

**MILKWOOD STEINER SCHOOL ASSOCIATION
INCORPORATED**

ABN: 21 242 589 319

Financial Report For The Year Ended

31 December 2022

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED

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**Financial Report For The Year Ended
31 December 2022**

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MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
COMMITTEE REPORT

Your Committee Members submit the financial report of the Milkwood Steiner School Association Incorporated for the financial year ended 31 December 2022.

Committee Members

The names of Committee Members throughout the year and at the date of this report are:

		Date Joined	Date Resigned
Amica Gordon	- Chairperson	May-19	-
Lincoln Harris	- Secretary	May-21	-
Amy Chapman	- Treasurer	26-May-20	31-Dec-22
Amy Harrison	- General Member	Oct-20	11-May-22
Joseph Sciglitano	- General Member	11-May-22	-
Fiona Henry	- General Member	11-May-22	-
Cameron McDonald	- Treasurer	Mar-23	-

Committee Member have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The objectives of the School are :

- * To develop and maintain a co-educational, non-denominational school in the Darwin region in accordance with the educational philosophies of Rudolf Steiner;
- * To provide members with opportunity to participate in activities which promote a sense of Community and support the School ethos; and
- * To engage in and support discussions about Rudolph Steiner's philosophies.

Significant Changes

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


Operating Results

The Profit of the School for the financial year amounted to \$498,129 (2021 : Profit of \$281,830).

After Balance Date Events

No matter or circumstance has arisen since 31 December 2022 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.

 AMICA GORDON CHAIRPERSON

 CAMERON McDONALD TREASURER.

Dated this

3rd

day of May 2023

AUDITOR'S INDEPENDENCE DECLARATION**UNDER SECTION 60-40 OF THE AUSTRALIAN CHARTITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE COMMITTEE MEMBERS OF THE MILKWOOD STEINER SCHOOL ASSOCIATION INC.**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022 there have been:

- (i) No contraventions of the auditor independence requirements as set out in Section 60-40 of the *Australian Charities 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.



Nexia Edwards Marshall NT
Chartered Accountants



Noel Clifford
Partner

Dated: 23 May 2023

Nexia Edwards Marshall NT

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MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Income			
School Fees Transition to Year 6		326,226	360,415
School Fees Preschool		201,143	143,147
		<u>527,369</u>	<u>503,562</u>
Less Discounts and Bursaries		(36,176)	(34,550)
		491,193	469,012
Other School Fees		9,022	12,976
Other School Income		14,477	15,870
After School Care Income and Rebates		80,664	77,182
Class and School Fundraising		9,426	29,608
Recurrent Government Grant Funding- NTG		1,711,260	1,473,443
Grants - Other		17,109	16,988
Donations		30,190	18,177
Interest Received		1,852	41
FOM		12,658	6,911
Other Income		58,655	11,900
		<u>2,436,506</u>	<u>2,132,108</u>
Total Income			
Expenses			
Administration Expenses		26,834	24,110
Accounting Costs		1,148	7,100
Audit Fees		6,100	-
Advertising and Promotion		2,605	2,123
After School Care Expenses		9,543	7,161
Bad Debt Expenses		6,238	7,935
Bank fees and Charges		1,065	966
Computer Expenses		5,981	3,593
Consultancy Costs		548	5,098
Depreciation		157,760	180,356
Depreciation - Right to Use Assets		46,075	46,075
Employee Expenses	2	1,338,338	1,264,740
Extra-Curricular Lessons		72,649	77,872
FOM		18,296	22,136
Grant Expenses		17,831	12,738
Insurance		26,831	26,008
Interest - Borrowings		348	1,712
Interest - Lease Liabilities		6,511	8,608
Kindergarten Expenses		11,575	12,799
Levies and Subscriptions		16,805	15,302
Library		1,396	5,165
Other Teacher Class Expenses		27,939	24,472
Playground Resources and Equipment		-	684
Provision for Doubtful Debts		29,980	4,042
Repairs and Maintenance		45,979	23,670
Services - Electricity, Rates, Water, Rubbish and Cleaning		35,352	26,741
Sundry Expenses		2,517	8,579
Teacher Class Accounts		22,133	30,493
		<u>1,938,377</u>	<u>1,850,278</u>
Total Expenditure			
Operating Profit / (Loss)		<u>498,129</u>	<u>281,830</u>

The accompanying notes form part of these financial statements.

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,298,973	665,568
Trade and Other Receivables	4	28,935	53,538
Other Current Assets	5	5,014	4,763
TOTAL CURRENT ASSETS		1,332,922	723,869
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	1,001,421	1,159,181
Right to Use Assets	7	80,631	126,706
TOTAL NON-CURRENT ASSETS		1,082,052	1,285,887
TOTAL ASSETS		2,414,974	2,009,756
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other payables	8	53,224	89,843
Borrowings	9	-	18,591
Lease Liabilities	10	49,429	90,853
Employee Entitlements	11	90,921	92,483
TOTAL CURRENT LIABILITIES		193,574	291,770
NON-CURRENT LIABILITIES			
Borrowings	9	-	-
Lease Liabilities	10	39,035	43,955
Employee Entitlements	11	10,205	-
TOTAL NON CURRENT LIABILITIES		49,240	43,955
TOTAL LIABILITIES		242,814	335,725
NET ASSETS		2,172,160	1,674,031
Equity			
Retained Earnings 1 January 2020		1,674,031	1,392,201
Profit Current Year		498,129	281,830
Total Equity		2,172,160	1,674,031

The accompanying notes form part of these financial statements.

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Retained Earnings \$	Total Equity \$
Balance at 1 January 2021		1,392,201	1,392,201
Comprehensive income:			
Profit for the year		281,830	281,830
Other comprehensive income for the year		-	-
Total comprehensive income attributable to Members of the Entity for the year		281,830	281,830
Balance at 31 December 2021		1,674,031	1,674,031
Balance at 1 January 2021		1,674,031	1,674,031
Comprehensive income:			
Profit for the year		498,129	498,129
Other comprehensive income for the year		-	-
Total comprehensive loss attributable to Members of the Entity for the year		498,129	498,129
Balance at 31 December 2022		2,172,160	2,172,160

The accompanying notes form part of these financial statements.

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants - Recurrent		1,711,260	1,473,443
Grants - Other		17,109	16,988
Fees and Other Receipts from the Community and Families		722,882	606,107
Payments to suppliers and employees		(1,747,904)	(1,487,873)
Interest received		1,852	41
Interest paid on borrowings		(348)	(1,712)
Net cash provided by operating activities	12	704,851	606,994
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Payments for property, plant and equipment		-	(6,353)
Net cash (used in) investing activities		-	(6,353)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan advances (repayments) - net		(18,591)	(27,049)
Payments for lease liabilities		(52,855)	(52,023)
Net cash (used in) financing activities		(71,446)	(79,072)
Net increase in cash held		633,405	521,569
Cash and cash equivalents at beginning of the financial year		665,568	143,999
Cash and cash equivalents at end of the financial year	3	1,298,973	665,568

The accompanying notes form part of these financial statements.

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Reporting Framework

The financial statements cover Milkwood Steiner School Association Inc. as an individual entity. Milkwood Steiner School Association Inc. is an incorporated Association, domiciled in the Northern Territory and operates pursuant to the *Northern Territory of Australia Association Act 2003* and *Australian Charities and Not-for-Profits Commission (ACNC) Act 2012*.

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Northern Territory of Australia Association Act 2003 and Australian Charities and Not-for-Profits Commission (ACNC) Act 2012. The Committee has determined the Association is not a reporting entity.

The special purpose financial report was authorised for issue on 3 May 2023 by the Members of the Committee.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The Committee Members have prepared the financial statements on the basis that the Association is a non reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared to meet the requirements of the *Northern Territory of Australia Association Act 2003* and the *Australian Charities and Not for Profits Commission (ACNC) Act 2012*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared in accordance with the *Northern Territory of Australia Association Act 2003* and the *Australian Charities and Not for Profits Commission (ACNC) Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: Presentation of Financial Statements, AASB107: Cash Flow Statements, AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1031: Materiality and AASB 1054: Australian Additional Disclosures.

The Association has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the Association does not have any subsidiaries, associates or joint ventures. Hence the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

Note 1 Basis of Preparation

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Significant Accounting Policies

(a) Revenue and Other Income

Revenue Recognition

The Association is first required to determine whether amounts received are accounted for as Revenue per AASB 15 or income per AASB 1058.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB 15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial recognition of an asset, the Association is required to consider whether any other financial statement elements should be recognised, with any difference being recognised immediately in profit or loss as income.

Contributed Assets

The Association receives assets from the government and other parties for Nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Association recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Association recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

Operating Grants, Donations and Bequests

When the Association receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Association :

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

When the contract is not enforceable or does not have sufficiently specific performance obligations, the Association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (AASB 9, AASB 16, AASB 116 and AASB138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 **Summary of Significant Accounting Policies (Cont.)**

(a) Revenue and Other Income (Cont.)

Capital Grant

When the Association receives a capital grant to construct or acquire a non-financial asset which is to be controlled by the Association, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

The Association recognises dividends in profit or loss only when the right to receive payment is established.

Income from Sale of Goods

Revenue from the sales of goods and the rendering of a service is recognised upon the delivery of the goods and services to the customers. Student fees being billed and recognised in accordance with the enrolment contract and the School's Fee schedule and its terms and conditions.

A receivable will be recognised when the goods or services are delivered to the customers. The Association's right to consideration is deemed unconditional at this time as only the passage of time is required before payment of that consideration is due. There is no significant financing component because sales are made with a credit term of 30 to 60 days.

Historical experience shows that it is highly unlikely that there will be returns of goods and or write off of sales and associated revenue.

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

(b) Property, Plant and Equipment

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

Freehold Property

Freehold land, buildings and improvements are shown at their cost, less subsequent depreciation for buildings and improvements.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of property, plant and equipment is greater than their estimated recoverable amount, the carrying amount is written down immediately to their estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Rate
Buildings and Demountables	2- 5%
Plant and equipment	10% - 40%
Vehicles	10% - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 **Summary of Significant Accounting Policies (Cont.)**

(d) Financial Instruments (Cont.)

Impairment

The Association recognises a loss allowance for expected credit losses on :

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables; and
- contract assets (eg amount due from customers under contracts).

Loss allowance is not recognised for :

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability- weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Association uses the following approach to impairment, as applicable under AASB 9 : Financial Instruments :

- the simplified approach.

Simplified Approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

The approach is applicable to :

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivable is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of Expected Credit Losses in Financial Statements

At each reporting date, the Association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(e) Impairment of Assets

At the end of each reporting period, the Association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs 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 expenditure statement.

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 **Summary of Significant Accounting Policies (Cont.)**

(q) Fair Value of Assets and Liabilities

The Association measures some of its assets at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Association would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the Association at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Association's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

(r) Economic Dependence

The Association is dependent on the support of its Members and Families, the local Darwin Community and the Commonwealth and Northern Territory Governments. The future operations of the Association are dependent upon the achievement of operating surpluses and positive operating cash flows. At the date of this report, the Committee Members have no reason to believe that the Association will not be able to generate operating surpluses and positive cash flows and that it will not continue to receive support from its Members and Families, the local Darwin Community and the Commonwealth and Northern Territory Governments.

(s) New Accounting Standards and Interpretations Not Yet Mandatory Or Early Adopted

There were no new Accounting Standards or Interpretations issued by the Australian Accounting Standards Board (AASB) which were mandatory for the current reporting period that were applicable to the Association.

(t) Occupancy of Boulter Road Berrimah lot 5628

The Association rents the land on lot number 5628 at Hundred of Bagot, 107 Boulter Road Berrimah 0828 where the School's buildings and improvements are located. The School pays an annual rental of \$60,000 inclusive GST. The lease agreement expired on 30 September 2021 and has a conditional right to an extension until 30 September 2029. The School currently anticipates renewing the lease agreement for a further three year period until 30 September 2024. The Association has adopted AASB 16 Leases and recognised a Right of Use Asset and Lease Liability for this Lease Agreement.

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 2	Employee Expenses	2022	2021
		\$	\$
	Salaries and Wages	1,184,755	1,085,938
	Superannuation	120,739	99,173
	Workers Compensation	11,238	7,727
	Leave Entitlements Costs	8,643	59,117
	Other Expenses	12,963	12,785
	Total Employee Expenses - Administration	<u>1,338,338</u>	<u>1,264,740</u>

Note 3	Cash and Cash Equivalents	2022	2021
		\$	\$
	Current		
	Cash on hand	463	-
	Cash at Bank	454,216	249,308
	Term Deposits	844,294	416,260
	Total Cash at Bank	<u>1,298,973</u>	<u>665,568</u>

Note 4	Trade and Other Receivables	2022	2021
		\$	\$
	Current		
	Trade Receivables	43,657	66,492
	Less Provision for Doubtful Debts	(14,722)	(12,954)
	Total Trade and Other Receivables	<u>28,935</u>	<u>53,538</u>

Note 5	Other Current Assets	2022	2021
		\$	\$
	Current		
	Prepayments	<u>5,014</u>	<u>4,763</u>

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 6	Property, Plant & Equipment	2022	2021
		\$	\$
	Non Current		
	Buildings and Improvements		
	Buildings		
	Buildings and Improvements at cost	1,260,388	1,260,388
	Less Accumulated Depreciation	(527,109)	(427,418)
		<u>733,279</u>	<u>832,970</u>
	Demountables at cost	455,000	455,000
	Less Accumulated Depreciation	(191,954)	(146,477)
		<u>263,046</u>	<u>308,523</u>
	Total Buildings and Improvements	<u>996,325</u>	<u>1,141,493</u>
	Plant, Equipment and Fixtures		
	Furniture and Fixtures		
	Furniture and Fixtures at cost	45,677	45,677
	Less Accumulated Depreciation	(45,677)	(45,677)
		<u>-</u>	<u>-</u>
	Plant and Equipment		
	Plant and Equipment at Cost	29,331	29,331
	Computer Equipment at Cost	2,770	2,770
	Isuzu Bus at cost	82,727	82,727
		<u>114,828</u>	<u>114,828</u>
	Less Accumulated Depreciation	(109,732)	(97,140)
	Plant, Equipment and Fixtures	<u>5,096</u>	<u>17,688</u>
	Total Plant, Equipment and Fixtures	<u>5,096</u>	<u>17,688</u>
	Total Property, Plant & Equipment	<u><u>1,001,421</u></u>	<u><u>1,159,181</u></u>

As of 31 December 2022, the School's total Buildings and Improvements written down value on this site was \$996,325 (2021: \$1,141,493). The Committee Members based on discussions with real estate agents and committee's valuation on buildings are of the opinion that the carrying amount of Buildings and Improvement is correctly recorded in the financial statements and no adjustments are required to be made.

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 7 Right of Use Assets
(a) AASB 16 Related Amounts Recognised in the Balance Sheet

	2022	2021
	\$	\$
Non Current		
Right of Use Assets		
Leased Property	218,856	218,856
Less Accumulated Depreciation	(138,225)	(92,150)
	80,631	126,706

The Association's lease portfolio includes the land on which the School's operations are carried out and on which its buildings and improvements are located.

The Association has a conditional right to an extension option in its lease agreement and anticipates exercising this option for a further 3 years. This extension option in the lease agreement has been utilised in the recognition of the lease liabilities and calculation of the Right to Use Asset. The lease agreement with the three year extension option will expire on 30 September 2024.

Movements in Carrying Amounts :

Opening Balance 1 January 2021	126,706	172,781
Additions at cost	-	-
Depreciation expense	(46,075)	(46,075)
Closing Balance	80,631	126,706

(b) AASB 16 Related Amounts Recognised in the Statement of Profit and Loss :

	2022	2021
	\$	\$
Depreciation charge related to right of use assets	46,075	46,075
Interest expense on lease liabilities	6,511	8,608
	52,586	54,683

Note 8 Trade and Other Payables

	2022	2021
	\$	\$
Current		
Fees Paid in Advance	17,596	37,569
Accruals	35,620	44,671
Employee Payroll Liabilities	2,638	800
ATO Liabilities (Receivable) - Net	(2,630)	6,803
Total Accounts Payable and Other Payables	53,224	89,843

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 9	Borrowings		
		2022	2021
		\$	\$
	Bus and Other Loan Liabilities :		
	Current Loan Liabilities	-	18,591
	Non Current Loan Liabilities	-	-
	Total Loan Liabilities	<u>-</u>	<u>18,591</u>

Note 10	Lease Liabilities		
		2022	2021
		\$	\$
	Current Lease Liabilities - Property	49,429	90,853
	Non Current Lease Liabilities - Property	39,035	43,955
	Total Lease Liabilities	<u>88,464</u>	<u>134,808</u>

The lease liabilities are secured by the underlying property asset and are subject to the terms of the lease agreement.

Note 11	Employee Entitlements		
		2022	2021
		\$	\$
	Current		
	Provision for Annual Leave	77,536	63,953
	Provision for Long Service Leave	13,385	28,530
	Current Employee Entitlements	<u>90,921</u>	<u>92,483</u>
	Non Current		
	Provision for Long Service Leave	<u>10,205</u>	-
	Total Employee Entitlements	<u>101,126</u>	<u>92,483</u>

Note 12	Cash Flow Information		
		2022	2021
		\$	\$
	Reconciliation of Cash Flow from Operating Activities with Current Year Profit :		
	Profit for the current year	498,129	281,830
	Non-cash flows		
	Depreciation expenses	203,835	226,431
	Interest expense on lease liabilities	6,511	8,608
	Changes in assets and liabilities:		
	(Increase)/decrease in trade and other receivables	24,603	(23,552)
	(Increase)/decrease in other current assets	(251)	(700)
	Increase/(decrease) in trade and other payables	(36,619)	55,262
	Increase/(decrease) in employee entitlements	8,643	59,115
	Net cash provided by (used in) operating activities	<u>704,851</u>	<u>606,994</u>

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 13 Events after the Reporting Period

No matter or circumstance has arisen since 31 December 2022 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 14 Capital and Leasing Commitments

(a) Lease Commitments

The Northern Territory Government allows the Association to use their bushland area for free at the site: sections 5787 at Hundred of Bagot, 107 Boulter Road Berrimah 0828 and thus the Association does not pay rent for this allotment. The Association has adopted the temporary relief under AASB 2018-8 in relation to Peppercorn Leases for this arrangement.

The Association however rents the land on lot number 5628 at Hundred of Bagot, 107 Boulter Road Berrimah 0828 where the School's buildings and improvements are located. The lease agreement expired on 30 September 2021 and has a conditional right to an extension until 30 September 2029. The School currently anticipates renewing the lease agreement for a further three year period until 30 September 2024. The School pays an annual rental of \$60,000 inclusive GST. The Association has adopted AASB 16 Leases and recognised a Right of Use Asset and Lease Liability for this Lease Agreement.

	2022	2021
	\$	\$
<i>Rental commitments : short term and low value assets</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	53,701	52,856
One to five years	40,902	94,622
More than 5 years		
	94,603	147,478

(b) Capital Expenditure Commitments

The Association has no capital expenditure commitments as at 31 December 2022 (2021:\$Nil).

Note 15 Contingent Liabilities

The Committee is not aware of any contingent liabilities as at 31 December 2022 (2021:\$Nil).

Note 16 Key Management Remuneration

	2022	2021
	\$	\$
The totals of remuneration paid to KMP of the Association during the year are as follows:		
Short- term employment benefits	225,098	222,916
Post employment benefits	-	-
Total Key Management Remuneration	225,098	222,916

Note 17 Other Related Party Disclosure

There were no other related party transactions in 2022 (2021: \$Nil).

Note 18 Association Details


The registered office and principal place of business of the Association is: 107 Boulter Road, Berrimah NT 0828.

MILKWOOD STEINER SCHOOL ASSOCIATION INCORPORATED
ABN: 21 242 589 319
DECLARATION BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2022


The Committee Members of Milkwood Steiner School Association Inc, declare that in the Committee Members' opinion :

1. The financial statements and notes, as set out on pages 2 to 19, are in accordance with the Northern Territory of Australia Association Act 2003 and with the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act) and :
 - (a) comply with Australian Accounting Standards as applicable to the Association and as stated in Note 1 ; and
 - (b) give a true and fair view of the financial position of the Association as at 31 December 2022, its performance and cash flows for the year ended on that date.
2. In the Committee Members' opinion 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 made in accordance with a resolution of the Committee Members and with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

 Amica Gordon CHAIR PERSON

Dated 03 May 2023

 Cameron McDonald TREASURER

Dated 03 May 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MILKWOOD STEINER SCHOOL ASSOCIATION INC.**REPORT ON THE AUDIT OF THE FINANCIAL REPORT****Opinion**

We have audited the financial report of Milkwood Steiner School Association Inc. (the "Association"), which comprises the statement of financial position as at 31 December 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by members of the committee.

In our opinion, the accompanying financial report of Milkwood Steiner School Association Inc. is in accordance with the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Northern Territory of Australia Associations Act 2003*, including:

- (a) Giving a true and fair view of the Association's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.
- (c) the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association.

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 *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 (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 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 for the purpose of fulfilling the Milkwood Steiner School Association Inc. financial reporting responsibilities under the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Northern Territory of Australia Associations Act 2003*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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

The committee members are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

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, 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MILKWOOD STEINER SCHOOL ASSOCIATION INC.
REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONT.)**

Responsibilities of the Committee Members for the financial report

The committee members of the Association are responsible for the preparation of the financial report that gives a true and fair view – in accordance with Australian Accounting Standards to the extent described in Note 1 to the financial report and the *Northern Territory of Australia Associations Act 2003* and the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the committee members 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 committee members are responsible for assessing 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 the committee members either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility 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 the 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 this 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 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the committee members' 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 Association'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 Association 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MILKWOOD STEINER SCHOOL ASSOCIATION INC.

REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONT.)

We communicate with the committee members 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.

Nexia Edwards Marshall NT

Nexia Edwards Marshall NT
Chartered Accountants

Noel Clifford

Noel Clifford
Partner

Dated: 23 May 2023

