

# Financial Statements

For the year ending 31 December 2018

ABN 33 002 811 332



The Armidale Waldorf School  
and Boongaiai Preschool  
FOR RUDOLF STEINER EDUCATION

# The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332

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# The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332

## Directors' Report

For the Year Ended 31 December 2018

Your directors present their report, together with the financial statements, on the company for the financial year ended 31 December 2018.

### Directors

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

Name	Position	Appointed/ Resigned
Maureen Chapman	Chair	Appointed 17/10/2015
Rachel Mitchell	Secretary	Appointed 15/5/2016
James Vicars	Director	Appointed 18/02/2015
Rebecca Schaefer	Director	Appointed 15/05/2016
Nickie Murcell	Director	Appointed 20/03/2018
Lisa Nolan	Director	Appointed 21/07/2018
Julie McCarthy	Director	Appointed 15/05/2016 Resigned 20/03/2018

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

### Principal Activities

The principal activity of The Armidale Waldorf School during the financial year was the provision of education.

There were no significant changes in the nature of the activities during the year.

### Short Term objectives

The short term objectives of the company are:

- Maintain quality education and confidence in teachers;
- Monitor and improve governance, leadership and management for effective decision making;
- Enhance personal communication skills amongst staff;
- Effective marketing;
- Increase student numbers; and
- Restore cash reserves.

### Long Term Objectives

The long term objectives of the company are:

- Ensure the ongoing financial stability and security of the school; and
- Ensure appropriate grounds, buildings and facilities support strategic plan within time frames and budgets constraints.

# The Armidale Waldorf School

(a company limited by guarantee)

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## Directors' Report

For the Year Ended 31 December 2018

### Strategies

To achieve these objectives, the company has adopted the following strategies:

- Secure waiting lists to ensure future enrolment rates are in line with strategic plan;
- Continue to target early childhood area for enrolment growth;
- Ensure operational and capital budgets support the growth of the school while maintaining stability in existing operations;
- Monitor student to teacher ratios to ensure financially and socially viable classes are in operation;
- Increase financial management skills of all management and governance personnel; and
- Maintain appropriate Steiner based and other professional development for teachers and staff.

### Performance Measures

The company measures its performance against objectives using the following indicators:

- Enrolment numbers and enquiries for enrolment;
- Class sizes and student to teacher ratios;
- Compliance with school and Department of Education regulations;
- Fee collection performance;
- Operational surpluses and maintenance of suitable cash reserves; and
- Building maintenance and development in line with facility master plan.

### Members guarantee

The Armidale Waldorf School is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$20 for all members, subject to the provisions of the company's constitution.

At 31 December 2018 the collective liability of members was \$400 (2017: \$420).

<b>Directors Information</b>	<b>Position</b>	<b>Qualifications</b>
Maureen Chapman	Chair	Senior Manager & Acting Director, Regional Coordinator Premiers Office
Rachel Mitchell	Secretary	Parent, Business Relationship Manager UNE
James Vicars	Director	Lecturer UNE
Rebecca Schaefer	Director	Parent, Corporate Planning & Performance Manager, Office of the Chief Financial Officer
Nickie Murcell	Director	Service and Community Development Manager Homes North Community Housing
Lisa Nolan	Director	Parent, TAWS Alumni, School Administration
Julie McCarthy	Director	Parent, Small Business Owner

# The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332

## Directors' Report

For the Year Ended 31 December 2018

### Meetings of Directors

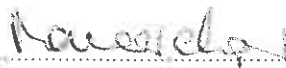
During the year, the following Meetings of directors (including committees of directors) were held. Attendance by each director during the year was as follows:


	Eligible to attend	Number attended
Maureen Chapman	11	11
James Vicars	11	9
Rachel Mitchell	11	10
Rebecca Schaefer	11	9
Nickie Murcell	11	9
Lisa Nolan	6	6
Julie McCarthy	3	1

### Auditors Independence Declaration

A copy of the auditor's independence declaration as required under sections 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 4.

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

Director:   
Maureen Chapman

Director:   
Rachel Mitchell

Dated 5.3.2019

Armidale NSW

**ARMIDALE**

92 Rusden Street  
PO Box 114  
Armidale NSW 2350  
Phone 02 6773 3400  
Fax 02 6772 9957  
armidale@forsyths.com.au

**Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 The Armidale Waldorf School**

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 section 60-40 of 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.

*Forsyths*



**Paul Cornall**  
**Partner**

Registered Company Auditor (No. 227604)  
Chartered Accountant (No. 86585)

Date **5.3.19**

92 Rusden Street Armidale NSW

# The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332


## Directors' Declaration

For the Year Ended 31 December 2018

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 24, satisfy the requirements of the Australian Charities and Not-for-profit Commission Act 2012, including regulations made under that Act, and:
  - a. comply with Australian Accounting Standards; 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 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:   
Maureen Chapman

Director:   
Rachel Mitchell

Dated 5-3-2019

Armidale NSW

# The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2018

	Notes	2018 \$	2017 \$
Revenue from continuing operations			
Revenue and other income	2	2,187,233	1,835,080
Investment Income	3	19,185	35,997
<b>Total revenue from continuing operations</b>		<b>2,206,418</b>	<b>1,871,077</b>
Expenses from continuing operations			
Employee benefits	4	1,411,738	1,255,621
Depreciation and amortisation	6	39,958	38,973
Professional fees	7	27,532	24,783
Bad debts written off	8	26,397	46,504
Other expenses	9	501,905	375,498
<b>Total expenses from continuing operations</b>		<b>2,007,382</b>	<b>1,741,379</b>
<b>Net current year surplus (Deficit)</b>		<b>198,885</b>	<b>129,698</b>
Other Comprehensive Income			
		2018	2017
		\$	\$
Net current year surplus (Deficit)		198,885	129,698
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>198,885</b>	<b>129,698</b>

The above statement should be read in conjunction with the accompanying notes



# The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332

## Statement of Financial Position

As at 31 December 2018

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	10	638,558	329,586
Other assets	11	51,330	45,017
Receivables	12	118,935	121,115
<b>Total current assets</b>		<b>808,823</b>	<b>495,718</b>
Non-current assets			
Property, plant and equipment	13	2,796,507	2,799,217
<b>Total non-current assets</b>		<b>2,796,507</b>	<b>2,799,217</b>
<b>Total assets</b>		<b>3,605,330</b>	<b>3,294,935</b>
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	14	195,259	161,087
Employee benefits	15	169,132	93,071
Borrowings	16	34,994	34,994
<b>Total current liabilities</b>		<b>399,385</b>	<b>289,152</b>
Non-current liabilities			
Employee benefits	15	50,438	29,999
Borrowings	16	223,978	243,142
<b>Total non-current liabilities</b>		<b>274,416</b>	<b>273,141</b>
<b>Total liabilities</b>		<b>673,801</b>	<b>562,293</b>
<b>Net Assets</b>		<b>2,931,527</b>	<b>2,732,642</b>
<b>EQUITY</b>			
Retained surplus		2,731,527	2,532,642
Building reserve		200,000	200,000
<b>Total equity</b>		<b>2,931,527</b>	<b>2,732,642</b>

The above statement should be read in conjunction with the accompanying notes

# The Armidale Waldorf School

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## Statement of Changes in Equity

For the Year Ended 31 December 2018

	Reserves \$	Retained Surplus \$	Total \$
Balance at 1 January 2018	200,000	2,532,642	2,532,642
Surplus for the year	-	198,885	198,885
Other comprehensive income	-	-	-
<b>Balance at 31 December 2018</b>	<b>200,000</b>	<b>2,731,527</b>	<b>2,931,527</b>
Balance at 1 January 2017	200,000	2,402,943	2,602,943
Surplus for the year	-	129,698	129,698
Other comprehensive income	-	-	-
<b>Balance at 31 December 2017</b>	<b>200,000</b>	<b>2,532,642</b>	<b>2,732,642</b>

The above statement should be read in conjunction with the accompanying notes

# The Armidale Waldorf School

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## Statement of Cash Flows

For the Year Ended 31 December 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from grants and customers (inclusive of GST)		2,324,811	1,875,786
Interest received		19,185	35,997
Payments to suppliers and personnel services (inclusive of GST)		(1,962,781)	(1,724,082)
Interest paid		(15,830)	(17,372)
<b>Net cash provided by / (used in) operating</b>	17	<b>365,385</b>	<b>170,329</b>
Cash flows from investing activities			
Payment for property, plant and equipment		(37,249)	(3,765)
<b>Net cash provided by / (used in) investing</b>		<b>(37,249)</b>	<b>(3,765)</b>
Cash flows from financing activities			
Repayment of loans		(19,164)	(38,841)
<b>Net cash provided by / (used in) financing</b>		<b>(19,164)</b>	<b>(38,841)</b>
Net increase / (decrease) in cash and cash equivalents		308,972	127,723
Cash and cash equivalents at the beginning of the financial year		329,586	201,863
<b>Cash and cash equivalents at the end of the financial year</b>	10	<b>638,588</b>	<b>329,586</b>

The above statement should be read in conjunction with the accompanying notes

# The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 1. Summary of significant accounting policies

The financial statements are for The Armidale Waldorf School as an individual company, incorporated and domiciled in Australia. The Armidale Waldorf School is a not-for-profit company limited by guarantee.

The financial statements consist of the financial statements, notes for the financial statements and the directors' declaration.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

#### (a) Basis of preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the Australian Charities and Not-for-profit Commission Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a not-for-profit company for financial reporting purposes under Australian Accounting Standards. 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, excluding the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated.

#### (b) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

##### (i) School Fees

Fees received are recognised when the service has been provided. Amounts received for future periods are recognised when the teaching period has been provided and are recorded as a current liability until such time.

##### (ii) Investment income

Interest income is recognised when the Company's right to receive payment has been established.

# The Armidale Waldorf School

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

### (iii) Government Grants

Government grants are brought to account in the years to which the payment related. Amounts received in respect of the future years or with underlying conditions attached are deferred and recorded as a current liability until the period to which they relate or the conditions have been satisfied.

### (iv) Donations and bequests

Donations and bequests are recognised as revenue when received.

### (c) Income tax

The company operated the school as a not-for-profit operation and accordingly, is not subject to income tax.

### (d) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use is based on the estimated cost of the asset replacements discounted to its present physical condition.

### (e) Cash and cash equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (f) Trade and other receivables

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the debtor's carrying amount and the estimated recoverable amount. The amount of the provision is recognised in the statement of profit or loss.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under Note 8. When a receivable is uncollectible, it is written off against the allowance account for receivables.

Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the statement of profit or loss.

# The Armidale Waldorf School

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

### (g) Property, plant and equipment

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour and an appropriate proportion of fixed assets and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

The depreciable amount of all fixed assets but excluding freehold land, is depreciated on a straight line bases depending on the type of asset, over the assets useful life to the company commencing from the time the asset is held ready for use. Depreciation on assets is calculated using the straight line method to allocate their cost, net of residual value, over their estimated useful life as follows:

The depreciable rates used for each class of depreciable assets are:

Plant & Equipment	3-10 years
Buildings	100 years

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of profit or loss.

### (h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

# The Armidale Waldorf School

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

### (i) Borrowings

Borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

Secured loans have been obtained. Carrying amounts represent amounts expected to be repaid at settlement.

### (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 have been measured at the amounts expected to be paid when the liability is settled. In determining the liability consideration is given to the probability that the employee may not satisfy vesting requirements. No adjustment is made for expected future increases or discounting the cash flows to present value as the net effect of these adjustments are not considered to be material.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

### (k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

### (l) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statement, where necessary, to conform with the basis of presentation and classification used in the current year.

# The Armidale Waldorf School

(a company limited by guarantee)

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

### (m) Critical accounting estimates and judgments

The preparation of financial statements in accordance with applicable Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

Because the precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates and approximations which have been made using careful judgment. These estimates are based on management's best knowledge of current events and actions that the company may undertake in the future.

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

#### i. Key estimates – Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### ii. Key judgments – impairment

The company assesses impairment at the end of each reporting period by evaluating conditions specific to the company that may be indicative of impairment triggers. Recoverable amount of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

For doubtful debts, assessment of made of receivable recoverability and estimated cash flows.

### (n) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. The impact of these standards on the financial statements when they are adopted is not expected to be significant.



# The Armidale Waldorf School

(a company limited by guarantee)

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

### (o) Changes in the basis of preparation

The company has modified the basis of preparation from a non-reporting company preparing special purpose financial statements to general purpose financial statements. This has resulted in modifying the financial performance as reported in the statement of profit or loss and other comprehensive income and statement of financial position.

It has also resulted in additional note disclosures in the financial statements including: disclosure of trade debtor ageing analysis; movement in carrying values of property, plant and equipment; additional cash flow notes; related party disclosures; financial risk management; and fair value measurement disclosure.

The change to general purpose financial reporting resulted in the adjustment of employee entitlement provisions. Previously, the company made provisions for unused personal leave due to the nature of the education sector incurring higher levels of personal leave due to working with children and exposure to higher levels of sickness. However, there is no present entitlement to personal leave at year end. This provision has been reversed for prior periods to retained surplus and has not been accrued for the year end of 31 December 2018.

The impact on the 2017 comparatives is as follows:

	2017 Results previously reported \$	2017 Reviewed \$	Adjustment made \$
<u>Statement of Profit or Loss and other Comprehensive Income</u>			
Employee Benefits	1,267,266	1,255,621	(11,645)
Net Current Year Surplus	118,053	129,698	11,645
<u>Statement of Financial Position</u>			
Current Employee Benefits Liability	113,178	93,071	(20,107)
Non-Current Employee Benefits Liability	110,425	29,999	(80,426)
Net Assets	2,632,109	2,732,642	100,533
Retained Surplus	2,432,109	2,532,642	100,533
Total Equity	2,632,109	2,732,642	100,533

# The Armidale Waldorf School

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

	2018	2017
	\$	\$
<b>2. Revenue and Other Income</b>		
<b>Revenue from Operating Activities</b>		
School fees	535,018	460,980
<b>Grants and Donations</b>		
Funding from State Government	273,447	229,680
Funding from Federal Government	984,122	768,200
Other Grant Funding	231,620	219,143
Donations received	13,949	13,400
<b>Other Income</b>		
Excursion Income	70,034	56,132
Other income	79,043	87,545
<b>Total trading income</b>	<u>2,187,233</u>	<u>1,835,080</u>
	2018	2017
	\$	\$
<b>3. Investment Income</b>		
Interest and interest subsidy Income	19,185	35,997
<b>Total investment income</b>	<u>19,185</u>	<u>35,997</u>
	2018	2017
	\$	\$
<b>4. Employment Expenses</b>		
Wages & salaries	1,200,261	1,142,990
Superannuation	113,693	105,470
Employee entitlements	96,499	6,172
Other employee expenses	1,285	989
<b>Total personnel services</b>	<u>1,411,738</u>	<u>1,255,621</u>
	2018	2017
	\$	\$
<b>5. Key Management Personnel Compensation</b>		
Short-term employee benefits	220,984	199,980
Post-employment benefits	17,884	27,570
	<u>238,868</u>	<u>227,550</u>

### Other KMP transactions

For details of other transactions and loans with KMP, refer to Note 23

# The Armidale Waldorf School

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

	2018	2017
	\$	\$
<b>6. Depreciation and amortization</b>		
Property, plant and equipment	39,958	38,973
<b>Total depreciation</b>	<b>39,958</b>	<b>38,973</b>
	2018	2017
	\$	\$
<b>7. Professional Fees</b>		
Audit fees	13,900	12,785
Other professional fees	13,632	11,998
<b>Total professional fees</b>	<b>27,532</b>	<b>24,783</b>
	2018	2017
	\$	\$
<b>8. Bad Debts Written Off</b>		
Bad debts written off	26,397	46,504
<b>Total impairment of assets</b>	<b>26,397</b>	<b>46,504</b>
	2018	2017
	\$	\$
<b>9. Other expenses</b>		
Administration expense	222,257	172,841
Contractor payments	50,223	52,006
Excursion expense	64,723	38,382
Interest expense	15,830	17,372
Insurance	52,120	43,438
Teacher supplies	83,582	51,459
Provision for Bad Debt	13,170	-
<b>Total other expense</b>	<b>501,905</b>	<b>375,498</b>
	2018	2017
	\$	\$
<b>10. Cash and cash equivalents</b>		
Cash at bank	638,558	329,586
<b>Total cash and cash equivalents</b>	<b>638,558</b>	<b>329,586</b>

# The Armidale Waldorf School

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ABN: 33 002 811 332

## Notes to the Financial Statements

For the Year Ended 31 December 2018

	2018	2017
	\$	\$
<b>11. Other Assets</b>		
Deposits – electricity	250	250
NECM Shares	40	40
Prepayments	51,040	44,727
	<u>51,330</u>	<u>45,017</u>
	2018	2017
	\$	\$
<b>12. Trade and other Receivables</b>		
<b>Current</b>		
Trade Debtors	139,935	128,945
Less: Provision for impaired receivables	(21,000)	(7,830)
<b>Total current receivables</b>	<u>118,935</u>	<u>121,115</u>
Ageing Analysis	2018	2017
	\$	\$
Less than 30 days	(424)	1,133
31 days to 60 days	555	3,862
61 days to 90 days (past due not impaired)	45,555	35,779
90+ days past due not impaired)	73,249	80,341
90+ days (considered impaired)	21,000	7,830
Total	<u>139,935</u>	<u>128,945</u>
	2018	2017
	\$	\$
<b>13. Property, Plant &amp; Equipment</b>		
<b>Land and Buildings &amp; Improvements</b>		
Freehold Land at cost	18,000	18,000
Buildings at cost	2,320,399	2,320,399
Improvements at cost	638,354	633,414
Access Road at cost	43,967	43,967
Less accumulated depreciation	(333,622)	(302,771)
<b>Total Land and Buildings &amp; Improvements</b>	<u>2,687,098</u>	<u>2,713,009</u>
<b>Plant &amp; Equipment</b>		
Plant & Equipment at cost	304,325	285,644
Less accumulated depreciation	(208,010)	(201,686)
<b>Total Plant &amp; Equipment</b>	<u>96,314</u>	<u>83,958</u>

# The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332

## Notes to the Financial Statements

For the Year Ended 31 December 2018

	2018	2017
	\$	\$
<b>Office Equipment</b>		
Office Equipment at cost	29,813	16,185
Less accumulated depreciation	(16,718)	(13,935)
<b>Total Office Equipment</b>	<u>13,095</u>	<u>2,250</u>
<b>Total Property, Plant &amp; Equipment</b>	<u>2,796,507</u>	<u>2,799,217</u>

### Movement in carrying amounts

	Land & Buildings	Improvements	Access Road	Plant & Equipment	Office Equipment	Total \$
Balance at 1 January 2017	2,170,419	530,207	40,509	91,140	2,148	2,834,423
Additions	-	2,840	-	-	925	3,765
Disposals	-	-	-	-	-	-
Depreciation Expense	21,524	9,037	405	7,182	823	38,973
<b>Carrying amount at 31 December 2017</b>	<u>2,148,895</u>	<u>524,010</u>	<u>40,104</u>	<u>83,958</u>	<u>2,250</u>	<u>2,799,217</u>
Additions	-	4,940	-	18,680	13,629	37,249
Disposals	-	-	-	-	-	-
Depreciation Expense	21,309	9,141	401	6,324	2,784	39,958
<b>Carrying amount at 31 December 2018</b>	<u>2,127,586</u>	<u>519,809</u>	<u>39,703</u>	<u>96,314</u>	<u>13,095</u>	<u>2,796,507</u>

### 14. Unsecured Trade and other Payables

	2018	2017
	\$	\$
Trade Creditors	5,489	3,414
Income in Advance	76,537	63,787
Accrued Charges	10,548	8,670
GST Payable	26,553	15,077
PAYG Payable	33,195	28,552
Superannuation Payable	42,937	41,587
<b>Total current unsecured trade and other payables</b>	<u>195,259</u>	<u>161,087</u>

### 15. Current Employee Benefits

	2018	2017
	\$	\$
TAWS – Long Service Leave payable	68,574	24,702
Provision for Annual Leave	95,612	63,296
Provision for Time in Lieu	4,946	5,073
<b>Total Current Employee Benefits</b>	<u>169,132</u>	<u>93,071</u>

# The Armidale Waldorf School

(a company limited by guarantee)

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

	2018	2017
<b>Non-current Employee Benefits</b>	\$	\$
TAWS – Long Service Leave Payable	45,128	27,331
Preschool – Long Service Leave	5,310	2,668
<b>Total Non-current Employee Benefits</b>	<b>50,438</b>	<b>29,999</b>
<b>Total Employee Benefits</b>	<b>219,570</b>	<b>123,070</b>

	2018	2017
<b>16. Borrowings</b>	\$	\$
<b>Current Secured Liabilities</b>		
Bank Loan	34,994	34,994
<b>Total Current Secured Liabilities</b>	<b>34,994</b>	<b>34,994</b>

	2018	2017
<b>Non-current Secured Liabilities</b>	\$	\$
Bank Loan	223,978	243,142
<b>Total Non-current Secured Liabilities</b>	<b>223,978</b>	<b>243,142</b>
<b>Total Borrowings</b>	<b>258,972</b>	<b>278,136</b>

The bank loan is secured by a registered mortgage over freehold land and buildings

## 17. Cash Flow Information

### a. Reconciliation of cash flows from operating activities with profit after income tax

	2018	2017
	\$	\$
Net current surplus	198,885	129,698
Non-cash flows in profit:		
Depreciation and amortisation	39,958	38,973
Bad and doubtful debts	13,170	46,504
Changes in assets and liabilities		
- Increase/(Decrease) in Payables and accruals	34,172	(13,773)
Increase/(Decrease) in Provision for Employee Entitlements	96,499	6,172
- (Increase)/Decrease in Trade receivables and prepayments	(17,299)	(37,245)
<b>Net cash provided by / (used in) operating activities</b>	<b>365,385</b>	<b>170,329</b>

# The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### b. Credit stand-by arrangement and loan facilities

The company has a bank overdraft facility amounting to \$30,000 as at 31 December 2018 (2017: \$30,000). This may be drawn upon at any time at the option of the bank. At 31 December 2018, this facility was not required for use.

### c. Changes in Liabilities arising from Financing Activities

	1 January 2018	Cash Flows Proceeds/(Repayments)	Non-cash changes	31 December 2018
Short term borrowings	34,994	-	-	34,994
Long term borrowings	243,142	(19,164)	-	223,978
Total	278,136	(19,164)	-	258,972

### 18. Capital Commitments

The Board have approved the following capital commitments as at 31 December 2018 (2017: \$nil):

Upgrade drainage works and remediate main carpark – \$70,000 - January 2019

Enclose space under the Library - \$175,000 – late Term 1 2019

### 19. Contingent Liabilities and Contingent Assets

The Directors advise that there are no contingent liabilities or assets as at 31 December 2018 (2017: \$Nil).

### 20. Events after Balance Date

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

### 21. Economic Dependence

The company is dependent on the NSW Department of Education and the Department of Education and Training for significant portion of its operational revenue. At the date of this report the Board of Directors has no reason to believe the Departments will not continue to support the Company.

### 22. Company Details

The registered office and principal place of business of the company is:

The Armidale Waldorf School

278 Rockvale Road

Armidale NSW 2350

# The Armidale Waldorf School

(a company limited by guarantee)

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 23. Related parties

The company's main related parties are as follows:

#### Key management personnel

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

For details of disclosures relating to key management personnel, refer to Note 5.

#### Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

#### 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:

	2018	2017
	\$	\$
(i) Purchase of goods and services		
Orpheus Music, a business controlled by Peter Biffin, partner of Zana Clarke, provides recorders and string supplies to the School and repairs to instruments when needed.	2,528	2,847

### 24. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans and overdrafts.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018	2017
		\$	\$
<b>Financial Assets</b>			
- Cash and cash equivalents	10	638,558	329,586
- Receivables	12	118,935	121,115
<b>Total financial assets</b>		<b>757,493</b>	<b>450,701</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost:			
- Trade and other payables	14	195,259	161,087
- Borrowings	16	258,972	278,136
<b>Total financial liabilities</b>		<b>454,231</b>	<b>439,220</b>



# The Armidale Waldorf School

(a company limited by guarantee)

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

### Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, while minimizing potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

### Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

#### a. Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company. Approximately 70% (2017: 68%) of the company's income source does not have any material credit risk as the source of revenue is the receipt of grants, donations and interest. The remaining credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness, which includes the monitoring of the ageing of accounts, regularity of payment, communications with customers and financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment.

Risk is also minimized through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Directors and Management have otherwise cleared as being financially sound.

#### Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and the classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The company has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 12.

Credit risk related to balances with banks and other financial institutions is managed by the Directors and Management. Such policy requires that surplus funds are only invested with counterparties with a trusted and secure reputation.

#### b. Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- Preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- Monitoring undrawn credit facilities;

# The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332

## Notes to the Financial Statements

For the Year Ended 31 December 2018

- Obtaining funding from a variety of sources;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets;
- Only investing surplus cash with secure financial institutions

The maturity of cash and cash equivalents, trade and other receivables, and trade and other payables is within one year. Borrowings are payable within approximately seven years, with scheduled payments of \$34,944 per year.

### c. Market Risk

#### Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that expose the Company to interest rate risk are limited cash at bank and borrowings.

Cash at bank balances are held in a mixture of interest free and interest bearing accounts with variable interest rates, with a focus on moving cash not needed for short term operations into variable interest bearing accounts. Borrowings are on a variable interest rate.

The Company also manages interest rate risk by ensuring that whenever possible payables are paid with any pre agreed terms.

#### Sensitivity Analysis

The company is not exposed to any material exposure to changes in interest rates.

#### Other price risk

The company is not exposed to any material price variances on its financial instruments.

### 25. Fair Value Measurements

The School currently recognises assets and liabilities at historical cost. Valuations for property (land and buildings) are conducted every three years for insurance purposes and to ensure there is no impairment of the assets.

The fair value of cash, trade and other receivables, trade and other payables and borrowings approximate their current carrying value.

## Independent Audit Report to the members of The Armidale Waldorf School

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of The Armidale Waldorf School (the Company), which comprises the statement of financial position as at 31 December 2018, 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 statements of the Company are in accordance with *Division 60 of 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 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and *Division 60 of the Australian Charities and Not-for-profits Commission Regulations 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 Statements* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* 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 statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by 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.

## The Responsibility of the Director's for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulations 2013* and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 statements.

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.

*Forsyths*  
Chartered Accountants

  
Paul Cornall  
Partner

5 March 2019  
92 Rusden Street Armidale NSW

**ARMIDALE**

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PO Box 114  
Armidale NSW 2350  
Phone 02 6773 8400  
Fax 02 6772 9857  
armidale@forsyths.com.au

# Forsyths

## The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332

### Disclaimer

For the Year Ended 31 December 2018

The additional financial data presented on page 28 to 29 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 December 2018. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than The Armidale Waldorf School) in respect of such data, including any errors of omissions therein however caused.



Paul Cornall  
Partner

5 March 2019

92 Rusden Street Armidale NSW

# The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332

## Combined Income Statement

For the Year Ended 31 December 2018

	2018	2017
	\$	\$
<b>Net Profit from each division</b>		
Main School (DEEWR and DET funded)	121,432	93,031
Boongaiiai Pre-School (DOE funded)	77,453	36,667
<b>Total Profit/ (loss) for the company</b>	<b>198,885</b>	<b>129,698</b>

## Main School Income Statement

	2018	2017
	\$	\$
<b>Income</b>		
State Funding	273,447	229,680
Federal Funding	984,122	768,200
Other Grant Funding	57,500	65,000
School fees & enrolments	474,518	416,734
Donations & Fundraising	35,364	33,829
Interest and Sundry Income	142,869	144,862
<b>Total Income</b>	<b>1,967,820</b>	<b>1,658,305</b>
<b>Expense</b>		
Employment Costs	1,226,208	1,124,648
Operating Expense	178,632	123,110
Occupancy Expense	79,362	53,763
Insurance	42,638	38,253
Interest Expense	15,830	17,372
Professional Fees	27,164	24,783
Promotions & Advertising	5,042	11,292
Professional Development	35,354	24,120
Other Expense	67,146	37,880
Stewardship	6,027	6,203
Fundraising Expense	6,449	6,544
Provision for Staff Entitlements	90,286	16,578
Bad Debts	26,597	42,179
Depreciation	39,653	38,549
<b>Total Expense</b>	<b>1,846,388</b>	<b>1,565,274</b>
<b>Net Profit/(Loss)</b>	<b>121,432</b>	<b>93,031</b>

To be read in conjunction with the disclaimer on page 27

# The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332

## Combined Income Statement

For the Year Ended 31 December 2018

## Preschool Income Statement

	2018	2017
	\$	\$
<b>Income</b>		
ECEC Funding	174,120	154,143
School fees & enrolments	60,500	44,247
Donations & Fundraising	-	85
Sundry income	1,977	13,468
Maintenance Levy	2,000	830
<b>Total Income</b>	<b>238,597</b>	<b>212,772</b>
<b>Expense</b>		
Employment Costs	139,289	171,237
Operating Expense	1,135	920
Occupancy Expense	606	-
Insurance	9,482	5,185
Professional Fees	368	-
Promotions & Advertising	1,097	1,998
Professional Development	1,115	375
Other Expense	1,731	1,992
Stewardship	-	55
Provision for Staff Entitlements	6,216	(10,406)
Bad Debts	(200)	4,325
Depreciation	305	424
<b>Total Expense</b>	<b>161,144</b>	<b>176,105</b>
<b>Net Profit/ (Loss)</b>	<b>77,453</b>	<b>36,667</b>

To be read in conjunction with the disclaimer on page 27

