operations for the financial year ended 31 December 2018 resulted in a total comprehensive income (net surplus) of \$17,471.13. These funds will be invested in the Foundations corpus increasing its value to \$32,659.91.

LJ Ryan
Chair, MMS Foundation



The MSF grant purchased art books

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 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.

Camps, Excursions and Incursions

Our Cycle 5s organised their own camp to Sorrento where they undertook a unit on Marine Biology, went hiking, swimming, planned their own menus and purchased and prepared their own meals. The Cycle 4s went on Camp kayaking and surfing at Torquay in the Summer and also visited Beechworth in the Spring to enhance their Humanities unit on the Gold Rush and to learn of Australians' connection with the land. They 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 recycled clothing.

The Cycle 4s also visited the Triennial Exhibition at the NGV, the IB Visual Arts exhibition, Melbourne Museum and the Catholic Leadership Centre. They had an artist bring the equipment to school to help them create their own raku ceramic artworks. They connected with other adolescent programs at Preshil and the Sophia Mundi Steiner School and undertook a wide variety of sports lessons. The Cycle 5s helped in the wider community by working at Bayley House and Urban Seed amongst others.

The Cycle 3 Camp was held at Gilwell Park in the Dandenongs. 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.

Cycle 2 visited Scienceworks as they investigated the planets and the tilt of the Earth. All Cycle 2 and 3 children visited the exhibition from MoMA at the National Gallery of Victoria and the Cycle 3s visited the Triennial at the National Gallery as well.

Numerous incursions and special days were celebrated at our Caulfield campus and we held an inaugural Arts and Literacy Festival where a number of experts were invited to show the links between art and literacy – a photographer, a car designer and an IT coder.

Drama is still a huge part of the curriculum at MMS and all children in Cycle 2 and 3 performed in our inaugural Mid-Year Show, *The Lorax*, which was adapted from the Seuss book, performed and directed by the students themselves. This year the Melbourne Montessori School Players put on another extraordinary performance of *The Magic Faraway Tree* and older actors from Cycle 3/4 performed *Mulan*. Some students were entered into a Public Speaking Competition and the Junior School Choir performed in the IPSHA Biennial Choral Performance at the Melbourne Town Hall.

All students undertook sessions in Family Life and were instructed again on how to stay safe while using the Internet and social media.

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

The Graduates continued to fundraise for a different charity each term and worked with students across the school. They also worked regularly at a local Regis Aged Care home and made sandwiches for the group Eat Up.

Literacy and Numeracy Data 2018

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 and Writing.

In Spelling, Numeracy and Writing, seventy-five per cent scored at or above the National Minimum Standard for Year 5, and in Reading (Comprehension) and Grammar and Punctuation, seventy-five percent of the children achieved the National Minimum Standard for Year 7.

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), Numeracy, Spelling, Grammar and Punctuation. The average child achieved at or above the National Minimum Standard for Year 9 in Writing. Ninety per cent of children in Writing, Spelling, Grammar and Punctuation and Numeracy 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 9 in Reading (Comprehension).

Year 7

Our Year 7 students 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.

Year 9

In our second 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. Seventy-five percent of all students achieved either at or above the National Minimum Standard for Year 9 in every subject area.

Curriculum Area	Year 3	Year 5	Year 7	Year 9
Reading	100%	100%	100%	87%
Writing	100%	100%	100%	88%
Spelling	100%	100%	90%	88%
Grammar & Punctuation	100%	100%	100%	100%
Numeracy	100%	100%	90%	94%

Table: Percentage at or above National Minimum Standard

School 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 2018 was 92% (2017 92%).

Student Numbers

	Term 1	Term 2	Term 3	Term 4
Early Learner / Parent Toddler	57	57	60	61
Cycles 1-5	352	358	357	353
TOTAL	409	415	417	414



Caulfield Campus - Music Program

School Surveys

A survey is conducted every 2 years

The 2017/8 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.

Student Satisfaction with the School

The survey, undertaken by Year 5 and 6 students 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

Parent Satisfaction with the School

In a parent survey undertaken in 2018, the parents recorded a high level of satisfaction in all areas including:

- Academic achievement
- Quality of teaching
- Personal and social development
- Parent and community involvement
- Communication levels
- Parenting information



Caulfield Campus – Science



Senior School – Physical Expression



Caulfield Campus - Chess Club

MMS Graduates 2018

The Year 6 students graduated to the following schools:

Independent Schools

Melbourne Montessori School	15
Rosbourne School, Kew	1
Kilvington Grammar	1
Shelford Girls Grammar	2
St Leonards Brighton	1
Methodist Ladies College	1
Haileybury Newlands	1
King David School	1
Salesian College	1

Government Schools

Templestowe College	1
Sandringham College	1
Beaumaris Secondary College	1
Brighton Secondary College	1
Bentleigh Secondary College	1

Numeracy and Literacy 3 Year Trend

The NAPLAN results have been very consistent across the last three years with further improvement in 2018, 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



Caulfield Campus – Javanese Dance Incursion

Socioeconomic Status Score (SES)

Melbourne Montessori School - 119

Staff Qualifications

Advanced Certificate of Early Childhood Care and Education	1
AMI - Adolescent Orientation	3
Bachelor of Science	1
Bachelor of Accounting	1
Bachelor of Applied Science	3
Bachelor of Art Education	1
Bachelor of Arts	2
Bachelor of Arts (English Studies)	1
Bachelor of Arts (Fine Art)	1
Bachelor of Arts (Humanities)	1
Bachelor of Arts (in Montessori Education)	1
Bachelor of Arts (Major in English Language)	1
Bachelor of Arts (School of Humanities)	1
Bachelor of Business Administration	1
Bachelor of Commerce	2
Bachelor of Creative Arts	1
Bachelor of Early Childhood	5
Bachelor of Education	8
Bachelor of Education (Early Childhood & Primary)	1
Bachelor of Education (Montessori Primary Teaching)	1
Bachelor of Education (Primary)	2
Bachelor of Education (Secondary)	2
Bachelor of Education (Secondary) - Art & Craft	2
Bachelor of Education Librarianship	1
Bachelor of Nursing	1
Bachelor of Science	4
Bachelor of Science (Home Science)	1
Bachelor of Special Education	1
Bachelor of Sport and Outdoor Education	1
Bachelor of Teaching & Learning (ECH)	1
Bachelor of Teaching (Primary)	1
Bachelor of Teaching (Secondary)	2
Bachelor (Honours) of Arts (in Montessori Education)	1
Bachelor (Honours) of Science	1
Certificate in Preschool Teaching	1
Certificate in AMI Elementary Assistants Course	1
Certificate in Education Support	2
Certificate in Food Handlers	1

Certificate in Food Safety Supervisor (Hospitality)	1
Certificate in TESOL	1
Certificate II in Applied Languages (LOTE-French)	1
Certificate II in Small Business Operations	1
Certificate III in Accounting	1
Certificate III in Children's Services	8
Certificate III in Early Childhood Education	2
Certificate III in Education Support	2
Certificate III in Information Technology	1
Certificate IV in Education Support	1
Certificate of Completion in AMI Assistants Course 3-6 Montessori	1
Certificate of Completion in AMI Children's House Assistants Course	2
Certificate of Completion in Elementary Assistants Course (Montessori)	2
Certificate of Completion in Montessori Elementary Training Course (6-9)	1
Certificate of Completion in Montessori Method of Education	1
Diploma of Accounting	1
Diploma of AMI Montessori Training Course	5
Diploma of Child Psychology	2
Diploma of Children's Services (Early Childhood Edu & Care)	1
Diploma of Children's Services	3
Diploma of Early Childhood	4
Diploma of Early Childhood 3-6 - Montessori	2
Diploma of Early Childhood Education (Primary) Montessori	1
Diploma of Early Childhood Education and Care	1
Diploma of EC & Primary Educ. Montessori	4
Diploma of Education	2
Diploma of Education (Early Childhood & Primary)	2
Diploma of Education Pre-Primary	1
Diploma of Geology & Geochemistry	1
Diploma of Montessori Early Childhood (3-6 years)	1
Diploma of Montessori Education	1
Diploma of Montessori Method of Education	3
Diploma of Preschool Education (Teaching)	1
Diploma of Systems Technology	1
Diploma of Teaching (Early Childhood)	2
Diploma of Teaching (Primary)	1
Diploma of AMI Montessori Training Course	1

Diploma - Montessori of Early Childhood 3-6 Montessori	1
Diploma Equivalency of Montessori Method of Education	1
Graduate Certificate of International Baccalaureate DP	1
Graduate Certificate of Marketing	2
Graduate Certificate of Public Relations	1
Graduate Certificate of Teaching English to Speakers of other Languages	1
Graduate Diploma of Computer Based 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)	4
Graduate Diploma of Education (Senior Years)	1
Graduate Diploma of Graphic Communication Education	1
Graduate Diploma of Learning and Teaching (Specialisation Primary)	1
Graduate Diploma of Teaching (Early Childhood)	1
Graduate Diploma of Teaching (Secondary)	1
Graduate Diploma of Teaching and Learning	1
Master of Applied Science (Teacher Librarian)	1
Master of Arts	1
Master of Arts Teaching	1
Master of Education	2
Master of Education (Teach Engl to Speakers of other Lang)	1
Master of School Leadership	1
Master of Special Education	1
Master of Teaching	1
Master of Teaching (Secondary)	1
Master of Accounting	1
Montessori Assistants Orientation AMI Children's House Assistants Course	1
Montessori Assistants Orientation Education - Montessori	1
Montessori Assistants Orientation Montessori Australia Foundation (MAF)	1
International Diploma in Montessori Pedagogy (ECH)	1
Montessori Diploma Early Childhood 3-6 - Montessori	1
Montessori Diploma Education (Early Childhood & Primary)	1

Montessori Teacher Education Course Theory & Practice (Meth of Ed 2.5-6yrs)	1
Post Graduate Diploma of Early Childhood	1
Post Graduate Diploma of Education	2
Post Graduate Diploma of Teaching (Secondary)	1

Workforce Composition

The composition of the work force in 2018 was an average of 72 permanent and fixed term contracted personnel, three of which were on parental leave. Six personnel moved onto peruse other opportunities, either resigning or concluded their Fixed Term contract. In 2018 our gender ratio of employees was 56 females and 16 males.

In 2018 each cycle classroom had the following mix of appropriate qualifications, each classroom has highly trained Montessori educators.

- Our Parent & Toddler Program and Early Learners Room have Assistants qualified to work in Early Childhood. Most Assistants hold a Montessori qualification and all Assistants are Montessori trained.
- All Cycle 1 classrooms have a teacher working in the room who have Victorian Institute of Teaching (V.I.T.) registration to work in Early Childhood and Primary Education, and also an Assistant in the room who has an appropriate Early Childhood qualification. Either or both the teacher and assistant have an approved Montessori qualification.
- All Cycle 2 classrooms have a teacher working in the room who have Victorian Institute of Teaching (V.I.T.) registration to work in Primary Education 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 to work in Primary Education 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 Education 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 educators through supporting positive experiences at our school for our fellow Montessori communities and educational partners.

As a way of showing our commitment to the profession, celebrating our environment and learning through others, we coordinated and supported a range of visitors in our classrooms across both campuses.

In 2018 our school directly supported the following:

- 45 Bachelor/Masters of Education student placements
 - Monash University
 - Deakin University
 - Melbourne University
 - Swinburne University
 - RMIT University
 - Charles Sturt University
- 6 Australia Centre of Montessori Studies (AMI International) student placements
 - 2 from New South Wales
 - 4 from both China and Taiwan
- 2 Montessori Institute (MWEI) student placements
- 10 volunteers who assisted in classrooms
- 2 Year 10 work experience students
- 2 International student volunteers

Directors' Report

31 December 2018

The directors present their report, together with the financial statements of the Group, being the Group and its controlled entities, for the financial year ended 31 December 2018.

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 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.

LJ Ryan

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.

Gaudenz Schneider

Qualifications (Appointed on 18 June 2018) Chairperson of Finance Committee
MSc, Economics and Finance; MSc Economics, Econometrics

Experience 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 Tremiglozzi

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 Monique Seuret-Batterham

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.

Dean Anthony Yates

Qualifications

Chairperson

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. roles in the Department of Premier and Cabinet and the Department of Treasury and Finance.

Paul Maginnity

Qualifications

Finance Director

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.

Joshua Murnane

Qualifications

(Appointed on 24 April 2018)

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 Launch Vic, 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.

James McDonald	(Resigned on 18 March 2018) as Board Member and Chairperson of Finance Committee
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.

Company Secretary

John Bourikas	Resigned on the 31 st December 2018
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 unless otherwise stated.

Review of operations

The financial operations for the financial year ended 31 December 2018 resulted in total comprehensive income of (\$24,874) (2017: \$137,666).

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 total number of students at census date for 2017 was 360 including Primary 222, Secondary 44, Kindergarten 50, and unfunded 3-year old students was 44.

The school's average number of Early Learner students during the year was 34 (2017: 31).

The school's average number of Parent Toddler students during the year was 24 (2017: 27)

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 School's 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 activities of the Group during the financial year was that of an independent school providing pre-school, primary and secondary education.

No significant change in the nature of these activities occurred during the 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 entities in the Group during the year.

Events after the reporting date

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

Future developments and results

Likely developments in the operations of the Group 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 Group.

Environmental issues

The Group'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, [insert number] meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors	Directors' Meetings	
	Number eligible to attend	Number attended
Chris Burke	9	7
LJ Ryan	9	8
Gaudenz Schneider	9	5
Nicole Monique Seuret-Batterham	9	7
Dean Anthony Yates	9	7
Paul Maginnity	9	9
Joshua Murnane	9	3
Pradeep Philip	9	4
Dianna Termiglozzi	9	6
James McDonald	9	4
Executive Officers		
Gay Wales	9	9
John Bourikas	9	4
Des Rueben	9	9

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.

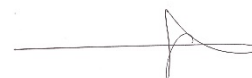
Auditor's independence declaration

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 2018 has been received and can be found on page 6 of the financial report.

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



Director:
Dean Yates



Director:
LJ Ryan

Dated 07 May 2019

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

BANKS GROUP

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018, 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: 23 April 2019

Melbourne, Australia

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
Revenue	3	5,381,737	5,085,009
Other income	3	2,069,333	1,868,949
Employee benefits expense		(5,537,381)	(4,906,576)
Depreciation and amortisation expense		(391,406)	(368,543)
Occupancy costs		(275,619)	(237,596)
Student education expenses		(387,583)	(505,301)
Operating expenses		(479,597)	(397,382)
Setup costs		(1,892)	(2,823)
Finance costs		(209,085)	(204,685)
Surplus for the year		168,507	331,052
Depreciation on revaluation of property, plant and equipment		(193,381)	(193,386)
Total comprehensive income for the year		(24,874)	137,666

Consolidated Statement of Financial Position

31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	202,294	568,623
Trade and other receivables	5	176,126	204,898
Prepayments		104,228	92,602
TOTAL CURRENT ASSETS		482,648	866,123
NON-CURRENT ASSETS			
Property, plant and equipment	6	28,349,814	26,625,641
TOTAL NON-CURRENT ASSETS		28,349,814	26,625,641
TOTAL ASSETS		28,832,462	27,491,764
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	199,632	294,086
Employee benefits	8	266,328	256,850
Other liabilities	10	2,098,324	1,925,221
TOTAL CURRENT LIABILITIES		2,564,284	2,476,157
NON-CURRENT LIABILITIES			
Employee benefits	8	139,437	151,993
Borrowings	9	5,225,000	3,935,000
TOTAL NON-CURRENT LIABILITIES		5,364,437	4,086,993
TOTAL LIABILITIES		7,928,721	6,563,150
NET ASSETS		20,903,741	20,928,614
EQUITY			
Asset revaluation reserve		15,945,246	16,138,627
General reserve		1,701,517	1,701,517
Retained Earnings		3,256,978	3,088,470
TOTAL EQUITY		20,903,741	20,928,614

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2018

2018

	Retained Earnings	Asset Revaluation Reserve	General Reserves	Total
	\$	\$	\$	\$
Balance at 1 January 2018	3,088,470	16,138,627	1,701,517	20,928,614
Deficit attributable to members of the parent entity	(24,874)	-	-	(24,874)
Transfers of depreciation on revaluation from retained earnings to asset revaluation reserve	193,381	(193,381)	-	-
Balance at 31 December 2018	3,256,977	15,945,246	1,701,517	20,903,740

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

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		5,837,288	5,916,816
Receipt from government grants		1,645,932	1,447,433
Interest received		3,744	2,547
Payments to suppliers		(6,625,249)	(6,026,647)
Finance cost		(209,085)	(204,685)
Net cash provided by operating activities	17	652,630	1,135,464
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from disposal of plant and equipment		3,000	-
Payments to acquire property, plant and equipment		(2,311,958)	(2,425,812)
Net cash (used in)/ provided by investing activities		(2,308,958)	(2,425,812)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net (repayments of) borrowings		1,290,000	1,635,000
Net cash (used in) financing activities		1,290,000	1,635,000
Net (decrease) in cash and cash equivalents held		(366,328)	344,652
Cash and cash equivalents at beginning of year		568,622	223,970
Cash and cash equivalents at end of financial year	4	202,294	568,622

Notes to the Financial Statements

For the Year Ended 31 December 2018

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 12 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.

Notes to the Financial Statements

For the Year Ended 31 December 2018

(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.

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.

(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.

Notes to the Financial Statements

For the Year Ended 31 December 2018

(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).

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.

Notes to the Financial Statements

For the Year Ended 31 December 2018

(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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2018

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.

(I) Financial instruments

For comparative year

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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2018

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.

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 Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

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 Group's financial assets measured at amortised cost comprise trade and other receivables and

Notes to the Financial Statements

For the Year Ended 31 December 2018

cash and cash equivalents in the consolidated 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.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

The Group's financial assets measured at FVTPL comprise derivatives [insert details of other financial assets carried at FVTPL] in the consolidated statement of financial position.

Impairment of financial assets

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

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group 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 Group's historical experience and informed credit assessment and including forward looking information.

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

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

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group 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 Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Notes to the Financial Statements

For the Year Ended 31 December 2018

Trade receivables and contract assets

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

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

Where the Group 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.

Financial liabilities

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

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

(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.

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 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.

Notes to the Financial Statements

For the Year Ended 31 December 2018

(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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2018

3 Revenue and Other Income

Revenue from continuing operations

	2018 \$	2017 \$
Fees revenue		
- Fees revenue	5,381,737	5,085,009
	5,381,737	5,085,009
Other income		
- Camps and excursion levies	133,718	132,291
- Fundraising	1,752	6,223
- Government grants	1,645,932	1,447,433
- Interest	3,744	2,566
- Other income	230,190	199,885
- Registration fees	31,400	48,925
- Rental income	22,597	31,626
	2,069,333	1,868,949

4 Cash and cash equivalents

	2018 \$	2017 \$
Cash on hand	-	-
Cash at bank	194,794	561,123
Short-term bank deposits	7,500	7,500
	202,294	568,623

Melbourne Montessori School receives and holds funds in trust on behalf of the Melbourne Montessori School Parents' Association totalling \$9,422 (2015: \$12,920).

5 Trade and other receivables

	2018 \$	2017 \$
CURRENT		
Trade receivables	268,083	212,849
Provision for impairment	(107,113)	(20,139)
	160,970	192,710
Other receivables	15,156	12,188
Total current trade and other receivables	176,126	204,898

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 2018

6 Property, plant and equipment

	2018 \$	2017 \$
LAND AND BUILDINGS		
Freehold land		
Owned - At independent valuation	12,570,216	12,570,216
Total Land	12,570,216	12,570,216
Buildings		
Owned - At independent valuation	14,583,704	14,493,624
Accumulated depreciation	(1,600,142)	(1,107,645)
Work in progress	2,342,602	292,921
Total buildings	15,326,164	13,678,900
Total land and buildings	27,896,380	26,249,116
PLANT AND EQUIPMENT		
Office furniture and equipment		
At cost	951,931	784,664
Accumulated depreciation	(539,265)	(458,152)
Total office furniture and equipment	412,666	326,512
Classroom equipment		
At cost	61,406	61,406
Accumulated depreciation	(55,413)	(52,060)
Total classroom equipment	5,993	9,346
Playground equipment		
At cost	110,333	108,397
Accumulated depreciation	(75,558)	(67,730)
Total playground equipment	34,775	40,667
Total plant and equipment	453,434	376,525
Total property, plant and equipment	28,349,814	26,625,641

Notes to the Financial Statements

For the Year Ended 31 December 2018

(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
Consolidated	\$	\$	\$	\$	\$	\$
Year ended 31 December 2018						
Balance at beginning of the year	12,570,216	13,678,900	326,512	9,346	40,667	26,625,641
Additions	-	2,142,760	167,266	-	1,936	2,311,962
Disposal - written down value	-	(3,000)	-	-	-	(3,000)
Depreciation expense	-	(492,496)	(81,112)	(3,353)	(7,828)	(584,789)
Balance at the end of the year	12,570,216	15,326,164	412,666	5,993	34,775	28,349,814

7 Trade and other payables

	2018 \$	2017 \$
CURRENT		
Unsecured liabilities		
Trade payables	113,612	34,164
Sundry payables and accrued expenses	86,023	259,921
	199,635	294,085

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

8 Employee Benefits

	2018 \$	2017 \$
Current liabilities		
Long service leave	210,434	175,012
Annual leave	55,894	81,838
	266,328	256,850
Non-current liabilities		
Long service leave	139,437	151,993
	139,437	151,993

Notes to the Financial Statements

For the Year Ended 31 December 2018

9 Borrowings

	2018 \$	2017 \$
NON-CURRENT		
Unsecured liabilities:		
Loan notes	-	1,750,000
	-	1,750,000
Secured liabilities		
Bank loans	5,225,000	2,185,000
Total non-current borrowings	5,225,000	3,935,000
Total borrowings	5,225,000	3,935,000

10 Other liabilities

	2018 \$	2017 \$
CURRENT		
Other liability	353,186	278,606
Amounts received in advance	1,745,138	1,646,615
	2,098,324	1,925,221

11 Capital and Leasing Commitments

(a) Operating Leases

	2018 \$	2017 \$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	6,601
	-	6,601

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 2018

12 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business	Percentage Owned (%)* 2018	Percentage Owned (%)* 2017
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.

13 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 31 December 2018 (31 December 2017:None).

14 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

Notes to the Financial Statements

For the Year Ended 31 December 2018

15 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 2018 the number of members was - (2017: -).

16 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.

17 Cash Flow Information

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

	2018	2017
	\$	\$
(Deficit) / Surplus for the year	(24,874)	137,666
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus:		
- depreciation	391,406	368,543
- depreciation on revaluation of property, plant and equipment	193,381	193,383
Changes in assets and liabilities:		
- (increase)/ decrease in trade and other receivables	201,875	267,785
- (increase)/decrease in other assets	(11,626)	-
- (decrease) in prepayments	-	2,132
- increase/(decrease) in trade and other payables	(94,454)	68,371
- increase in provisions	(3,078)	97,584
Cashflow from operations	652,630	1,135,464

18 Events Occurring After the Reporting Date

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

19 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

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

Directors Declaration


The directors of the Group declare that:

1. The financial statements and notes, as set out on pages 1 to 24, 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 2018 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
Dean Yates



Director
LJ Ryan

Dated 23 April 2019

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

Report on the Audit of the Financial Report

BANKS GROUP

Opinion

We have audited the accompanying financial report of Melbourne Montessori School Limited and controlled entities, which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

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 2018 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 and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that 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 responsible entities either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

BANKS GROUP

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 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 Group'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 responsible entities' 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 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 those charged with governance 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
23 April 2019



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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.