

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

Contents

For the Year Ended 31 December 2023

	Page
Consolidated Financial Statements	
Directors' Report	1 - 4
Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012	5
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	10 - 21
Responsible Entities' Declaration	22
Independent Audit Report	23 - 24

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

Directors' Report

31 December 2023

The directors present their report, together with the consolidated financial statements of the School, being St Margaret's Company and its controlled entity, for the financial year ended 31 December 2023.

Information on continuing directors

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

Mrs F Templar

Qualifications CA; CPA; B. Bus (Acc)
Experience Strategic tax planning, financial management, superannuation specialist
Responsibilities President from 22/05/2019
Chair, Executive and Governance Committee
Finance, Audit & Risk Management Committee
Buildings & Grounds Committee
St Margaret's School and Berwick Grammar School Foundation Limited

Mr P Brennan

Qualifications Diploma of Building & Construction; Licensed Plumber; Diploma of Project Management
Experience Building and Construction Industry
Responsibilities Deputy President of Council
Chair Buildings and Grounds Committee

Mr D Elfick

Qualifications M Sc, B Sc (Hons) Agriculture
Experience Primary Production Industry

Mr A Newman

Qualifications Bachelor of Laws, MA in Japanese, PhD, GCAP
Experience Financial Management
Responsibilities Higher Education Management, International Education

Mr S Pritchard

Qualifications Associate Diploma of Information Technology (Computing); Graduate of Australian Institute of Company Directors; Project Management Professional
Experience Education, Insurance, Banking, Retail, Telecommunications, Mining and Government
Responsibilities Finance, Audit & Risk Management Committee

Prof T Lindsey

Qualifications PhD, LLB, BA, BLitt, Barrister and Solicitor of the Supreme Court (Vic)
Experience University Professor, Member of other school boards, Member of academic journal boards, Prior member of government education reference groups

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

Directors' Report

31 December 2023

Information on continuing directors

Mrs A Madden

Experience

Company Director

Responsibilities

National Events Manager, Marketing and Communications Management. Project Manager for Eastland Development Marketing Division. Director of Brand Role Out.

Mrs A Ridgway

Qualifications

B.Sc (Aquaculture), Masters Property

Experience

Company Director

Responsibilities

Building and Grounds Committee

Mrs J Utan

Qualifications

MBA, B Eng (Mechanical and Computing)

Experience

Senior Executive in the Industrial goods and machinery sector

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 activities of the School during the financial year was the provision of kindergarten, primary and secondary education.

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

Short-term and Long-term objectives

The School's vision is for all to *Strive to be their best selves, now and in the future, for the betterment of all humanity and the planet.*

We aim to do this by developing good people in an intellectually rich, supportive and challenging environment and exercising COURAGE to do the right thing, CURIOSITY to know and learn, CHARACTER to be one's best self and RESPECT for all humanity and the planet.

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

Directors' Report

31 December 2023

Key Performance measures

The School measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the school and whether the school's short-term and long-term objectives are being achieved.

Members' guarantee

St Margaret's School and Controlled Entity 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 \$ 10 for members that are corporations and \$ 10 for all other members, subject to the provisions of the company's constitution. At 31 December 2023 the collective liability of members was \$ 4,620 (2022: \$ 5,400).

Meetings of directors

During the financial year, 9 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mrs F Templar	9	9
Mr P Brennan	9	9
Mr D Elfick	9	5
Mr A Newman	9	9
Mr S Pritchard	9	8
Mrs A Ridgway	9	9
Mrs J Utan	9	8
Prof T Lindsey	9	8
Mrs A Madden	-	-

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

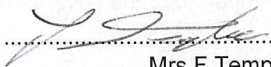
Directors' Report

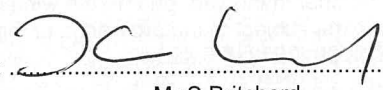
31 December 2023

Auditor's independence declaration

The 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 consolidated financial report.

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

Director: 
Mrs F Templar

Director: 
Mr S Pritchard

Dated 1 May 2024

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Members of St Margaret's School and Controlled Entity

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 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.

ACCRU MELBOURNE (AUDIT) PTY LTD



A N SAMADI
Director

50 Camberwell Road
Hawthorn East VIC 3123

1 May 2024

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2023

		Consolidated	
		2023	2022
	Note	\$	\$
Revenue	2(a).	30,262,530	25,700,621
Other income	2(b).	129,247	-
Employee benefits expense		(20,224,803)	(18,724,437)
Depreciation and amortisation expense		(1,706,414)	(1,761,309)
Teaching materials		(2,173,767)	(1,786,339)
Buildings and grounds		(1,275,356)	(848,677)
Other expenses	3	(2,479,681)	(2,058,118)
Finance costs		(850,582)	(420,081)
Net surplus/(deficit) for the year		<u>1,681,174</u>	<u>101,660</u>
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		<u>1,681,174</u>	<u>101,660</u>

The accompanying notes form part of these financial statements.

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

Consolidated Statement of Financial Position As At 31 December 2023

		Consolidated	
		2023	2022
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,216,799	533,547
Trade and other receivables	6	855,135	1,089,029
Financial assets	7	3,203,117	2,665,100
Other assets	5	345,173	104,941
TOTAL CURRENT ASSETS		<u>5,620,224</u>	<u>4,392,617</u>
NON-CURRENT ASSETS			
Other financial assets	7	537,000	-
Property, plant and equipment	9	29,394,200	30,143,094
Right-of-use asset	8	278,525	678,569
TOTAL NON-CURRENT ASSETS		<u>30,209,725</u>	<u>30,821,663</u>
TOTAL ASSETS		<u>35,829,949</u>	<u>35,214,280</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,167,932	1,429,654
Borrowings	11	26,084	44,395
Employee benefits	13	2,222,061	1,679,438
Fees in advance	12	710,198	714,035
Lease liabilities		170,781	401,730
TOTAL CURRENT LIABILITIES		<u>4,297,056</u>	<u>4,269,252</u>
NON-CURRENT LIABILITIES			
Borrowings	11	11,807,665	12,300,000
Employee benefits	13	185,290	599,190
Lease liabilities		122,756	292,561
Fees in advance	12	151,650	168,919
TOTAL NON-CURRENT LIABILITIES		<u>12,267,361</u>	<u>13,360,670</u>
TOTAL LIABILITIES		<u>16,564,417</u>	<u>17,629,922</u>
NET ASSETS		<u>19,265,532</u>	<u>17,584,358</u>
EQUITY			
Contributed equity		1,411,544	1,411,544
Retained earnings		17,806,988	16,172,814
Reserves		47,000	-
TOTAL EQUITY		<u>19,265,532</u>	<u>17,584,358</u>

The accompanying notes form part of these financial statements.

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

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

	Consolidated			
	Contributed Equity	Retained Earnings	Awards Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2023	1,411,544	16,172,814	-	17,584,358
Surplus for the year	-	1,681,174	-	1,681,174
Transfer to reserves	-	(47,000)	47,000	-
Balance at 31 December 2023	1,411,544	17,806,988	47,000	19,265,532

	Consolidated			
	Contributed Equity	Retained Earnings	Awards Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2022	1,411,544	16,071,154	-	17,482,698
Surplus for the year	-	101,660	-	101,660
Balance at 31 December 2022	1,411,544	16,172,814	-	17,584,358

The accompanying notes form part of these financial statements.

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

Consolidated Statement of Cash Flows For the Year Ended 31 December 2023

	Consolidated	
	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from parents, government and others	30,406,133	25,747,980
Payments to suppliers and employees	(27,160,790)	(23,531,338)
Donations received	537,963	239,443
Interest received	93,476	999
Interest paid	(850,582)	(420,081)
Net cash provided by/(used in) operating activities	14(a) <u>3,026,200</u>	<u>2,037,003</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(557,906)	(321,573)
Payment for investments	(873,641)	(788,787)
Net cash provided by/(used in) investing activities	<u>(1,431,547)</u>	<u>(1,110,360)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Lease repayments	(400,755)	(434,416)
Proceeds from/(repayment of) borrowings	(510,646)	(847,945)
Net cash provided by/(used in) financing activities	<u>(911,401)</u>	<u>(1,282,361)</u>
Net increase/(decrease) in cash and cash equivalents held	683,252	(355,718)
Cash and cash equivalents at beginning of year	533,547	889,265
Cash and cash equivalents at end of financial year	4 <u>1,216,799</u>	<u>533,547</u>

The accompanying notes form part of these financial statements.

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

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

The consolidated financial statements cover St Margaret's School and Controlled Entity ('the School'). St Margaret's School is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The consolidated financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1 Summary of Significant Accounting Policies

(a). Basis for consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entity controlled by St Margaret's School at the end of the reporting period. The consolidated financial statements are those of the School, comprising St Margaret's School and its controlled entity, St Margaret's School and Berwick Grammar School Foundation Limited. St Margaret's School and Berwick Grammar School Foundation Limited, a company limited by guarantee, is effectively controlled by St Margaret's School through the Board's ability to control the decision making of St Margaret's School and Berwick Grammar School Foundation Limited's Board. Accordingly, consolidated accounts have been prepared. The controlled entity has a December financial year end. The controlled entity is contained in Note 18 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the School including any unrealised profits or losses, have been eliminated in full on consolidation.

Adoption of new and revised accounting standards

The School 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 School.

(b). Revenue and other income

Grant revenue

Grant revenue is recognised in the statement of comprehensive income when the School obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the School and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Tuition and enrolment fees

Revenue from tuition fees, subject levies and other receipts from students are recognised upon delivery of the services or goods. When tuition revenue is received for future years, this amount is recognised as prepaid fees in the statement of financial position as a liability until the service has been delivered to the student. Enrolment

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

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

1 Summary of Significant Accounting Policies

- (b). **Revenue and other income**
fees are recognised as revenue when received.

Donations

Donations and bequests are recognised as revenue when received, unless specific performance obligations are attached. In this case the School recognises revenue as each performance obligation is satisfied.

Interest revenue

Interest is recognised using the effective interest method.

Dividend revenue

Dividends are recognised when the consolidated entity's right to receive payment is established. Donations and bequests are recognised as revenue when received.

Other income

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

- (c). **Income Tax**

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

- (d). **Property, plant and equipment**

Each class of property, plant and equipment is carried at cost 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.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2-5%
Plant and equipment	10-33%

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

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

1 Summary of Significant Accounting Policies

(d). Property, plant and equipment

Fixed asset class	Depreciation rate
Motor Vehicles	10-25%

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of comprehensive income.

(e). Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the School becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss are subsequently measured at fair value with changes in carrying amount included in profit or loss.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost.

(f). 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.

(g). Leases

At the lease commencement, the School recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the School believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the School's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the School's assessment of lease term.

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

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

1 Summary of Significant Accounting Policies

(g). Leases

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(h). Employee benefits

Provision is made for the School'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 plus related on-costs.

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.

(i). Going concern

The financial statements have been prepared on the basis that St Margaret's School and Controlled Entity is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The directors of the School are of the view that the going concern basis is appropriate based on:

- (i) The assets of the school are of a long term nature, compared to the school's liabilities which are mainly current
- (ii) The improved cash flow from operations during 2022 and 2023 resulting in cash at bank at year end
- (iii) Continued growth in enrolments from 2022 to 2023
- (iv) Continued improvements in fee collection processes for current and overdue fees

Accordingly, in the opinion of the directors, there are reasonable grounds to believe that the School will be able to pay its debts as and when they become due.

(j). Economic dependence

St Margaret's School and Controlled Entity is dependent on the Government for a significant portion of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Government will not continue to support St Margaret's School and Controlled Entity.

(k). Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the consolidated 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 School.

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

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

1 Summary of Significant Accounting Policies

(k). Critical accounting estimates and judgments

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 including an estimation of the amount collectible over the next 12 months for each individual account based on recent collection history and arrangements for each individual account.

Key estimates – Long Service Leave

The estimation of Long Service Leave includes salary related costs such as Superannuation Guarantee and Work Cover premiums.

Key judgment – Long Service Leave

The key judgement involved in calculation of long service leave is the probability factors used in determining the discounted service value for employees.

Key estimates - Depreciation

During the year depreciation rates applicable to some individual assets were reviewed and adjusted to provide for consistent treatment for similar assets and an estimation of the remaining useful life of the assets.

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

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

2 Revenue and Other Income

(a). Revenue

	Consolidated	
	2023	2022
	\$	\$
- Tuition fees	18,978,351	17,228,370
- Foundation fee income	81,778	51,046
- Government grants	8,331,010	7,253,167
	<u>27,391,139</u>	<u>24,532,583</u>
Other revenue		
- Interest received	93,476	999
- Donations	537,963	239,443
- Dividend income	85,674	85,652
- Other	2,154,278	841,944
	<u>2,871,391</u>	<u>1,168,038</u>
	<u>30,262,530</u>	<u>25,700,621</u>

(b). Other Income

- Gain on financial assets at fair value through profit or loss	129,247	-
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3 Result for the Year

The result for the year includes the following specific expenses:

Loss on financial assets at fair value through profit or loss	-	247,527
Bad debts expense/(recovered) including movement in the provision for impairment	218,064	5,102

4 Cash and Cash Equivalents

Cash on hand	-	500
Bank balances	1,216,799	533,047
Total cash and cash equivalents	<u>1,216,799</u>	<u>533,547</u>

5 Other Assets

CURRENT		
Prepayments	345,173	104,941

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

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

6 Trade and Other Receivables

	Consolidated	
	2023	2022
	\$	\$
CURRENT		
Trade receivables	954,889	1,161,783
Provision for impairment	(161,916)	(97,016)
	<u>792,973</u>	<u>1,064,767</u>
GST receivable	62,162	22,322
Other receivables	-	1,940
	<u>-</u>	<u>-</u>
Total current trade and other receivables	<u>855,135</u>	<u>1,089,029</u>

7 Financial Assets

Financial assets at fair value through profit or loss

CURRENT		
Financial assets	3,143,117	2,665,100
	<u>3,143,117</u>	<u>2,665,100</u>
Total financial assets	<u>3,143,117</u>	<u>2,665,100</u>

Held-to-maturity investments

CURRENT		
Government and fixed interest securities	60,000	-
NON-CURRENT		
Government and fixed interest securities	537,000	-
	<u>537,000</u>	<u>-</u>
	<u>597,000</u>	<u>-</u>

8 Leases

Right-of-use assets

Right-of-use asset	1,558,675	1,824,443
Accumulated depreciation	(1,280,150)	(1,145,874)
	<u>278,525</u>	<u>678,569</u>

Consolidated Statement of Comprehensive Income

The amounts recognised in the consolidated statement of comprehensive income relating to leases where the School is a lessee are shown below:

Interest expense on lease liabilities	-	3,056
Depreciation of right-of-use assets	400,045	431,162
	<u>400,045</u>	<u>434,218</u>

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

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

9 Property, plant and equipment

	Consolidated	
	2023	2022
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	3,643,950	3,643,950
Buildings		
At cost	45,532,535	45,623,699
Accumulated depreciation	(20,938,868)	(20,104,109)
Total buildings	24,593,667	25,519,590
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	210,047	98,054
Plant and equipment		
At cost	3,570,887	5,088,391
Accumulated depreciation	(2,682,775)	(4,240,954)
Total plant and equipment	888,112	847,437
Motor vehicles		
At cost	363,670	337,996
Accumulated depreciation	(305,246)	(303,933)
Total motor vehicles	58,424	34,063
Total plant and equipment	1,156,583	979,554
Total property, plant and equipment	29,394,200	30,143,094

(a) Movements in Carrying Amounts

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

Consolidated	Capital Works in Progress	Land	Buildings	Plant and equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2023						
Balance at the beginning of year	98,054	3,643,950	25,519,590	847,437	34,063	30,143,094
Additions	111,993	-	191,767	209,751	44,395	557,906
Disposals - written down value	-	-	-	(431)	-	(431)
Depreciation expense	-	-	(1,117,690)	(168,645)	(20,034)	(1,306,369)
Balance at the end of the year	210,047	3,643,950	24,593,667	888,112	58,424	29,394,200

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

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

10 Trade and Other Payables

	Consolidated	
	2023	2022
	\$	\$
Current		
Trade payables	272,806	106,045
Sundry payables and accrued expenses	895,126	1,323,609
	<u>1,167,932</u>	<u>1,429,654</u>

11 Borrowings

CURRENT

Secured liabilities:

Equipment loan	26,084	44,395
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Total current borrowings

<u>26,084</u>	<u>44,395</u>
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NON-CURRENT

Secured liabilities:

Market Rate Loan (CBA)	11,700,000	12,300,000
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Equipment loan	107,665	-
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Total non-current borrowings

<u>11,807,665</u>	<u>12,300,000</u>
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Collateral Provided

The bank debt is secured by a registered first mortgage over freehold properties owned by the School including:

- 80 Tivendale Road Officer VIC 3809
- 27-47 Gloucester Avenue Berwick VIC 3806

Covenants Imposed

Covenants imposed by the bank require the following:

1. EBITDA is to be no less than \$2,000,000 for the year ending 31 December 2023 (\$1,750,000 for the year ending 31 December 2022).

The School complied with the covenant related to EBITDA for the year ended 31 December 2023.

2. Quarterly management accounts of the School provided within 45 days of end of quarter, showing no negative variance greater than 10% to projection provided to the bank in June 2023 in terms of net profit.

12 Fees in advance

CURRENT

Tuition fees in advance	710,198	714,035
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NON-CURRENT

Tuition fees in advance	151,650	168,919
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St Margaret's School and Controlled Entity

ABN: 49 004 260 995

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

13 Employee Benefits

	Consolidated	
	2023	2022
	\$	\$
CURRENT		
Long service leave	1,878,100	1,368,245
Annual leave	343,961	311,193
	<u>2,222,061</u>	<u>1,679,438</u>
NON-CURRENT		
Long service leave	185,290	599,190

14 Cash Flow Information

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

Surplus/(deficit) for the year	1,681,174	101,660
- dividends not received as cash	(85,674)	(85,652)
- management fees not paid in cash	13,545	12,700
Non-cash flows in surplus/(deficit):		
- depreciation	1,706,414	1,761,309
- net loss on disposal of property, plant and equipment	431	-
- impairment/(recovery) of receivables	218,064	5,102
- net (gain)/loss on investments	(129,247)	247,527
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	15,830	158,889
- (increase)/decrease in other assets	(240,232)	60,375
- increase/(decrease) in trade and other payables	(261,722)	468,112
- increase/(decrease) in income in advance	(21,106)	(709,674)
- increase/(decrease) in provisions	128,723	16,655
Cashflows from operations	<u>3,026,200</u>	<u>2,037,003</u>

(b). Borrowing facilities

The following facilities were available at the end of the reporting period:

Bank loan facilities

Market Rate Loan (CBA)	11,833,749	12,300,000
Overdraft Facility (CBA)	1,000,000	1,000,000

Used at reporting date

Market Rate Loan (CBA)	11,833,749	12,300,000
Overdraft Facility (CBA)	-	-

Unused at reporting date

Market Rate Loan (CBA)	-	-
Overdraft Facility (CBA)	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

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

15 Financial Risk Management

The School's financial instruments consist mainly of deposits with banks, short-term investment, accounts receivable and payable, leases and bank loans. The total for each category of financial instruments measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated	
		2023	2022
		\$	\$
Financial assets			
Cash and cash equivalents	4	1,216,799	533,547
Trade and receivables	6	954,889	1,161,783
Financial assets	7	3,143,117	2,665,100
Government and fixed interest securities		597,000	-
		<u>5,911,805</u>	<u>4,360,430</u>
Financial liabilities			
Trade and other payables	10	(1,167,932)	(1,429,654)
Borrowings	11	(11,833,749)	(12,344,395)
		<u>(13,001,681)</u>	<u>(13,774,049)</u>

16 Related Parties

The School's main related parties are as follows:

Key management personnel - refer to Note 17.

Other related parties include the Directors of the School.

The following transactions and balances relate to Directors:

- Maintenance services provided by companies to Directors \$49,432.

All related party transactions are at arm's length and commercial terms.

17 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the School is \$ 1,519,823 (2022: \$ 1,340,739).

St Margaret's School and Controlled Entity

ABN: 49 004 260 995

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

18 Controlled Entity

	Principal place of business	Percentage Controlled (%)* 2023	Percentage Controlled (%)* 2022
St Margaret's School and Berwick Grammar School Foundation Limited	Berwick	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights.

19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2023
(31 December 2022: None).

20 Events after the end of the Reporting Period

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

21 Statutory Information

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

St Margaret's School
27-47 Gloucester Avenue
Berwick VIC 3806

St Margaret's School and Controlled Entity

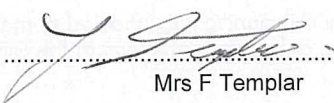
ABN: 49 004 260 995


Responsible Entities' Declaration

The directors of the Company are the responsible persons and declare that:

1. The consolidated financial statements and notes, as set out on pages 6 to 21, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures Standard; 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 responsible persons' 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 
Mrs F Templar

Director 
Mr S Pritchard

Dated 1 May 2024

St Margaret's School and Controlled Entity

Independent Audit Report to the members of St Margaret's School and Controlled Entity

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of St Margaret's School and Controlled Entity (the School), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

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

- (i) giving a true and fair view of the School's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Non-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 School in accordance with the auditor independence requirements of the *Australian Charities and Non-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.

Information other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Directors' report for the year ended 31 December 2023. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the consolidated entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Non-for-profits Commission Act 2012* 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.

St Margaret's School and Controlled Entity

Independent Audit Report to the members of St Margaret's School and Controlled Entity

In preparing the financial report, the directors are responsible for assessing the School'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 School or to cease operations, or have no realistic alternative but to do so.

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 School'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 School'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 School 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.



ACCRU MELBOURNE (AUDIT) PTY LTD



A N SAMADI
Director

1 May 2024