

# Financial Statements

For the year ending 31 December 2019

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 2019

Your directors present their report, together with the financial statements, on the company for the financial year ended 31 December 2019.

### Directors

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

<b>Name</b>	<b>Position</b>	<b>Appointed/ Resigned</b>
Maureen Chapman	Chair	Appointed 17/10/2015
Rachel Mitchell	Secretary	Appointed 15/05/2016
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

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;
- Ensure appropriate grounds, buildings and facilities support strategic plan within time frames and budgets constraints; and
- Expand offering to Classes 9 and 10

# The Armidale Waldorf School

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## Directors' Report

For the Year Ended 31 December 2019

### 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 2019 the collective liability of members was \$400 (2018: \$400).

<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

# The Armidale Waldorf School

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## Directors' Report

For the Year Ended 31 December 2019

### 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	9	8
James Vicars	9	9
Rachel Mitchell	9	9
Rebecca Schaefer	9	9
Nickie Murcell	9	8
Lisa Nolan	9	8

### 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:   
Rebecca Schaefer

Director:   
Rachel Mitchell

Dated 13 February 2020

Armidale NSW

**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 2019 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 13/2/2020

121 Rusden Street Armidale NSW

# The Armidale Waldorf School

(a company limited by guarantee)

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## Directors' Declaration

For the Year Ended 31 December 2019

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 25, 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 2019 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director: .....



Rebecca Schaefer

Director: .....



Rachel Mitchell

Dated *13 February 2020*.

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 2019

	Notes	2019 \$	2018 \$
Revenue from continuing operations			
Revenue and other income	2	2,466,455	2,187,233
Investment Income	3	19,637	19,185
<b>Total revenue from continuing operations</b>		<b>2,486,092</b>	<b>2,206,418</b>
Expenses from continuing operations			
Employee benefits	4	1,622,270	1,411,738
Depreciation and amortisation	6	52,416	39,958
Professional fees	7	26,763	27,532
Bad debts written off	8	(295)	26,397
Other expenses	9	600,285	501,905
<b>Total expenses from continuing operations</b>		<b>2,301,439</b>	<b>2,007,382</b>
<b>Net Current Year Surplus</b>		<b>184,653</b>	<b>198,885</b>
<b>Other Comprehensive Income</b>			
		2019	2018
		\$	\$
Net Current Year Surplus		184,653	198,885
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>184,653</b>	<b>198,885</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 2019

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	10	583,696	638,558
Other assets	11	52,174	51,330
Receivables	12	149,634	118,935
<b>Total current assets</b>		<b>785,504</b>	<b>808,823</b>
Non-current assets			
Property, plant and equipment	13	3,043,413	2,796,507
<b>Total non-current assets</b>		<b>3,043,413</b>	<b>2,796,507</b>
<b>Total assets</b>		<b>3,828,917</b>	<b>3,605,330</b>
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	14	202,074	195,259
Employee benefits	15	204,019	169,132
Borrowings	16	34,994	34,994
<b>Total current liabilities</b>		<b>441,087</b>	<b>399,385</b>
Non-current liabilities			
Employee benefits	15	68,368	50,438
Borrowings	16	203,281	223,978
<b>Total non-current liabilities</b>		<b>271,649</b>	<b>274,416</b>
<b>Total liabilities</b>		<b>712,736</b>	<b>673,801</b>
<b>Net Assets</b>		<b>3,116,181</b>	<b>2,931,527</b>
<b>EQUITY</b>			
Retained surplus		2,916,181	2,731,527
Building reserve		200,000	200,000
<b>Total equity</b>		<b>3,116,181</b>	<b>2,931,527</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 2019

	Building Reserves \$	Retained Surplus \$	Total \$
Balance at 1 January 2019	200,000	2,731,527	2,931,527
Surplus for the year	-	184,653	184,653
Other comprehensive income	-	-	-
<b>Balance at 31 December 2019</b>	<b>200,000</b>	<b>2,916,180</b>	<b>3,116,180</b>
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>

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

# The Armidale Waldorf School

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## Statement of Cashflows

For the Year Ended 31 December 2019

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from grants and customers (inclusive of GST)		2,549,478	2,324,811
Interest received		19,637	19,185
Payments to suppliers and personnel services (inclusive of GST)		(2,289,690)	(1,962,781)
Interest paid		(14,268)	(15,830)
<b>Net cash provided by / (used in) operating</b>	17	<u>265,157</u>	<u>365,385</u>
Cash flows from investing activities			
Payment for property, plant and equipment		(299,322)	(37,249)
<b>Net cash provided by / (used in) investing</b>		<u>(299,322)</u>	<u>(37,249)</u>
Cash flows from financing activities			
Repayment of loans		(20,697)	(19,164)
<b>Net cash provided by / (used in) financing</b>		<u>(20,697)</u>	<u>(19,164)</u>
Net increase / (decrease) in cash and cash equivalents		(54,862)	308,972
Cash and cash equivalents at the beginning of the financial year		638,558	329,586
<b>Cash and cash equivalents at the end of the financial year</b>	10	<u>583,696</u>	<u>638,588</u>

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

# The Armidale Waldorf School

(a company limited by guarantee)

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

## **1. Summary of significant accounting policies**

The financial statements are for The Armidale Waldorf School as an individual entity, 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) Recognition of revenue from contracts with customers**

Revenue from contracts is recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

Revenue from contracts is recognised by applying the following five-step model:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price; and
5. Recognise revenue.

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

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

# The Armidale Waldorf School

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

Revenue is recognised for the major business activities as follows:

**(i) School Tuition Fees**

Fees received are recognised over the school term having been invoiced at the start of each term. Amounts received for future periods are recognised when the teaching period has been provided and are recorded as a current liability until the period it relates or performance obligation completed.

School tuition fees are in accordance with the enrolment contract and published school fees, terms and conditions.

**(ii) Other School related Fees**

Other school related fees are charged to student accounts for excursions and music tuition as well as contributions for school infrastructure maintenance and personal injury insurance.

These charges are in accordance with the enrolment contract and terms and conditions set out by the Company.

Excursion fees are generally set to recover the underlying costs associated with the activity. Excursion fees are recognised at the time the activity occurs. Other fees are recognised over the school term to which they relate.

**(iii) Government Grants**

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligation is satisfied. This is generally the case for the grant monies received for education.

The performance obligations are based on the agreement requiring the money to be spent on the schools education curriculum. Therefore, most grants are recognised in the school year received but if a grant relates to future years or some specific performance obligation is required (e.g. completion of capital works) then the grant income will be deferred.

**(c) Other revenue sources**

Revenue recognition policy for revenue streams which are either not enforceable or do not have specific performance obligations are as follows

**Donations**

Donations and bequests are recognised when the Company gains control over the cash.

**Fundraising**

Fundraising relates to activities and events such as the spring fair to generate additional funds to support School operations. The Company recognises the fundraising income when the net proceeds are deposited into the bank.

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

### **Other revenue**

This relates to various sources and activities and there are no enforceable or specific obligations. They are recognised when received.

### **(d) Investment income**

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

### **(e) Income tax**

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

### **(f) 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 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.

### **(g) 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.

### **(h) Trade and other receivables**

Trade receivables comprise amounts due from past and present student's families or legal guardians for tuition and related services and unconditional amounts owed from grants or other funding agreements. Receivables are carried at original invoice amount less an allowance for any uncollected amounts.

Normal terms of settlement vary from seven to 90 days.

No collateral is held in respect of these receivables.

The Company assesses the collectability of receivables on an ongoing basis. Debts which are known to be uncollectable are written off against profit or loss. The Company writes off a receivable when there is information indicating the student's family or legal guardian is in severe financial difficulty and no realistic viable prospect of recovery.

A provision is raised based on ongoing correspondence with each family and taking into account payment histories, age of debt and whether the student is current or left the school.

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

The Company considers its' approach to receivable impairment provision assessment materially complies with the accounting standards AASB9: Financial Instruments, which requires the provision of an allowance equal to lifetime expected credit loss (ECL). Normally the ECL is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position adjusted for factors that are specific to the debtors general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of condition at the reporting date. However, the Company considers the individual assessment of the student family's financial position and agreed payment agreements is similar to applying a provision matrix model approach.

### (i) 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 entity 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, excluding freehold land, is depreciated on a straight line basis 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 estimates useful life as follows:

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

Plant and 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.

# The Armidale Waldorf School

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

### **(j) 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.

### **(k) 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.

### **(l) 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.

### **(m) 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.

### **(n) Comparative amounts**

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



# The Armidale Waldorf School

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

## **(o) 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.

## **(p) 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

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

## (q) New and amended accounting policies adapted by the Company

The Company has adapted AASB15 Revenue from Contracts with customers and AASB1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of 1 January 2019.

The core impacts on the current year financial report is additional disclosure regarding how revenue is recognised and restructure of the disclosure of classes of revenue in Note 2.

There was no change in the way income is recognised in the 2019 financial year.

<b>2. Revenue and Other Income</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from contracts with customers</b>		
School tuition fees	604,404	535,018
<b>Other disaggregated revenue from contracts with customers</b>		
Student maintenance and insurance levy contributions	24,986	22,637
Excursion Income	72,244	70,034
Music program fees	31,456	25,915
	<u>733,090</u>	<u>653,604</u>
<b>Grant revenue from contracts with government</b>		
Funding from State Government	321,109	273,447
Funding from Federal Government	1,149,605	984,122
Other Grant Funding	211,642	231,620
	<u>1,682,356</u>	<u>1,489,189</u>
<b>Revenue from not-for-profit sources</b>		
Donations	17,251	13,949
Fundraising activities	20,403	21,415
G.N.D.T.E.T. contributions to the school	370	-
Other income	12,985	9,076
	<u>51,009</u>	<u>44,440</u>
<b>Total trading income</b>	<u>2,466,455</u>	<u>2,187,233</u>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>3. Investment Income</b>		
Interest and interest subsidy Income	19,637	19,185
<b>Total investment income</b>	<u>19,637</u>	<u>19,185</u>

# The Armidale Waldorf School

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

	2019	2018
	\$	\$
<b>4. Employment Expenses</b>		
Wages & salaries	1,425,495	1,200,261
Superannuation	135,002	113,693
Employee entitlements	52,818	96,499
Other employee expenses	8,955	1,285
<b>Total personnel services</b>	<b>1,622,270</b>	<b>1,411,738</b>
	2019	2018
	\$	\$
<b>5. Key Management Personnel Compensation</b>		
Short-term employee benefits	228,868	220,984
Post-employment benefits	42,487	17,884
	<b>271,335</b>	<b>238,868</b>
<b>Other KMP transactions</b>		
For details of other transactions and loans with KMP, refer to Note 23		
	2019	2018
	\$	\$
<b>6. Depreciation and amortization</b>		
Property, plant and equipment	52,416	39,958
<b>Total depreciation</b>	<b>52,416</b>	<b>39,958</b>
	2019	2018
	\$	\$
<b>7. Professional Fees</b>		
Audit fees	15,440	13,900
Other professional fees	11,323	13,632
<b>Total professional fees</b>	<b>26,763</b>	<b>27,532</b>
	2019	2018
	\$	\$
<b>8. Bad Debts Written Off</b>		
Bad debts written off/(recovered)	(295)	26,397
<b>Total impairment of assets</b>	<b>(295)</b>	<b>26,397</b>
	2019	2018
	\$	\$
<b>9. Other expenses</b>		
Administration expense	298,753	222,257
Contractor payments	49,665	50,223
Excursion expense	46,915	64,723
Interest expense	14,268	15,830
Insurance	57,676	52,120
Teacher supplies	133,008	83,582
Provision for Bad Debt	-	13,170
<b>Total other expense</b>	<b>600,285</b>	<b>501,905</b>

# The Armidale Waldorf School

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

	Notes	2019 \$	2018 \$
<b>10. Cash and cash equivalents</b>	1(g)		
Cash at bank		583,696	638,558
<b>Total cash and cash equivalents</b>		<u>583,696</u>	<u>638,558</u>
		2019 \$	2018 \$
<b>11. Other Assets</b>			
Deposits – electricity		250	250
NECM Shares		40	40
Prepayments		51,884	51,040
		<u>52,174</u>	<u>51,330</u>
		2019 \$	2018 \$
<b>12. Trade and other Receivables</b>			
<b>Current</b>			
Trade Debtors		170,634	139,935
Less: Provision for impaired receivables	1(h)	(21,000)	(21,000)
<b>Total current receivables</b>		<u>149,634</u>	<u>118,935</u>
		2019	2018
Ageing Analysis		\$	\$
Less than 30 days		135	(424)
31 days to 60 days		139	555
61 days to 90 days (past due not impaired)		54,309	45,555
90+ days past due not impaired)		95,051	73,249
90+ days (considered impaired)		21,000	21,000
<b>Total</b>		<u>170,634</u>	<u>139,935</u>

## Fair Value

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. While the school's credit policy is 30 days, not all debts greater than 30 days are considered impaired because payment plans have been implemented and/or the school has a reasonable expectation based on past history and dealings that the amounts will be collected. The provision for impairment has been calculated based on this information.

	2019 \$	2018 \$
<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	841,640	638,354
Access Road at cost	111,064	43,967
Less accumulated depreciation	(368,224)	(333,622)
<b>Total Land and Buildings &amp; Improvements</b>	<u>2,922,879</u>	<u>2,687,098</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 2019

### Plant & Equipment

Plant & Equipment at cost	<b>313,097</b>	304,325
Less accumulated depreciation	<b>(218,612)</b>	(208,010)
<b>Total Plant &amp; Equipment</b>	<b>94,485</b>	<b>96,314</b>

	<b>2019</b>	2018
	\$	\$
<b>Office Equipment</b>		
Office Equipment at cost	<b>49,979</b>	29,813
Less accumulated depreciation	<b>(23,930)</b>	(16,718)
<b>Total Office Equipment</b>	<b>26,049</b>	13,095
<b>Total Property, Plant &amp; Equipment</b>	<b>3,043,413</b>	<b>2,796,507</b>

### Movement in carrying amounts

	Land & Buildings	Improvements	Access Road	Plant & Equipment	Office Equipment	Total \$
Balance at 1 January 2018	2,148,895	524,010	40,104	83,958	2,250	2,799,217
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>	<b>2,127,586</b>	<b>519,809</b>	<b>39,703</b>	<b>96,314</b>	<b>13,095</b>	<b>2,796,507</b>
Additions	-	203,286	67,097	8,773	20,166	299,322
Disposals	-	-	-	-	-	-
Depreciation Expense	21,096	10,067	3,439	10,602	7,212	52,416
<b>Carrying amount at 31 December 2019</b>	<b>2,106,490</b>	<b>713,028</b>	<b>103,361</b>	<b>94,485</b>	<b>26,049</b>	<b>3,043,413</b>

### 14. Unsecured Trade and other Payables

	\$	\$
Trade Creditors	<b>30,594</b>	5,489
Income in Advance	<b>72,679</b>	76,537
Accrued Charges	<b>13,992</b>	10,548
GST Payable	<b>26,037</b>	26,553
PAYG Payable	<b>58,772</b>	33,195
Superannuation Payable	-	42,937
<b>Total current unsecured trade and other payables</b>	<b>202,074</b>	<b>195,259</b>

### 15. Employee Benefits

	\$	\$
TAWS – Long Service Leave payable	<b>71,305</b>	68,574
Provision for Annual Leave	<b>127,947</b>	95,612
Provision for Time in Lieu	<b>4,767</b>	4,946
<b>Total Employee Benefits</b>	<b>204,019</b>	<b>169,132</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 2019

TAWS – Long Service Leave Payable	60,410	45,128
Preschool – Long Service Leave	7,958	5,310
<b>Total non-current Employee Benefits</b>	<b>68,368</b>	<b>50,438</b>
<b>Total payable</b>	<b>272,387</b>	<b>219,570</b>

### 16. Borrowings

#### Current Secured Liabilities

Bank Loan	34,994	34,994
<b>Total Current Secured Liabilities</b>	<b>34,994</b>	<b>34,994</b>

#### Non-current Secured Liabilities

Bank Loan	203,281	223,978
<b>Total Non-current Secured Liabilities</b>	<b>203,281</b>	<b>223,978</b>
<b>Total Borrowings</b>	<b>238,275</b>	<b>258,972</b>

The bank loan is secured by a registered mortgage over the company's freehold land and buildings.

### 17. Cash Flow Information

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

	\$	\$
Net current surplus	184,653	198,885
Non-cash flows in profit:		
Depreciation and amortisation	52,416	39,958
Bad and doubtful debts	-	13,170
- Changes in assets and liabilities		
- Increase/(Decrease) in Payables and accruals	6,814	34,172
Increase/(Decrease) in Provision for Employee Entitlements	52,817	96,499
- (Increase)/Decrease in Trade receivables and prepayments	(31,543)	(17,299)
- <b>Net cash provided by / (used in) operating activities</b>	<b>265,157</b>	<b>365,385</b>

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

The company has a bank overdraft facility amounting to \$30,000 as at 31 December 2019 (2018: \$30,000). This may be drawn upon at any time at the option of the company. At 31 December 2019, this facility was not required for use.

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

	1 January 2019	Cash Flows	Non-cash changes	31 December 2019
Short term borrowings	34,994	-	-	34,994
Long term borrowings	223,978	(20,697)	-	203,281
<b>Total</b>	<b>258,972</b>	<b>(20,697)</b>	<b>-</b>	<b>238,275</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 2019

### 18. Capital Commitments

The Board have approved the following capital commitments as at 31 December 2019 (2018: \$245,000):

- Upgrade drainage works and remediate playground – \$110,000 - January 2020
- Electrical Upgrades for Maintenance Compound and proposed Class 9/10 - \$25,000 - January 2020
- Kindergarten Wet Area Renovations - \$125,000 – late Term 1 2020
- Maintenance Compound - \$35,000 – unscheduled
- Other minor capital purchases/projects - \$25,300 - unscheduled

### 19. Contingent Liabilities and Contingent Assets

The Directors advise that there are no contingent liabilities or assets as at 31 December 2019 (2018: \$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

### 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 entity, directly or indirectly, including any director (whether executive or otherwise) of that entity 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.

# The Armidale Waldorf School

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ABN: 33 002 811 332

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

### 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:

	2019	2018
	\$	\$
(i) Purchase of goods and services		
Orpheus Music, a business controlled by Peter Biffin, partner of Zana Clarke, provides recorders, instruments and string supplies to the School and repairs to instruments when needed.	11,361	2,528

### 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	2019	2018
		\$	\$
<b>Financial Assets</b>			
- Cash and cash equivalents	10	583,696	638,558
- Receivables	12	149,634	118,935
<b>Total financial assets</b>		<u>733,330</u>	<u>757,493</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost:			
- Trade and other payables	14	202,074	195,259
- Borrowings	16	238,275	258,972
<b>Total financial liabilities</b>		<u>440,349</u>	<u>454,231</u>

### 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.



# 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 2019

### 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 69% (2018: 68%) of the company's income sources 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

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 six years, with scheduled payments of \$34,944 per year.

### c. Market 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 to cash at bank and borrowings.

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

### Sensitivity Analysis

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

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

# 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 2019**

Other price risk

The company is not exposed to any material price variables 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 five 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.

**ARMIDALE**

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## 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 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial 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 2019 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

Date 13/2/2020

121 Rusden Street Armidale NSW

ARMIDALE

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armidale@forsyths.com.au

## The Armidale Waldorf School

(a company limited by guarantee)

ABN: 33 002 811 332

### Disclaimer

For the Year Ended 31 December 2019

The additional financial data presented on page 29 to 30 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 2019. 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.

*Forsyths*

Chartered Accountants



Paul Cornall

Partner

Date

13/2/2020

121 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 2019

	2019	2018
	\$	\$
<b>Net Profit from each division</b>		
Main School (DEEWR and DET funded)	185,201	121,432
Boongaial Pre-School (DOE funded)	(548)	77,453
Total Profit/ (loss) for the company	<u>184,653</u>	<u>198,885</u>

## Main School Income Statement

	2019	2018
	\$	\$
<b>Income</b>		
State Funding	321,109	273,447
Federal Funding	1,149,605	984,122
Other Grant Funding	48,600	57,500
School fees & enrolments	540,246	474,518
Donations & Fundraising	38,025	35,364
Interest and Sundry Income	157,696	142,869
<b>Total Income</b>	<u>2,255,281</u>	<u>1,967,820</u>
<b>Expense</b>		
Employment Costs	1,421,796	1,226,208
Operating Expense	236,074	178,632
Occupancy Expense	120,763	79,362
Insurance	48,548	42,638
Interest Expense	14,268	15,830
Professional Fees	26,762	27,164
Promotions & Advertising	6,639	5,042
Professional Development	31,182	35,354
Other Expense	54,596	67,146
Stewardship	3,716	6,027
Fundraising Expense	9,099	6,449
Provision for Staff Entitlements	44,516	90,286
Bad Debts	(295)	26,597
Depreciation	52,416	39,653
<b>Total Expense</b>	<u>2,070,080</u>	<u>1,846,388</u>
<b>Net Profit/(Loss)</b>	<u>185,201</u>	<u>121,432</u>

To be read in conjunction with the disclaimer on page 28

### Preschool Income Statement

	2019	2018
	\$	\$
<b>Income</b>		
ECEC Funding	163,042	174,120
School fees & enrolments	64,158	60,500
Sundry income	2,431	1,977
Maintenance Levy	1,180	2,000
Total Income	<u>230,811</u>	<u>238,597</u>
<b>Expense</b>		
Employment Costs	203,309	139,289
Operating Expense	6,005	1,135
Occupancy Expense	232	606
Insurance	9,129	9,482
Professional Fees	-	368
Promotions & Advertising	386	1,097
Professional Development	1,741	1,115
Other Expense	2,255	1,731
Provision for Staff Entitlements	8,302	6,216
Bad Debts	-	(200)
Depreciation	-	305
Total Expense	<u>231,359</u>	<u>161,144</u>
<b>Net Profit/ (Loss)</b>	<u>(548)</u>	<u>77,453</u>

To be read in conjunction with the disclaimer on page 28