

The Perth Waldorf School Association Inc

Financial Statements

For the Year Ended 31 December 2017

The Perth Waldorf School Association Inc

Contents

For the Year Ended 31 December 2017

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The Perth Waldorf School Association Inc

Statement of Comprehensive Income

For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
Total Receipts	4	8,029,411	7,439,145
Non-Operating Receipts	4	121,735	308,543
Total Revenue		<u>8,151,146</u>	<u>7,747,688</u>
Total Salaries and Allowances		<u>5,355,385</u>	<u>4,983,286</u>
Total Other Staff Salary Related Payments		<u>569,790</u>	<u>520,424</u>
Total Teachers Expenses and Materials		<u>342,770</u>	<u>325,323</u>
Total Non Salary and Administrative Payments		<u>138,816</u>	<u>153,245</u>
Total Sundry Administrative Payments		<u>701,062</u>	<u>594,480</u>
Total Non Salary Buildings, Operations & Maintenance		<u>194,081</u>	<u>208,482</u>
Total Other Payments		<u>90,876</u>	<u>88,892</u>
Total Expenses		<u>7,392,780</u>	<u>6,874,132</u>
Operating Surplus (Deficit)		<u>758,366</u>	<u>873,556</u>
Other Comprehensive Income, Net of Income Tax			
Total Comprehensive Income for the Year		<u>758,366</u>	<u>873,556</u>

The accompanying notes form part of these financial statements.

The Perth Waldorf School Association Inc

Statement of Financial Position

As At 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	2,572,647	1,827,399
Inventories	7	12,550	14,711
Other Assets	9	136,878	140,485
Trade and Other Receivables	6	118,988	93,667
TOTAL CURRENT ASSETS		<u>2,841,063</u>	<u>2,076,262</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	7,475,375	7,600,629
TOTAL NON-CURRENT ASSETS		<u>7,475,375</u>	<u>7,600,629</u>
TOTAL ASSETS		<u>10,316,438</u>	<u>9,676,891</u>
LIABILITIES			
CURRENT LIABILITIES			
Other Liabilities	12	104,866	116,939
Provisions	11	481,281	349,817
Trade and Other Payables	10	436,026	435,129
TOTAL CURRENT LIABILITIES		<u>1,022,173</u>	<u>901,885</u>
NON-CURRENT LIABILITIES			
Trade and Other Payables	10	1,970,723	2,070,407
Long Service Leave		101,225	240,647
TOTAL NON-CURRENT LIABILITIES		<u>2,071,948</u>	<u>2,311,054</u>
TOTAL LIABILITIES		<u>3,094,121</u>	<u>3,212,939</u>
NET ASSETS		<u>7,222,317</u>	<u>6,463,952</u>
EQUITY			
Reserves		471,000	471,000
Retained Earnings		6,751,317	5,992,952
TOTAL EQUITY		<u>7,222,317</u>	<u>6,463,952</u>

The accompanying notes form part of these financial statements.

The Perth Waldorf School Association Inc

Statement of Changes in Equity
For the Year Ended 31 December 2017

	2017		
	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2017	5,992,952	471,000	6,463,952
Profit / (Loss) for the Year	758,366	-	758,366
Rounding	(1)	-	(1)
Balance at 31 December 2017	<u>6,751,317</u>	<u>471,000</u>	<u>7,222,317</u>

	2016		
	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2016	5,119,396	471,000	5,590,396
Profit / (Loss) for the year	873,556	-	873,556
Balance at 31 December 2016	<u>5,992,952</u>	<u>471,000</u>	<u>6,463,952</u>

The accompanying notes form part of these financial statements.

The Perth Waldorf School Association Inc

Statement of Cash Flows

For the Year Ended 31 December 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Government Grants	4,369,734	3,919,259
Payments to Suppliers and Employees	(7,034,627)	(6,609,257)
Receipts from Customers	3,742,571	3,873,845
Net Cash Provided by/(used in) Operating Activities	<u>1,077,678</u>	<u>1,183,847</u>
16		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(239,815)	(1,627,825)
Loans - Low Interest	(52,615)	271,257
Loans - Commonwealth Bank	(40,000)	-
Net cash used by Investing Activities	<u>(332,430)</u>	<u>(1,356,568)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Increase/(Decrease) in Cash and Cash Equivalents Held	745,248	(172,721)
Cash and Cash Equivalents at Beginning of Year	1,827,399	2,000,120
Cash and Cash Equivalents at End of Financial Year	<u>2,572,647</u>	<u>1,827,399</u>
5		

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2017

The financial report covers The Perth Waldorf School Association Inc as an individual entity. The Perth Waldorf School Association Inc is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of The Perth Waldorf School Association Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Notes to the Financial Statements

For the Year Ended 31 December 2017

2 Summary of Significant Accounting Policies

(d) Goods and services tax (GST)

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.

(e) Inventories

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the revaluation model.

Depreciation

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

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality

Notes to the Financial Statements

For the Year Ended 31 December 2017

2 Summary of Significant Accounting Policies

- (h) Employee benefits
corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

- (i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of comprehensive income.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below.

Key estimates - provisions

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

Key estimates - receivables

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

Notes to the Financial Statements
For the Year Ended 31 December 2017

4 Revenue and Other Income

Revenue from continuing operations

	2017	2016
	\$	\$
School Fees		
- Late Payment Fees	2,000	1,964
- Provision for Doubtful Debts	1,200	3,900
- Tuition Fees	3,038,414	2,852,983
Total School Fees	3,041,614	2,858,847
Other Receipts from Private Sources		
- Association Fees	29,911	28,625
- Donations	798	642
- Enrolment Fee & Application Fees	12,644	12,419
- Insurance Claim Proceeds	2,269	-
- Interest Received	26,183	34,540
- Miscellaneous Receipts	36,031	84,388
- Receipts from Excursions/ Trips	154,575	168,700
- Room Hire	3,110	3,210
Total Other Receipts from Private Sources	265,521	332,524
State Government Grants for Operating Purposes		
- Other State Government Grants	64,732	48,589
- State Government Per Capita Grants	1,258,084	1,188,210
Total State Government Grants for Operating Purposes	1,322,816	1,236,799
Commonwealth Government Grants for Operating Purposes		
- Commonwealth General Recurrent Grant	3,014,131	2,649,198
- Indigenous Assistance Grant	3,631	5,461
- Literacy and Numeracy Grants	29,156	27,801
Total Commonwealth Government Grants for Operating Purposes	3,046,918	2,682,460
Other Revenue		
- Other Receipts from Students	352,542	328,515
Total Other Revenue	352,542	328,515
Total Revenue From Continuing Operations	8,029,411	7,439,145

Notes to the Financial Statements

For the Year Ended 31 December 2017

4 Revenue and Other Income

	2017	2016
	\$	\$
Non Operating Receipts		
- Donations for Capital Purposes	121,735	128,543
- Grants for Capital Purposes	-	180,000
Total Non Operating Receipts	<u>121,735</u>	<u>308,543</u>

5 Cash and Cash Equivalents

	2017	2016
	\$	\$
Bank Overdraft	29,048	(76)
Cash Management Account	2,497,880	1,792,697
Cash on Hand	1,850	1,950
Cheque Account	43,869	32,828
Total Cash and Cash Equivalents	<u>2,572,647</u>	<u>1,827,399</u>

6 Trade and Other Receivables

	2017	2016
	\$	\$
Fee Debtors	118,988	93,667
Total Trade and Other Receivables	<u>118,988</u>	<u>93,667</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.

7 Inventories

	2017	2016
	\$	\$
At cost:		
Stationary Stock on Hand	12,550	14,711
Total Inventories	<u>12,550</u>	<u>14,711</u>

Notes to the Financial Statements
For the Year Ended 31 December 2017

8 Property, Plant and Equipment

	2017	2016
	\$	\$
Land & Buildings		
At Cost	6,624,719	7,066,807
Accumulated Depreciation	(2,030,371)	(2,422,105)
Total Land and Buildings	<u>4,594,348</u>	<u>4,644,702</u>
PLANT AND EQUIPMENT		
School Equipment		
At Cost	1,164,499	1,116,390
Accumulated Depreciation	(841,094)	(793,389)
Total School Equipment	<u>323,405</u>	<u>323,001</u>
Information Technology Equipment		
At Cost	279,260	262,558
Accumulated Depreciation	(254,500)	(237,408)
Total Information Technology Equipment	<u>24,760</u>	<u>25,150</u>
Library Equipment		
At Cost	104,726	101,885
Accumulated Depreciation	(100,346)	(97,477)
Total Library Equipment	<u>4,380</u>	<u>4,408</u>
Library Hall & Buildings		
At Cost	2,995,436	2,995,436
Accumulated Depreciation	(466,954)	(392,068)
Total Library Hall and Buildings Equipment	<u>2,528,482</u>	<u>2,603,368</u>
Total Property, Plant and Equipment	<u><u>7,475,375</u></u>	<u><u>7,600,629</u></u>

9 Other Assets

	2017	2016
	\$	\$
Prepayments	136,878	140,485
Total Other Assets	<u>136,878</u>	<u>140,485</u>

Notes to the Financial Statements

For the Year Ended 31 December 2017

10 Trade and Other Payables

	2017	2016
	\$	\$
Current		
Enrolment Levy	88,400	77,715
GST Payable	20,724	20,732
Low Interest Loan	54,319	47,250
Trade Payables	272,583	289,432
Total Current Trade and Other Payables	436,026	435,129

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

	2017	2016
	\$	\$
Non-Current		
Commonwealth Bank Loans	1,285,000	1,325,000
Low Interest Loans	685,723	745,407
Total Non-Current Trade and Other Payables	1,970,723	2,070,407

11 Provisions

	2017	2016
	\$	\$
Provision for Annual Leave	108,222	92,733
Provision for Long Service Leave	153,059	137,084
Provision for Sick Leave	220,000	120,000
Total Provisions	481,281	349,817

12 Other Liabilities

	2017	2016
	\$	\$
Fees Received in Advance	72,371	82,626
Other Income in Advance	386	454
Parent Bonds & Enrolment Deposits	30,019	33,219
Staff Christmas Fund	2,090	640
Total Other Liabilities	104,866	116,939

13 Reserves

Asset Revaluation Reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

Notes to the Financial Statements

For the Year Ended 31 December 2017

14 Auditors' Remuneration

	2017	2016
	\$	\$
Remuneration of the auditor: Francis A Jones Pty Ltd, for:		
- auditing or reviewing the financial statements	10,000	9,400
Total	<u>10,000</u>	<u>9,400</u>

15 Contingencies

Contingent Liabilities

The Perth Waldorf School Association Inc had the following contingent liability at the end of the reporting period:

In accordance with the terms of the capital Grants Program, the Commonwealth retains a right for 20 years to repayment of Capital Grants provided for facilities, should the school cease to use the facilities principally for the purposes approved by the Commonwealth. The amount repayable will be calculated by applying a five percent reduction to the grant paid for each year that the facility is used for the approved purpose by Perth Waldorf School. The following grants received by Perth Waldorf School are subject to these conditions:

- 1998 \$75,000.

16 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:

	2017	2016
	\$	\$
Profit for the Year	758,366	873,556
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	365,067	296,888
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(25,321)	57,504
- (increase)/decrease in parent bonds	(3,200)	(37,630)
- (increase)/decrease in prepayments	3,607	(81,677)
- (increase)/decrease in inventories	2,161	(1,977)
- increase/(decrease) in income in advance	(10,322)	25,947
- increase/(decrease) in trade and other payables	(6,172)	(59,327)
- increase/(decrease) in provisions	(6,508)	110,968
Cashflows from operations	<u>1,077,678</u>	<u>1,184,252</u>

The Perth Waldorf School Association Inc

Notes to the Financial Statements

For the Year Ended 31 December 2017

17 Statutory Information

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

The Perth Waldorf School Association Inc

14 Gwilliam Drive

Bibra Lake WA 6163

The Perth Waldorf School Association Inc

Declaration by School Administrator

The responsible person declares that in their opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.



.....
Responsible Person

Dated this *Thirteenth* day of *April*..... 2018



Francis A Jones
Where people count.

The Perth Waldorf School Association Inc

Independent Audit Report to the members of The Perth Waldorf School Association Inc

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of The Perth Waldorf School Association Inc (the Association), which comprises the statement of financial position as at 31 December 2017, the statement of 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 managements' assertion statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of The Association's financial position as at 31 December 2017 and of its financial performance for the year ended; and
- (ii) complying with Division 60 of the Australian Charities and Not-for-profits Commission Act 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 Association in accordance with the auditor independence requirements of Division 60 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 report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Association to meet the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as management determines 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, management is responsible for assessing the The Association'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 management either intends to liquidate The Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing The Association's financial reporting process.



Francis A Jones

Where people count.

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.

Daniel Papaphotis CPA
Registered Company Auditor
410503
Francis A Jones Pty Ltd
154 High Street
Fremantle WA 6160

Dated: 18 April 2018