

MILKWOOD STEINER SCHOOL ASSOCIATION

INCORPORATED

ABN 21 242 589 319

SPECIAL PURPOSE FINANCIAL REPORT

for the year ended 31 DECEMBER 2017

SUSANNE LEE & ASSOCIATES PTY LTD

CERTIFIED PRACTISING ACCOUNTANTS

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**MILKWOOD STEINER SCHOOL ASSOCIATION
SPECIAL PURPOSE FINANCIAL REPORT
Twelve Months ended 31st December 2017**

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MILKWOOD STEINER SCHOOL ASSOCIATION

STATEMENT BY THE BOARD

In our opinion –

- (a) the accompanying financial report as set out on pages four to ten being a special purpose financial statement, is drawn up so as to present fairly the state of affairs of the Association as at 31st December 2017 and the results of the Association for the twelve months ended on that date;
- (b) the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and
- (c) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

We confirm as follows:

The names of each Management Board member of the association during the relevant financial year were:

Chairman	Anthony O’Flaherty (May), Bronwyn Dann (September), David Jan
Secretary	Kylie Banner
Treasurer	James Carlos
General Member	Dorte Petersen
General Member	Sharon Kyriacou
General Member	Kate Bowden

The principal objectives and purpose of the association during the relevant financial were:

- (a) To develop and maintain a co-educational, non-denominational school in the Darwin region, in accordance with the educational philosophies of Rudolf Steiner;
- (b) To provide members with opportunity to participate in activities which promote a sense of community and support the school ethos;
- (c) To engage in and support discussion about Rudolf Steiner's philosophies.

The principal activities of the Association during the last financial year were the operation of a Primary School.

Significant Changes:

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

Operating Result

The net surplus of the association for the relevant financial year was: \$42,419.66

Signed in Darwin on 2018

Board Member

Board Member

The accompanying notes form part of the financial report and are to be read in conjunction with the attached audit report.

MILKWOOD STEINER SCHOOL ASSOCIATION
BOARD MEMBERS' DECLARATION
for the year ended 31 December 2017 (Continued)

Operating Report:

In the opinion of the Association:

(a) The accompanying financial report as set out on the attached pages, being the special purpose financial statement, is drawn up so as to present fairly the state of affairs of the Association as at 31 December 2017 and the result of the Association for the year then ended;

(b) The accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and

(c) There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board Members.

Board Member

Board Member

The accompanying notes form part of the financial report and are to be read in conjunction with the attached audit report.

SUSANNE LEE & ASSOCIATES PTY LTD

CERTIFIED PRACTISING ACCOUNTANT

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED

Scope

We have audited the accompanying financial report, being a special purpose financial report, of the Milkwood Steiner School Association Incorporated (the Association) which comprises the statement of financial position as at 31 December 2017, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the board members' declaration.

Board Members' Responsibility for the Financial Report

The board members of the Association are responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the *Northern Territory of Australia Associations Act* and are appropriate to meet the needs of the members. The board members' responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial report 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board members, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we complied with the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, subject to the matters referred to in the above qualification paragraph, the financial report presents fairly in accordance with the accounting policies described in Note 1 to the Financial report and the *Association Act*, the financial position of Milkwood Steiner School Association at 31st December 2017 and the results of its operations for the twelve months then ended.



SUSANNE LEE, FCPA

Dated: 19/02/2018

MILKWOOD STEINER SCHOOL ASSOCIATION

Statement of Financial Position

December 2017

	This Year	Last Year
Assets		
Current Assets		
Westpac School Account	\$400.69	(\$1,631.65)
Westpac Cash Reserve Account	\$18,927.60	\$92,063.21
Westpac BTF Maxi	\$70,268.47	\$70,893.55
WPAC-Friends of Milkwood	\$3,831.67	\$12,177.83
Undeposited Funds	\$0.00	\$65.00
Petty Cash - School	\$0.00	\$37.95
Trade Debtors	\$34,247.23	\$16,025.10
ASC Receivables	\$0.00	\$2,628.13
Employee Purchases	(\$1,455.75)	\$0.00
Allowance for Doubtful Debts	(\$1,587.00)	(\$1,587.00)
Total Current Assets	\$124,632.91	\$190,672.12
Non-Current Assets		
Furniture & Fixtures		
Furniture & Fixtures at Cost	\$35,737.70	\$35,263.15
Furniture & Fixtures Accumulated Depreciation	(\$35,737.70)	(\$29,569.33)
Total Furniture & Fixtures	\$0.00	\$5,693.82
Office Furniture & Equipment		
Office Furniture and Equipment	\$16,449.89	\$16,449.89
Office Furniture Accumulated Depreciation	(\$16,449.89)	(\$16,449.89)
Total Office Furniture & Equipment	\$0.00	\$0.00
Leasehold Improvements		
Improvements at Cost	\$33,576.27	\$33,576.27
Improvements Accumulated Depreciation	(\$12,221.66)	(\$12,221.66)
Total Leasehold Improvements	\$21,354.61	\$21,354.61
Computer Equipment		
Computer Equipment at Cost	\$4,652.23	\$4,652.23
Computer Equipment Accumulated Depreciation	(\$4,652.23)	(\$4,615.80)
Total Computer Equipment	\$0.00	\$36.43
Plant & Equipment		
Plant & Equipment at Cost	\$24,203.87	\$24,203.87
Isuzu Bus	\$82,727.27	\$0.00
Plant & Equipment Accumulated Depreciation	(\$32,169.26)	(\$21,713.07)
Total Plant & Equipment	\$74,761.88	\$2,490.80
Library		
Library at Cost	\$5,286.94	\$5,286.94
Library Accumulated Depreciation	(\$5,286.94)	(\$5,286.94)
Total Library	\$0.00	\$0.00
107 Boulter Road Berrimah		
Buildings	\$1,443,960.36	\$1,420,844.76
Buildings Accumulated Depreciation	(\$353,013.43)	(\$353,013.43)
Total 107 Boulter Road Berrimah	\$1,090,946.93	\$1,067,831.33
Total Assets	\$1,311,696.33	\$1,311,118.15

MILKWOOD STEINER SCHOOL ASSOCIATION

Statement of Financial Position

December 2017

	This Year	Last Year
Liabilities		
Current Liabilities		
Trade Creditors	\$43,364.12	\$136,251.41
Fees Pre Paid	\$0.00	\$1,097.95
Total Current Liabilities	\$43,364.12	\$137,349.36
GST Liabilities		
GST Paid	(\$229.42)	(\$8,023.43)
Total GST Liabilities	(\$229.42)	(\$8,023.43)
Payroll Liabilities		
Superannuation Payable	\$23,662.59	\$21,075.64
Provision Annual Leave	\$20,480.00	\$5,417.69
Provision Long Service Leave	\$0.00	\$5,732.53
Payroll Accruals Payable	\$139.16	\$0.00
Total Payroll Liabilities	\$44,281.75	\$32,225.86
Other Liabilities		
Loan - Coorong Investments p/l	\$11,000.00	\$11,000.00
Bus Loan Westpac	\$79,043.86	\$0.00
Preschool Grant	\$0.00	\$5,000.00
Department of Education Building Grant	\$0.00	\$41,750.00
Total Other Liabilities	\$90,043.86	\$57,750.00
Total Liabilities	\$177,460.31	\$219,301.79
Net Assets	\$1,134,236.02	\$1,091,816.36
Equity		
Retained Earnings	\$1,091,816.36	\$1,091,189.70
Current Year Earnings	\$42,419.66	\$626.66
Total Equity	\$1,134,236.02	\$1,091,816.36

The accompanying notes form part of the financial report and are to be read in conjunction with the attached audit report.

MILKWOOD STEINER SCHOOL ASSOCIATION

Statement of Income

January 2017 through December 2017

	This Year	Last Year
Income		
School Fees Transition-Year 6	\$375,086.17	\$292,570.08
School Fees Preschool	\$32,737.80	\$51,026.00
Other School Fees	(\$12,830.26)	(\$28,688.58)
Other School Income	\$1,678.14	\$25.00
After School Care Income	\$36,482.90	\$26,968.34
Class Fundraising	\$8,027.61	\$2,922.37
Recurrent Funding	\$908,845.35	\$694,065.44
Subsidies	\$7,632.35	\$1,351.77
Loadings	\$41,750.00	\$41,733.73
Bank Income	\$1,293.01	\$1,974.77
Miscellaneous Income	\$33,889.73	\$17,597.00
FOM	\$5,626.60	\$6,730.91
Total Income	\$1,441,019.40	\$1,108,276.83
Expenses		
General Expenses	\$130,592.18	\$102,864.06
Administration Building	\$0.00	\$2,202.68
Insurance	\$18,472.16	\$16,846.40
Library	\$4,661.73	\$779.86
Kindergarten Expense Accounts	\$5,727.99	\$7,076.42
Teacher Class Accounts	\$27,332.82	\$20,813.68
Other Teacher Class Expenses	\$12,593.21	\$6,441.60
Extra-Curricular Lessons	\$58,489.26	\$50,340.91
Playground	\$2,456.92	\$24.55
Adult/Parent Education	\$1,637.23	\$136.36
Services	\$47,891.01	\$26,293.16
Repairs & Maintenance	\$24,132.57	\$26,631.40
After School Care Expenses	\$5,080.41	\$4,388.59
Payroll	\$983,447.49	\$806,580.43
Employer Expenses	\$33,359.46	\$8,386.85
FOM	\$4,525.27	\$5,657.80
Total Expenses	\$1,360,399.71	\$1,085,464.75
Operating Profit/(Loss)	\$80,619.69	\$22,812.08
Other Expense		
Prior Year Adjustment (Prepaid Rent Adjustment)	\$23,039.04	\$0.00
Depreciation	\$16,660.99	\$22,185.42
Property Valuation Fee Reversal	(\$1,500.00)	\$0.00
Total Other Expenses	\$38,200.03	\$22,185.42
Net Profit/(Loss)	\$42,419.66	\$626.66

The accompanying notes form part of the financial report and are to be read in conjunction with the attached audit report.

MILKWOOD STEINER SCHOOL ASSOCIATION
NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st December 2017

Note 1 - Statement of Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Northern Territory of Australia Associations Act* (the Act). The board members have determined that the Association is not a reporting entity.

The financial report has been prepared on an accruals basis based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

a. Revenue recognition

Revenue from the sale of goods and disposal of other assets is recognised when the entity has passed control of the goods or other assets to the buyer. Revenue from the provision of services is recognised when the services has been provided.

Monies received by way of grants are brought to account in the income statement in the period in which the grant is received unless there are conditions attached to grant revenue relating to the use of those grant revenues. Those grant revenues, which remain unexpended, are recognised in the balance sheet as a liability until such conditions are met or services provided.

Other revenue is recognised when it is received or when the right to receive payment is established

b. Taxation

The School Association is considered exempt from income tax under Section 50 of the Income Tax Assessment Act 1997.

c. Cash

Cash includes cash on hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

d. Accounts Receivables

Accounts receivables include amount due from members, trainees and well as amounts receivable from sponsors. Receivables are expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

e. Property, Plant and Equipment

Property, plant and equipment are depreciated on a straight-line basis commencing from the time the asset is held ready for use. Items of property, plant and equipment are depreciated over their estimated useful lives using the diminishing value method.

The main rates used
are:

Buildings	0%-3%
Furniture and Fittings	10%-20%
Library	20%
Plant & Equipment	20%-33.33%

MILKWOOD STEINER SCHOOL ASSOCIATION
NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st December 2017

Property, Plant and Equipment (continued)

At the end of reporting period, the management reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have been impaired. If such indication exists, an impairment test is carried out on the assets by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expense statement.

f. Accounts Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Institute during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition liability.

g. Employee Entitlements

The amount expected to be paid to employees for their pro-rata entitlements to long service and annual leave is accrued annually at current wage rates.

h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

i. Going Concern

The financial report of the Association has been prepared on the basis that the Association is a going concern and will continue to operate. The Association relies on grants provided by the Northern Territory Department of Education. The financial report is prepared on a going concern basis on the understanding that such grants will continue.

Note 2 - Events after the reporting period

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

Note 3 - Contingent Liabilities

The Association has received grants from the Northern Territory Block Grant Authority. The grant requires that if the funded facilities are disposed of or cease to be used principally for the approved purpose within the designated use period, a proportionate amount is repayable