

The Armidale Waldorf School

ABN: 33 002 811 332

Financial Statements

For the Year Ended 31 December 2023

The Armidale Waldorf School

ABN: 33 002 811 332

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For the Year Ended 31 December 2023

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The Armidale Waldorf School

ABN: 33 002 811 332

Directors' Report For the Year Ended 31 December 2023

The directors present their report on The Armidale Waldorf School for the financial year ended 31 December 2023.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Maureen Chapman	Former Chair	Resigned 02/05/2023
Mattias Grasselli	Chair	Appointed 02/05/2023
Nicole Murcell	Secretary	Appointed 23/03/2018
Rex Gream	Director	Resigned 01/09/2023
Vicki Howell	Director	Appointed 15/02/2022
Peter McClenaghan	Director	Appointed 15/02/2022
Sophie Williams	Director	Appointed 02/05/2023
Susanne Hermesch	Director	Appointed 02/05/2023

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.

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

Short term objectives

The Company's short term objectives are to:

- maintain quality education and confidence in teachers;
- monitor and improve governance, leadership and management for effective decision making;
- enhance personal communication skills amongst staff;
- increase student numbers and commence offerings to year 9 and 10; and
- reduce outstanding student fee in arrears/owed to school; and implement active strategy to recuperate student fees in arrears for past 3 years.

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Directors' Report

For the Year Ended 31 December 2023

Long term objectives

The Company's long term objectives are to:

- ensure the ongoing financial stability and security of the school;
- ensure appropriate grounds, buildings and facilities support strategic plan within timeframes and budget constraints; and
- expand offering to classes 11 and 12.

Strategy for achieving the objectives

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

- secure waiting lists to ensure future enrolments are in line with the strategic plan;
- 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 following measures are used within the Company to monitor performance:

- 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.

The Armidale Waldorf School

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Directors' Report

For the Year Ended 31 December 2023

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 2023 the collective liability of members was \$900 (2022: \$400).

Information on directors

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

Mattias Grasselli	Parent; Senior Speech Pathologist HNELHD
Qualification	MSLP (Macquaire University); Grad. Dip Social Science (UNE); BA (Hons) Linguistics (ANU)
Nicole Murcell	Service and Community Development Manager - Homes North Community Housing
Qualifications	Bachelor of Arts (Communications) University of Technology Sydney
Vicki Howell	Parent; GP; Chair of Division of GP
Qualifications	Dip Paeds (UNSW); FRACGP; B. Med (hons) (University of Newcastle)
Peter McClenaghan	Leadership and Development (UNE Business School) Coordinator
Qualifications	PhD (UNE); Master Coach-Leading, Managing and Coaching by Values (ICF; CCE); BA Hons (UNE)
Sophie Williams	CO-CEO new England Conservatorium of Music (NECOM)
Qualifications	Bach. Business (UNE); CERTIV Financial Services (TAFE North- Coast)
Susanne Hermes	Professorial Research Fellow; Animal Genetics & Breeding - UNE
Qualifications	Doctor of Philosophy (UNE); Diploma in Agrar. (University of Gottingen, Germany)

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**Directors' Report
For the Year Ended 31 December 2023**

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

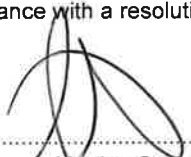
Maureen Chapman
Mattias Grasselli
Nicole Murcell
Rex Gream
Vicki Howell
Peter McClenaghan
Sophie Williams
Susanne Hermesch

Directors' Meetings	
Number eligible to attend	Number attended
6	6
12	10
12	11
9	8
12	11
12	9
5	4
5	4

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 31 December 2023 has been received and can be found on page 5 of the financial report.

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

Director:

Mattias Grasselli

Director:

Nicole Murcell

Dated 08 May 2024

Armidale NSW

The Armidale Waldorf School

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

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in 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

08 May 2024

121 Rusden Street Armidale NSW

The Armidale Waldorf School

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2023

	Note	2023	2022
Revenue	6	4,031,334	3,619,483
Investment income		50,540	23,279
Employee benefits expense	7	(2,859,184)	(2,432,318)
Depreciation and amortisation expense	14	(105,620)	(79,035)
Professional Fees	9	(48,190)	(17,350)
Other Expenses	10	(665,194)	(605,177)
Bad debts written off		(83,998)	-
Surplus from continuing operations		319,688	508,882
Other comprehensive income for the year		-	-
Total comprehensive income for the year		319,688	508,882

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 31 December 2023

	Note	2023	2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	11	2,129,086	1,822,722
Trade and other receivables	12	262,731	246,540
Other assets	13	88,600	67,164
TOTAL CURRENT ASSETS		2,480,417	2,136,426
NON-CURRENT ASSETS			
Property, plant and equipment	14	4,112,685	4,019,942
TOTAL NON-CURRENT ASSETS		4,112,685	4,019,942
TOTAL ASSETS		6,593,102	6,156,368
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	294,526	221,038
Borrowings	18	36,254	34,994
Contract liabilities	16	79,311	85,794
Employee benefits	17	347,828	323,068
TOTAL CURRENT LIABILITIES		757,919	664,894
NON-CURRENT LIABILITIES			
Borrowings	18	105,990	132,131
Employee benefits	17	81,952	31,790
TOTAL NON-CURRENT LIABILITIES		187,942	163,921
TOTAL LIABILITIES		945,861	828,815
NET ASSETS		5,647,241	5,327,553
EQUITY			
Reserves		200,000	200,000
Accumulated Surplus		5,447,241	5,127,553
TOTAL EQUITY		5,647,241	5,327,553

The accompanying notes form part of these financial statements.

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**Statement of Changes in Equity
For the Year Ended 31 December 2023**

2023

	Accumulated Surplus	Building reserves	Total
	\$	\$	\$
Balance at 1 January 2023	5,127,553	200,000	5,327,553
Surplus for the year	319,688	-	319,688
Balance at 31 December 2023	5,447,241	200,000	5,647,241

2022

	Accumulated Surplus	Building reserves	Total
	\$	\$	\$
Balance at 1 January 2022	4,618,671	200,000	4,818,671
Surplus for the year	508,882	-	508,882
Balance at 31 December 2022	5,127,553	200,000	5,327,553

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 31 December 2023

	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from grants and customers (inclusive of GST)		4,418,276	3,897,357
Payments to suppliers and employees		(3,928,293)	(3,422,940)
Interest received		50,540	23,280
Interest paid		(10,915)	(9,816)
Net cash provided by/(used in) operating activities	19	<u>529,608</u>	<u>487,881</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		<u>(198,363)</u>	<u>(861,574)</u>
Net cash provided by/(used in) investing activities		<u>(198,363)</u>	<u>(861,574)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		<u>(24,881)</u>	<u>(24,560)</u>
Net cash provided by/(used in) financing activities		<u>(24,881)</u>	<u>(24,560)</u>
Net increase/(decrease) in cash and cash equivalents held		306,364	(398,253)
Cash and cash equivalents at beginning of year		<u>1,822,722</u>	<u>2,220,975</u>
Cash and cash equivalents at end of financial year	11	<u><u>2,129,086</u></u>	<u><u>1,822,722</u></u>

The accompanying notes form part of these financial statements.

The Armidale Waldorf School

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Notes to the Financial Statements

For the Year Ended 31 December 2023

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

The functional and presentation currency of The Armidale Waldorf School is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 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.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

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

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

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

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

The Armidale Waldorf School

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Notes to the Financial Statements For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

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

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.

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.

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.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

Other income

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.

Other revenue

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

Investment income

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

(b) Income Tax

The company is exempt from Income tax under Division 50 of the Income Tax Assessment Act 1997.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost acquisition of the asset or as part of the expense.

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

(d) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists, the recoverable amount of the asset is estimated. 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.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits held at call with financial institutions, and other short-term highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) 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.

The Armidale Waldorf School

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Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies

(f) Trade and other receivables

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.

(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 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.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Buildings	100 years
Plant and Equipment	3 - 10 years
Improvements	25 - 35 years
Access Road	20 years
Office Equipment	3 - 5 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) 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.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies

(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.

Changes in the measurement of the liability are recognised in profit or loss.

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

(k) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(l) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The impact of these standards on the financial statements when they are adopted are not expected to be significant.

3 Economic dependence

The company is dependent on the NSW Department of Education and the Federal Department of Education 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.

4 Fair value measurement

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.

5 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

The Armidale Waldorf School

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Notes to the Financial Statements For the Year Ended 31 December 2023

5 Critical Accounting Estimates and Judgments

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - 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.

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 is made on receivable recoverability and estimated cash flows.

6 Revenue and Other Income

Revenue from continuing operations

	2023	2022
	\$	\$
Revenue from contracts with customers		
- School tuition fees	916,206	765,213
- Student maintenance and insurance levy contributions	48,161	31,780
- Music program fees	-	(60)
- Funding from State Government	488,326	471,518
- Funding from Federal Government	2,108,963	1,859,719
- Capital grants	165,000	135,000
- Other grant funding	282,125	317,983
Total revenue from contracts with customers	4,008,781	3,581,153
Other sources of revenue		
- Fundraising activities	-	9,030
- Donations	375	920
- G.N.D.T.E.T contributions to the school	-	180
- Other income	22,178	28,200
Total other sources of revenue	22,553	38,330
Total Revenue	4,031,334	3,619,483

The Armidale Waldorf School

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Notes to the Financial Statements For the Year Ended 31 December 2023

7 Employment Expenses

	2023	2022
	\$	\$
Salaries & wages	2,498,571	2,204,906
Superannuation	258,824	220,880
Employee entitlements	74,922	(2,257)
Other employee expenses	9,236	5,377
Workers Compensation	17,631	3,412
Total Employment Expenses	2,859,184	2,432,318

8 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of The Armidale Waldorf School during the year are as follows:

	2023	2022
	\$	\$
Short-term employee benefits	310,075	318,179
Post-employment benefits	75,962	65,684
	386,037	383,863

9 Professional fees

	2023	2022
	\$	\$
Audit Fees	24,795	17,350
Other professional fees	23,395	-
	48,190	17,350

10 Other Expenses

	2023	2022
	\$	\$
Administration expenses	314,706	254,202
Contractor payments	29,732	43,970
Excursion expenses	73,950	74,006
Interest expense	10,915	9,816
Insurance	73,155	66,869
Teacher supplies	162,736	156,314
Total other Expenses	665,194	605,177

11 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	319,832	89,512

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Notes to the Financial Statements For the Year Ended 31 December 2023

11 Cash and Cash Equivalents

	2023	2022
	\$	\$
Term Deposits and interest bearing accounts	1,809,254	1,733,210
	<u>2,129,086</u>	<u>1,822,722</u>

12 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	422,731	327,540
Provision for impairment	(160,000)	(81,000)
Total current Trade and other Receivables	<u>262,731</u>	<u>246,540</u>

Ageing analysis

	2023	2022
	\$	\$
Less than 30 days	1,310	910
31 days to 60 days	50	-
61 days to 90 days (past due not impaired)	67,093	65,584
90+ days (past due not impaired)	194,278	180,046
90+ days (considered impaired)	160,000	81,000
Total Trade Receivables	<u>422,731</u>	<u>327,540</u>

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

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.

13 Other Assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	88,560	66,874
Other assets	40	290
Total other Assets	<u>88,600</u>	<u>67,164</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2023

14 Property, plant and equipment

	2023	2022
	\$	\$
LAND AND BUILDINGS		
Freehold land at cost	18,000	18,000
Buildings at cost	3,171,988	3,103,438
Improvements at cost	1,200,583	1,181,379
Access Road at cost	119,950	111,200
Less accumulated depreciation	<u>(604,024)</u>	<u>(538,665)</u>
Total land and buildings	<u>3,906,497</u>	<u>3,875,352</u>
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	22,533	-
Plant and equipment		
At cost	416,516	374,542
Accumulated depreciation	<u>(280,305)</u>	<u>(251,252)</u>
Total plant and equipment	<u>136,211</u>	<u>123,290</u>
Office equipment		
At cost	105,054	67,702
Accumulated depreciation	<u>(57,610)</u>	<u>(46,402)</u>
Total office equipment	<u>47,444</u>	<u>21,300</u>
Total plant and equipment	<u>206,188</u>	<u>144,590</u>
Total property, plant and equipment	<u>4,112,685</u>	<u>4,019,942</u>

The Armidale Waldorf School

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**Notes to the Financial Statements
For the Year Ended 31 December 2023**

14 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

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

	Capital Works in Progress	Land and Buildings	Plant and Equipment	Access Road	Office Equipment	Improvement	Total
Year ended 31 December 2023							
Balance at the beginning of the year	-	2,827,499	123,290	93,192	21,300	954,661	4,019,942
Additions	22,533	68,551	41,973	8,750	37,352	19,204	198,363
Depreciation expense	-	(28,382)	(29,052)	(3,221)	(11,209)	(33,756)	(105,620)
Balance at the end of the year	22,533	2,867,668	136,211	98,721	47,443	940,109	4,112,685
	Capital Works in Progress	Land	Plant and Equipment	Access Road	Office Equipment	Improvement	Total
Year ended 31 December 2022							
Balance at the beginning of the year	-	2,064,929	88,090	96,332	20,021	968,030	3,237,402
Additions	-	783,039	48,069	136	9,728	20,603	861,575
Depreciation expense	-	(20,469)	(12,869)	(3,276)	(8,449)	(33,972)	(79,035)
Balance at the end of the year	-	2,827,499	123,290	93,192	21,300	954,661	4,019,942

The Armidale Waldorf School

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Notes to the Financial Statements For the Year Ended 31 December 2023

15 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	36,281	31,850
GST payable	55,627	42,529
Sundry payables and accrued expenses	47,214	9,735
PAYG Payable	70,387	65,090
Superannuation Payable	85,017	71,834
Total Trade and other Payables	294,526	221,038

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

16 Contract Balances

Contract assets and liabilities

	2023	2022
	\$	\$
CURRENT		
Grant monies received in advance	37,330	54,063
Enrolment bonds	41,981	31,731
Total current contract liabilities	79,311	85,794

17 Employee Benefits

	2023	2022
	\$	\$
Current liabilities		
Long service leave	190,613	128,053
Provision for employee benefits	157,215	195,015
Total current Employee Benefits	347,828	323,068
Non-current liabilities		
Long service leave	81,952	31,790

The Armidale Waldorf School

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Notes to the Financial Statements

For the Year Ended 31 December 2023

18 Borrowings

	2023	2022
	\$	\$
CURRENT		
Secured liabilities:		
Bank loans	<u>36,254</u>	<u>34,994</u>
	2023	2022
	\$	\$
NON-CURRENT		
Secured liabilities:		
Bank loans	<u>105,990</u>	<u>132,131</u>

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

19 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

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

	2023	2022
	\$	\$
Profit for the year	319,688	508,882
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	105,620	79,035
Changes in assets and liabilities:		
- (increase)/ decrease in trade and other receivables	(95,191)	(84,073)
- (increase)/decrease in other assets	(21,463)	(9,250)
- increase/(decrease) in doubtful debts	79,000	-
- increase/(decrease) in trade and other payables and contract liabilities	67,032	(4,456)
- increase/(decrease) in provisions	74,922	(2,257)
Cashflows from operations	<u>529,608</u>	<u>487,881</u>

The Armidale Waldorf School

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Notes to the Financial Statements For the Year Ended 31 December 2023

19 Cash Flow Information

(b) Changes in liabilities arising from financing activities

	2022	Cash flows	2023
	\$	\$	\$
Long term borrowings	132,131	(26,141)	105,990
Short term borrowings	34,994	1,260	36,254
Total liabilities from financing activities	167,125	(24,881)	142,244

(c) Credit stand-by arrangement and loan facilities

The Company has a bank overdraft facility amounting to \$30,000 as at 31 December 2023 (2022: \$30,000). This may be drawn upon at any time at the option of the Company. At 31 December 2023, this facility was not required for use.

20 Contracted Commitments

The school have no contracted commitments as of 31 December 2023. (2022: \$NIL)

21 Contingencies

In the opinion of the Directors, there were no other contingencies at 31 December 2023 (31 December 2022: NIL).

22 Events after the end of the Reporting Period

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

23 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel are 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 8.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

The Armidale Waldorf School

ABN: 33 002 811 332

Notes to the Financial Statements

For the Year Ended 31 December 2023

23 Related Parties

(b) 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:

	2023	2022
	\$	\$
Music Equipment		
Purchases of goods and services	3,449	6,496
Tuition Fee		
Payment of Tuition Fee	2,462	-

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.

Tuition fee for the children of Mattias Grasselli during the year which was in line as per the Fee Schedule of the School.

24 Financial Risk Management

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

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

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

Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

Financial instruments used

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

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

The Armidale Waldorf School

ABN: 33 002 811 332

Notes to the Financial Statements

For the Year Ended 31 December 2023

24 Financial Risk Management

Objectives, policies and processes

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.

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.

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.

Mitigation strategies for specific risks faced are described below:

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 76% (2021: 77%) of the company's income sources do 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.

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 five years, with scheduled payments of \$36,254 (2021:\$34,944) per year.

The Armidale Waldorf School

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Notes to the Financial Statements

For the Year Ended 31 December 2023

24 Financial Risk Management

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

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 considers the impact of interest rate sensitivity is not material to financial performance as at 31 December 2023 and 2022.

25 Statutory Information

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

ABN: 33 002 811 332

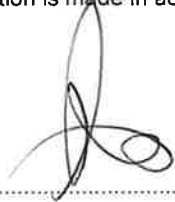
Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 26, satisfy the requirement of the *Australian Charities and Not-for-profit Commission Act 2012*, including regulations made under the Act, and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2023 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



Mattias Grasselli

Director



Nicole Murcell

Dated 08 May 2024

The Armidale Waldorf School

Independent Audit Report to the members of The Armidale Waldorf School

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Armidale Waldorf School (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Armidale Waldorf School

Independent Audit Report to the members of The Armidale Waldorf School Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Armidale Waldorf School

Independent Audit Report to the members of The Armidale Waldorf School

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Forsyths

Paul Cornall
Partner

Armidale
08 May 2024