

ANNUAL REPORT

2022



North — Eastern
➤ Montessori School
Association

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BOARD CHAIR'S REPORT



As the new Chair of the North-Eastern Montessori School Association, I am delighted to present the Annual report for 2022 to the School community.

The role of the Board is to collectively set strategic direction, monitor compliance and financial performance, provide governance oversight, set the fee schedule, and approve that annual budget to ensure the future of our wonderful school for many years to come.

As a Board, we are passionate about our School's vision to provide a safe and happy environment where all children are empowered to excel. We endeavour to always keep our School's strategy and values central to all Board deliberations and decisions, with utmost priority placed on the safety and welfare of our staff, students, and community.

I would like to acknowledge my fellow Board members who generously volunteer their time and bring a broad range of skills and expertise to the Board, which complements the educational knowledge and skills held by our Principal.

An integral part of North-Eastern is our School community. Whether it be at Welcome Assembly for the beginning of the school year, the Mother's Day morning teas, one of the many cultural celebrations or the end of year Music Performance, the strength and connection of our School community shines through.

On behalf of the Board, I would like to thank all the parents who give their time to support all these events. Your support is an integral part to the foundation of our school community, making it a happy place for everyone.



BOARD CHAIR'S REPORT

The School is currently midway through its 5-year Strategic Plan which was initially developed back in 2021. The plan upholds and delivers on the School's four core strategic pillars: Children who love to learn; A sustainable future; A vibrant community; and, Always moving forward. As a Board, we continue to review the plan to ensure it is both on track and reflective of the latest changes in the education sector and other relevant factors.

Last year, we saw a number of great achievements against the Strategic Plan, the largest of which being the announcement that the School had secured \$2m in funding for the development of a Community Hub, a new multi-purpose building that will enable improved learning areas for students across the entire School. The School also secured funding for completion of the Cycle 1 playground, with work to commence mid-2023. In addition, the budgeted capital expenditure from 2022 resulted in many improvements to the existing buildings and grounds, including resurfacing of the School's Basketball Court, development of a second mini-court for primary students, and the introduction of a native garden.

The Board is pleased with the growth in the School's reputation exemplified in the our Early Learning Programs achieving an Exceeding Rating in all 7 Quality Areas for the Australian Children's Education & Care Quality Authority (ACECQA) Assessment & Rating Evaluation.

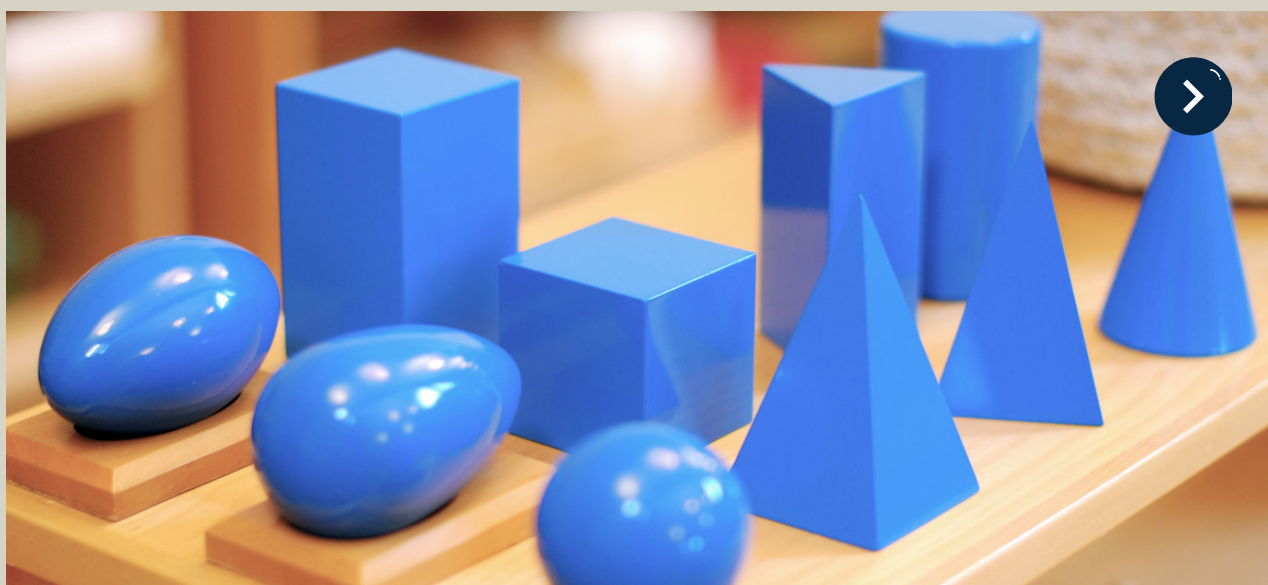
Last year was also the finalisation of a 5-year review of the school by the Victorian Registration & Qualifications Authority (VRQA) where the school received confirmation that it is meeting all of its obligations in areas of compliance, student wellbeing, curriculum delivery, child safe standards and governance.

Finally, I would like to sincerely thank Janis, Manoli, the Cycle Leaders and all the Teachers and Staff for their outstanding contributions to the School and commitment to Montessori education. Their dedication to ensuring that every student is seen and heard, means that our School remains a place where all children love to learn.

Ellen McOmish

Chairperson of North-Eastern Montessori School Association





SCHOOL GOVERNANCE

BOARD ATTENDANCE 2022

Board Member	Service	A	B
Margaret Abernethy	1st January – 6th October 2022	7	8
Neil Champion	1st January – 18th November 2022	8	10
Justin Garrett	1st January – 31st December 2022	11	11
Amod Joshi	1st January – 31st December 2022	7	11
Jade McEwen	1st January – 31st December 2022	11	11
Ellen McOmish	1st January – 31st December 2022	11	11
Has Razwi	1st January – 31st December 2022	8	11

A: Number of Board Meetings attended

B: Number of Board Meetings held during the period of service



SCHOOL GOVERNANCE

North-Eastern Montessori School supports and promotes the principles and practice of Australian democracy, including a commitment to elected government; the rule of the law; equal rights for all before the law; freedom of religion; freedom of speech and association; and the values of openness and tolerance.

BOARD MEMBERSHIP

Margaret Abernethy	Appointed Director (November 2020) Member, Remunerations & Nominations Committee	A.M., B.Ec., Ph.D.
Neil Champion	Appointed Director (February 2019) Board Chair Member, Audit, Risk & Compliance Committee	B. Sc. (Hons.) Dip. Ed. M. Sc. Ed.
Justin Garrett	Elected Director (May 2018) Deputy Chair (May 2021) Chair, Remunerations & Nominations Committee	B. Ed (Psych, Eng, SOSE) Post Grad. Diploma Japanese ISV Directors Course
Amod Joshi	Elected Director (May 2019) Treasurer Chair, Audit, Risk & Compliance Committee	B. Eng (Electronics & telecom) Finance for non-Finance Course
Jade McEwen	Elected Director (May 2021) Member, Audit, Risk & Compliance Committee	M.Soc, Ph.D.
Ellen McOmish	Appointed Director (August 2021) Member, Infrastructure, Buildings & Grounds	BA, LLB
Has Razwi	Appointed Director (August 2021) Member, Remunerations & Nominations Committee	M.Sc, M.IT



PRINCIPAL'S REPORT

We started the 2022 academic year as a changed community. As individuals and as a School, the psychosocial toll of the COVID pandemic had changed us all. With a sentiment that we all wanted to 'get back to normal', we started the year with great hopes, but still with some interruptions to our activities due to restrictions on groups of people gathering.

Many of us had gained an appreciation of living life at a slower pace, of the importance of our mental health, and how very necessary connection and community are to our wellbeing. As the year progressed, we did reconnect, and we also regained our stamina and hope for our very bright future at North-Eastern Montessori School.

Supporting our community's wellbeing became a major focus of 2022. We kicked off a Staff Mental Health project jointly supported by the Institute of Positive Education and Worksafe. Our Staff also completed the Berry Street Education Model training which takes the best from trauma-informed research and positive psychology to create a holistic program to support our students' wellbeing and develop their resilience. Our Parent Education sessions on offer focussed on addressing childhood anxiety with our allied health support team, and our own staff who ran sessions on Positive Discipline, and Social & Emotional Development for our Cycle 2 & 3, and our Toddler Community & Cycle 1 children respectively.

Stability was another word that was a recurring theme for us throughout the year. From emotional stability to financial stability, 2022 was focused on grounding ourselves securely in order to prepare for future growth and development. We ensured, with the prudent financial management of our Board and our judicious Business Manager, Manoli Galanakis, that our School maintained a healthy position to guarantee our sustainability. The School invested in additional resources for literacy support and intervention to ensure our children had solid foundational literacy skills after prolonged periods away from School.



PRINCIPAL'S REPORT CONTINUED



Finally, with both the Victorian Regulatory and Quality Authority review for the primary school and the Australian Children Education and Care Quality Authority review for our Early Learning programs occurring in 2022, we ensured that our t's were crossed and our i's were dotted with every area of compliance under the microscope. I am most pleased with the outcomes of both reviews and how the School shined brightly, obtaining the regulatory authority's version of a High Distinction mark for North-Eastern!

By the end of 2022, we had much to celebrate with the announcement of a \$2million grant to support the development of a Multipurpose building for the School. The indoor facility will cater for our growing community as an assembly and performance space, as well as some indoor sport and physical education activities. It will be an exciting time for the School to see these works commencing in the near future.

I am incredibly proud of the work performed by our teachers and classroom assistants, the education support team, our administrative team and operational staff throughout 2022. The team at North-Eastern is genuinely second to none in my experience. I am grateful to our School Board and our Board Chair, Ellen McOmish, for guiding excellent decision-making and for their support during challenging times. And finally, to our Parents and the Students at North-Eastern, I am filled with the greatest hope and zest for what's yet to come in our future together. This is truly, a beautiful community.

Janis Coffey

Principal



PRINCIPAL'S REPORT CONTINUED

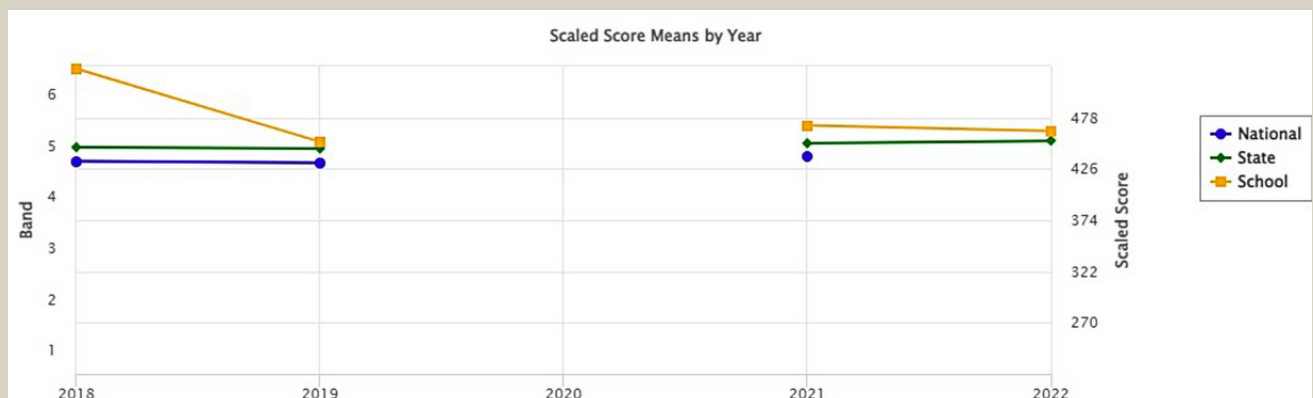


2022 NAPLAN Results

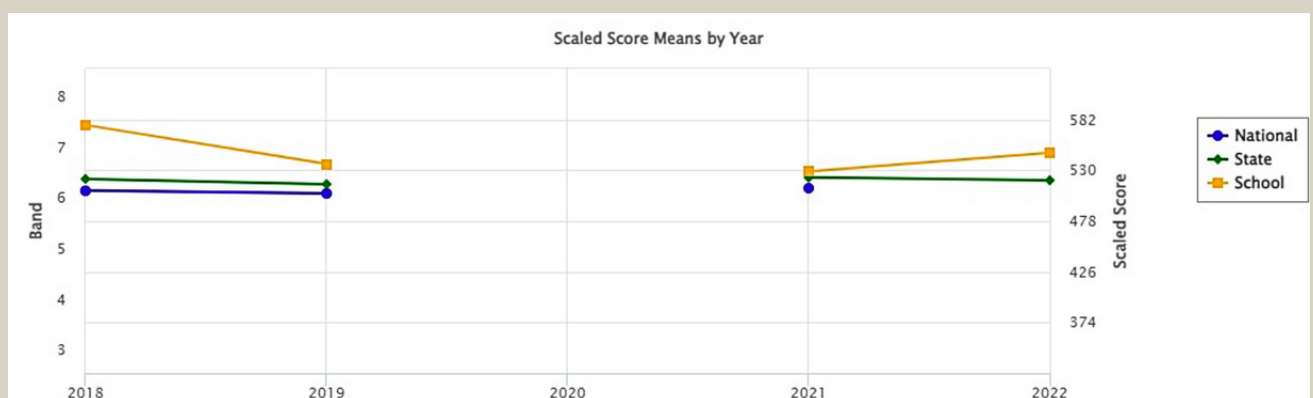
The Year 3 and Year 5 trend reports demonstrate that the School is consistently tracking well against state and national standards. Our Montessori students are tracking above the state and national scaled scores over a period of 2018 – 2019 and 2021 – 2022, noting that no NAPLAN testing occurred in 2020 due to the COVID pandemic. This is an exceptional track record for the School.

The group summary reports demonstrate that our Year 3 and Year 5 cohorts are tracking either above or at the national standards in all areas of literacy, including Writing, Spelling, Grammar & Punctuation, and Reading. In both cohorts, approximately 10% of our cohorts is tracking below the national standard.

Five-Year Trend Report for Year 3 Students



Five-Year Trend Report for Year 5 Students



PRINCIPAL'S REPORT CONTINUED



School Attendance

School attendance in 2022 was affected by individuals still affected by COVID and requiring to rest at home for a minimum of 5 days, as was the restriction set for most of the year. Additionally, childhood anxiety and school refusal were issues which also impacted school attendance. Overall, the rate of attendance for 2022 was 87.6% which is a fairly good outcome for our School community.

2022 Parent & Staff LEAD Satisfaction Surveys

Each year the School conducts the Parent and Staff LEAD Surveys which are conducted by Independent Schools Victoria.

A total of 51 parents from North-Eastern Montessori School completed the Parent Satisfaction Survey in 2022 from the estimated population of 170.

A total of 39 staff completed the Staff Survey, including:

- 16 identified as Teaching staff
- 23 identified as General staff

PRINCIPAL'S REPORT CONTINUED



Parent Survey

The Net Promoter Score, which is a score that ranges from -100 to +100, and gauges parents' likeliness of recommending the School to friends and family was a +40 in 2022. While this score is still in the positive range, it has dropped from a +50 in 2021. Scores from +50 and above are considered excellent. The participation rate was much lower in 2022 with only 30% of our parent body participating, compared to more than 70% in 2021.

Our parents rated the School within the 50 – 80th percentile range (average to above average) for the following domains:

- Academic Program
- Quality of Teaching
- Learning Outcomes
- Recommendations to others

Our School fell within the 20 – 50th percentile (average to below average) for the following domains:

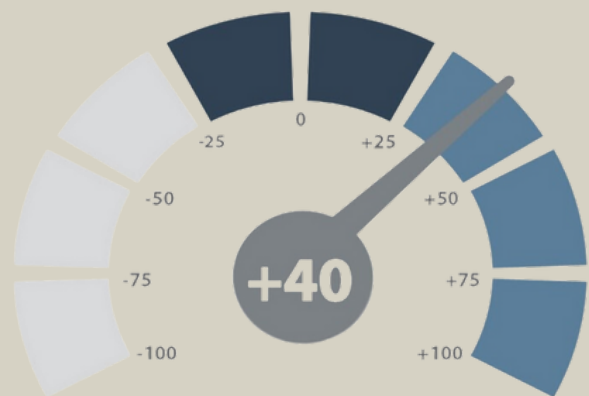
- Resources

Our School was rated within the middle 50th percentile (average) for the following domains:

- Discipline & Safety
- Parental Involvement
- Transition

Finally, North-Eastern falls within the top 20th percentile (well above average) for the following domain:

- Pastoral Care



Net Promoter Score	+40
Detractors (0-6)	9 (18%)
Passives (7-8)	12 (24%)
Promoters (9-10)	29 (58%)

PRINCIPAL'S REPORT CONTINUED



Staff Survey

The survey's purpose is to identify what constitutes staff satisfaction and to gather staff perceptions of school effectiveness, teaching and workplace issues.

Survey questions are grouped into two Domains, these include School Based Domains and Work Based Domains. Survey results are then measured against the ISV benchmark and statistically similar schools.

School Based Domains – Focus on teaching and learning

Quality of Teaching and Learning	Teaching Practice (Teachers Only)
School Values/Ethos	Student Behaviour
Discipline	Learning Support
Pastoral Care	Resources
Technology	Parent Involvement

Teaching staff rated the School Based Domains very highly with seven of the focus areas (indicated in the table above) in the top 25 percentiles of schools. The following three areas scored within the 50 and 75 percentiles:

- Resources
- Student Behaviour
- Technology

General staff placed Learning Support in the top 25th percentile, with Quality of Teaching and Pastoral Care scoring within the 50 and 75 percentiles. The remaining six focus areas scored between 25 and 50 percent or lower.

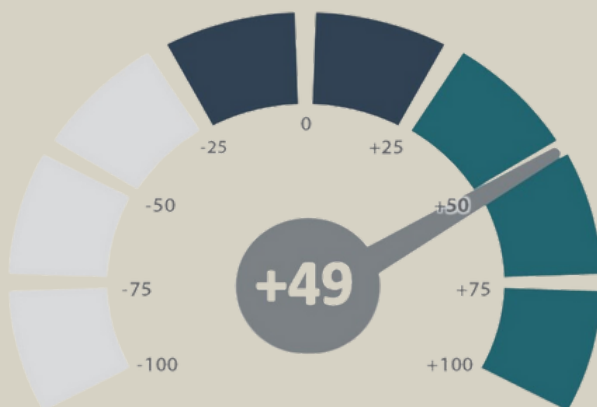
PRINCIPAL'S REPORT CONTINUED

Work Based Domains – Evaluate staff satisfaction with their working environment.

Leadership and Morale	Goal Alignment
Professional Development	Peer Support
Feedback	Overall Satisfaction

The survey results indicate that both Teachers and General Staff are very satisfied with their work environment, rating this in the top 25% against the ISV benchmark and statistically similar schools – this is a great result!

Overall, the results of the results of the 2022 Staff Satisfaction Survey were very positive, with the Staff's Net Promoter Score at +49, which is a very positive rating. The results provide important feedback which highlight areas in which the School is performing well and opportunities for continuous improvement.



Net Promoter Score	+49
Detractors (0-6)	4 (11%)
Passives (7-8)	11 (30%)
Promoters (9-10)	22 (59%)



INDEPENDENT AUDITOR'S REPORT

To the members of the North-Eastern Montessori School Association.

Opinion

I have audited the financial report of the North-Eastern Montessori School Association, which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

In my opinion, the financial report of the North-Eastern Montessori School Association is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the North-Eastern Montessori School Association's financial position as at 31 December 2022 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the registered entity in accordance with 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the members of the Leadership Team, would be in the same terms if provided to the directors as at the date of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the requirements of the *Corporations Act 2001* and the ACNC Act and for such internal controls as the leadership team 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 leadership team members are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going





concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The leadership team members are responsible for overseeing the responsible company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Standards on Auditing 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.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of my auditor's report.

Independence

I confirm that the independence declaration required by the ACNC Act, which has been given to the Leadership Team of the North-Eastern Montessori School Association, would be in the same terms if given to the leadership team members at time of this auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 60-45(3) (b) of the ACNC Act, are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in paragraph 60-30(3)(b), (c) or (d) of the ACNC Act. There are no matters to report.

Dr Margaret M Salter FCA PhD
Dated this 19th day of April 2023

70 Church Road Doncaster VIC. 3108



NORTH-EASTERN MONTESSORI SCHOOL ASSOCIATION
A.C.N. 005 235 647
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 December 2022

	Note:	2022 \$	2021 \$
Continuing operations			
Fees	2	3,591,192	3,362,729
Grants	2	1,441,312	1,496,111
Other income	2	37,916	22,370
Total Revenue		5,070,420	4,881,210
Employee benefits expense	2	(4,138,897)	(3,786,455)
Depreciation expense	2	(175,228)	(161,322)
Finance costs	2	(29)	(21)
Other expenses		(626,759)	(563,137)
Total Expenses		(4,940,913)	(4,510,935)
Profit/(Loss) for the year from continuing operations		129,507	370,275
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Capital Grant	2	14,353	60,000
Gain on revaluation of land		-	2,248,500
Items that will be reclassified subsequently to profit or loss:			
Other non-recurring expenses		-	-
Other comprehensive income for the year		14,353	2,308,500
Total Comprehensive Net Surplus/(Deficit) for the year		143,860	2,678,775

The above statement should be read in conjunction with the accompanying notes



NORTH-EASTERN MONTESSORI SCHOOL ASSOCIATION
A.C.N. 005 235 647
STATEMENT OF FINANCIAL POSITION AS AT 31 December 2022

	Note:	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,453,947	1,373,463
Trade and other receivables	4	42,221	27,360
Other financial assets	5	41,677	34,087
Inventories	5.1	1,335	2,244
TOTAL CURRENT ASSETS		1,539,180	1,437,154
NON CURRENT ASSETS			
Property, plant & equipment	6	13,180,997	13,138,669
TOTAL NON CURRENT ASSETS		13,180,997	13,138,669
TOTAL ASSETS		14,720,177	14,575,823
CURRENT LIABILITIES			
Trade and other payables	7	68,857	120,841
Provisions	8	169,171	148,701
Enrolment bonds	9	82,032	95,521
Other - payroll & GST	10	242,692	235,850
TOTAL CURRENT LIABILITIES		562,752	600,913
NON-CURRENT LIABILITIES			
Other financial liabilities	7	642	614
Provisions	8	180,853	169,308
Other - enrolment bonds	9	386,280	359,197
TOTAL NON-CURRENT LIABILITIES		567,775	529,119
TOTAL LIABILITIES		1,130,527	1,130,032
NET ASSETS		13,589,650	13,445,791
EQUITY			
Capital grants reserve		3,659,828	3,645,475
Property revaluation reserve		8,234,629	8,234,629
Retained earnings		1,695,193	1,565,687
TOTAL EQUITY		13,589,650	13,445,791

The above statement should be read in conjunction with the accompanying notes



NORTH-EASTERN MONTESSORI SCHOOL ASSOCIATION
A.C.N. 005 235 647
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 December 2022

	2022 \$	2021 \$
Capital grants reserves		
Balance at start of the financial year	3,645,475	3,585,475
Capital Grants received	14,353	60,000
Balance at the end of the financial year	<u>3,659,828</u>	<u>3,645,475</u>
Property revaluation reserve		
Balance at start of financial year	8,234,629	5,986,129
Revaluation of Land	-	2,248,500
Balance at end of financial year	<u>8,234,629</u>	<u>8,234,629</u>
Retained earnings		
Balance at start of the financial year	1,565,687	1,195,409
Profit (Loss) for the financial year	129,506	370,278
Balance at the end of the financial year	<u>1,695,193</u>	<u>1,565,687</u>
Total Equity	<u>13,589,650</u>	<u>13,445,791</u>

The above statement should be read in conjunction with the accompanying notes



NORTH-EASTERN MONTESSORI SCHOOL ASSOCIATION

A.C.N. 005 235 647

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 December 2022

	Note:	2022 \$	2021 \$
Cash Flows from Operating Activities			
Receipts from customers		3,576,331	3,376,446
Revenue grants (State and Commonwealth)		1,430,403	1,302,186
COVID support grants & funding		10,909	193,925
Other income		37,916	22,370
Payments made to Employees and Suppliers		(4,775,941)	(4,165,260)
Interest received		4,071	3,659
(Gain)/Loss on sale or disposal of non-current assets		(519) -	472
Interest and other costs of finance paid		(29)	(21)
Net cash flows from/(to) operating activities	11	283,141	732,833
Cash flows from investing activities			
Payment for property, plant and equipment		(217,887)	(583,699)
Proceeds from capital grants		14,353	60,000
Proceeds from sale of property, plant and equipment		850	1,569
Net cash flows (used)/from investing activities		(202,684)	(522,130)
Cash flows from financing activities			
Proceeds/(Repayment) of borrowing		28	21
Net Cash from/(used in) financing activities		28	21
Net increase/(decrease) in cash and cash equivalents		80,485	210,724
Cash and cash equivalents at the beginning of the year		1,373,463	1,162,739
Cash and cash equivalents at the end of the year	3	1,453,948	1,373,463

The above statement should be read in conjunction with the accompanying notes



NORTH-EASTERN MONTESSORI SCHOOL ASSOCIATION
A.C.N. 005 235 647
Notes to and forming part of the financial report
FOR THE YEAR ENDED 31 December 2022



Note 1: Corporate information and basis of preparation

Incorporation

The school is a not-for profit entity limited by guarantee, incorporated and domiciled in Australia. Members liability is limited to \$20 per member (2021: \$20).

The registered office and principal place of business:
315 Aqueduct road, St Helena, Vic, 3088

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities.

These financial statements are the first general purposes financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the company as a result of the change in the basis of preparation.

The financial report has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*.

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Functional and Presentation Currency

The functional and presentation currency of North-Eastern Montessori School Association is Australian dollars.

Fair value measurement

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the group can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset or liability.

Significant accounting policies:

The significant accounting policies applied in the preparation of this financial report, which are consistent with the previous period unless otherwise stated, are as follows:

(a) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, cash in banks.

(b) Accounts Payable

Trade payables and other accounts payable are recognised when the school becomes obliged to make future payments resulting from the purchase of goods and services.



NORTH-EASTERN MONTESSORI SCHOOL ASSOCIATION

A.C.N. 005 235 647

**Notes to and forming part of the financial report
FOR THE YEAR ENDED 31 December 2022**

(c) Property, plant and equipment

Freehold land was revalued by PP&E Valuations Pty Ltd on 31st December, 2021.

This has increased the value of the freehold land from its purchase price of \$55,105 to its current value of \$8.425 million. It was considered prudent not to revalue Buildings given that they are a depreciating asset.

Each class of property, plant and equipment is carried at cost less where applicable, accumulated depreciation, except for freehold land which is measured at fair value. Depreciation is calculated on a diminishing value basis.

Plant and Equipment comprises of Office Equipment, Library books, Montessori and Other Classroom Equipment, IT Equipment and Other Sundry Equipment.

Depreciation

The following estimated useful lives are used in the calculation of depreciation

Buildings & Site Services	40 years	2.5% p.a.
Plant and equipment	4 - 10 years	25% - 10% p.a.

(d) Borrowings

Borrowings are recorded at cost. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(e) Going Concern

The financial report has been prepared on the going concern basis. As of 31st December 2022, the school had a net working capital of \$976,428 and has successfully expanded activities to generate additional revenues to foster continued growth. The school continues to meet its obligations as and when they become due. There are tight budgetary controls to monitor and reduce the operational costs which are expected to benefit the school in the coming years.

(f) Employee Entitlements

The school has provided for benefits accruing to employees for annual and long service leave.

Short-term employee benefits

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled.

The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

Other long-term employee benefits

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds, and that have terms approximating to the terms of the related obligation.

(g) Goods and Service Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an assets or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivable or payables.

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



NORTH-EASTERN MONTESSORI SCHOOL ASSOCIATION
A.C.N. 005 235 647
Notes to and forming part of the financial report
FOR THE YEAR ENDED 31 December 2022

(h) Income and Capital Gains Tax

Under current Australian income tax laws, North-Eastern Montessori School Association as an educational institution, is exempt from income and capital gains tax.

(i) Revenue Recognition

Fees Revenue

Revenue from fees is recognised in the applicable school year in which the student receives the service.

Grant Revenue

Grant Revenue is recognised according to the year in which the funding is applicable.

(j) Impairment of assets

At each reporting date, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use represents the depreciated replacement cost of an asset.

(k) Enrolment Bonds

Enrolment bonds represent monies held by the school paid by families when enrolling each child. These funds are held in accordance with the General Conditions of Enrolment and are recorded at their nominal value.

The funds are classified annually as follows:

- (i) current portion refundable within 12 months; and
- (ii) non-current portion refundable after 12 months.

(l) Comparatives

Comparatives have been revised and aligned with current year disclosures.





DIRECTORS' DECLARATION

The directors of North-Eastern Montessori School Association declare that:

- 1 In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- 2 In the directors opinion the attached financial statements and notes attached are in accordance with the *Corporations Act 2001*, including:
 - (a) compliance with the Australian Accounting Standards; and
 - (b) the *Australian Charities and Not-for-profits Commission Act 2012*; and
 - (c) giving a true and fair view of the company's financial position as at 31st December 2022 and of its performance for the year ended on that date.

Signed in accordance with a resolution of the Board of Directors pursuant to s.295A of the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Ellen McOmish

Ellen McOmish
Chair

Amod Joshi

Amod Joshi
Treasurer

Dated this 6th
day of April
2023



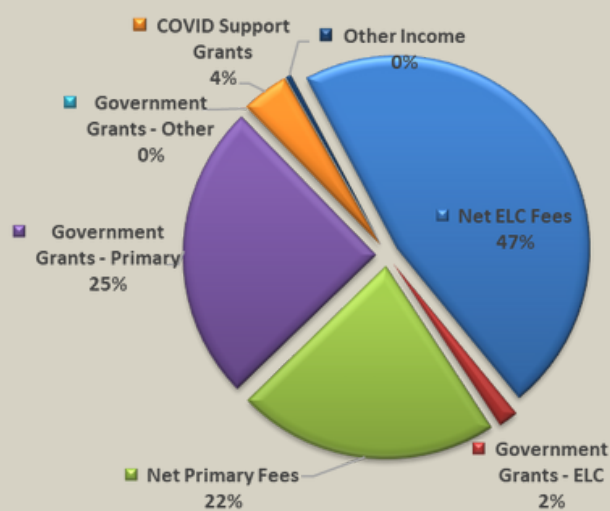
INCOME & EXPENDITURES

2021 AND 2022

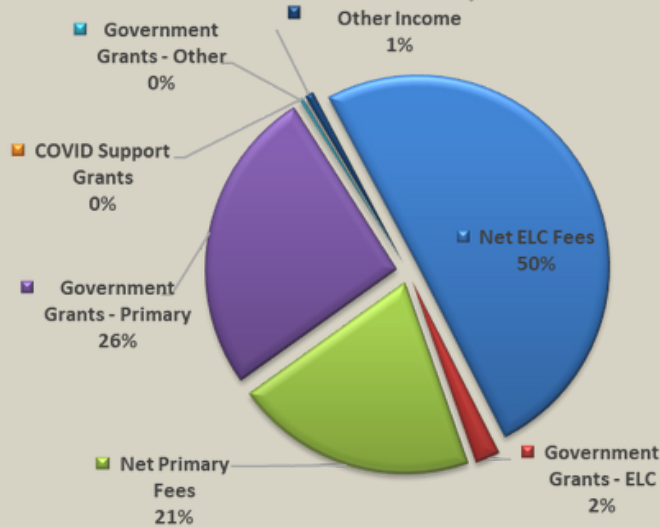


TOTAL REVENUE

2021 Income - \$4.88M

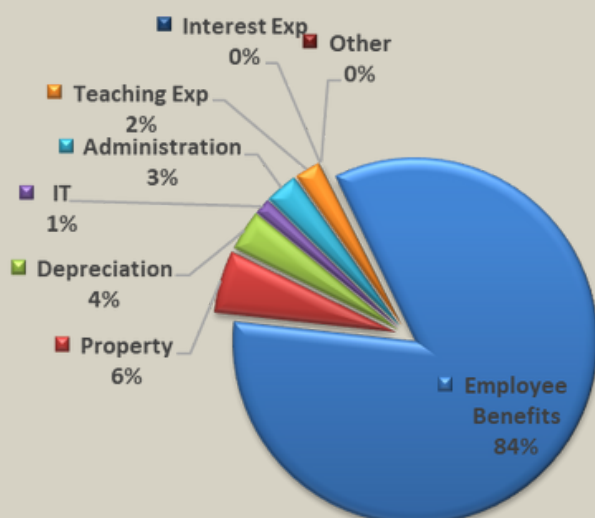


2022 Income - \$5.07M

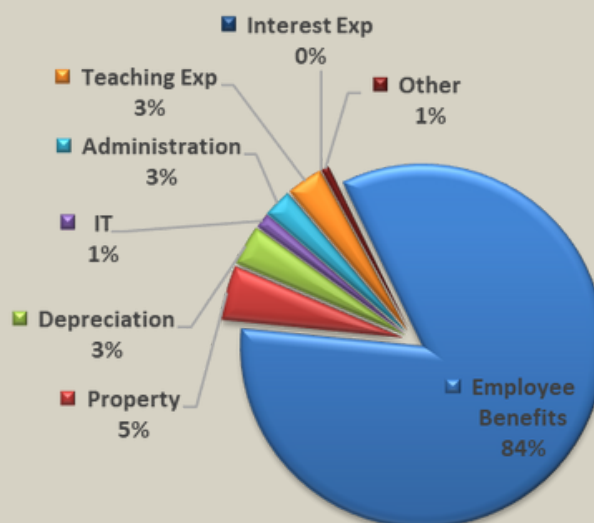


OPERATING EXPENSES

2021 Operating Expenses - \$4.51M



2022 Operating Expenses - \$4.94M





BOARD COMMITTEE REPORTS

INFRASTRUCTURE BUILDINGS & GROUNDS COMMITTEE 2022 REPORT

The role of the Infrastructure Building and Grounds Committee is to assist the Board in the effective discharge of its responsibility to oversee matters relating to the planning and development of the school's grounds and facilities, including major property developments, information technology and communications infrastructure, and the energy audit.

To do this, IBG acts to:

- reflect the values and goals set out in our Strategic Plan
- support and enhance Montessori Education
- ensure that infrastructure, buildings and grounds are safe and compliant with regulatory code

IBG has been fortunate to have the continued involvement of Mun Rosewarne as a co-opted Director supporting the Committee over the last 12 months. As a parent of former NEMS students, she has been able to provide continuity in her advisory role for the school's physical improvement and development. Mun is a practising Architect in the education section.

The IBG's main achievement this year is the continued development of the school's Master Plan, and the successful application for a government grant to build a new Community Hub.

The Masterplan will provide a solid framework for future building projects, ensuring that the school will have quality facilities for our students and teachers and for our community to use. The Master Plan will capture how the school will meet the demands of future growth in enrolments and promote our Montessori educational program.

This will be done in alignment with the school's Strategic Plan.

Led by Janis and her executive team, the successful grant for the building of the Community Hub is the first step in the implementation of the schools Masterplan.



BOARD COMMITTEE REPORTS

INFRASTRUCTURE BUILDINGS & GROUNDS COMMITTEE 2022 REPORT CONTINUED

This is a significant project for the school that will be the largest single investment in infrastructure for the school since the Cycle 2/3 buildings. The Community Hub will not only create a flexible learning and space for students of all ages but also a space for the entire school community to gather, either for formal occasions such as the end of year school play or informally at the end of the school day.

In addition to the large project work, improvement works continue across the school including the Cycle 1 Outdoor Play Area.

Ellen McOmish

IBG Chair, and Board Chair





BOARD COMMITTEE REPORTS

AUDIT RISK & COMPLIANCE COMMITTEE 2022 REPORT

The Audit Risk and Compliance Committee is primarily responsible for completion of annual review of the school's risk register, oversight of the annual audit of school finances, review of school policies and identification of updates where required, and review of annual budget and fee schedule. During the year 2022, the ARCC comprised of the following members: Amod Joshi (ARCC Chair & Treasurer), Jade McEwen (Director), Janis Coffey (Principal), Manoli Galanakis (Business Manager & Company Secretary) and Natalie Keating (Executive Assistant & Minute Taker).

One of the largest pieces of work undertaken by ARCC this year was the annual Audit. ARCC worked with the Financial Auditor, Margaret Salter, who had nothing but praises for the school management team for an excellent record keeping and finance management. The auditor confirmed that the COVID related grants received by the school were correctly treated and represented in the financial statements and that the school satisfied all statutory and regulatory financial reporting obligations throughout the year

In 2022 the school undertook The Victorian Registration and Qualification Authority (VRQA) review, which was a significant auditing process lead by Janis and the Cycle leaders. The review was a significant success for the school, achieving an "Exceeds" rating.

Oversight of the School's 2022 budget was of primary importance to the Committee throughout the year, particularly in the context of the continuing challenges relating to Covid-19. The school achieved a breakeven year, which given the context of increased employment costs due significantly higher unplanned absence due to sick leave, was a great achievement. The Fee policy and the Budget for 2023 were reviewed in ARCC along with Risk Register. ARCC went through multiple iterations and 'what-if' scenarios to evaluate the impact of fee changes on the Budget.



BOARD COMMITTEE REPORTS

AUDIT RISK & COMPLIANCE COMMITTEE 2022 REPORT CONTINUED

ARCC also invited all the Directors to participate in the Budget review, prior to taking the Budget and Fee changes to the Board meeting for ratification. Debtor management continued to be a key focus of the Finance Committee throughout the year to ensure sound cash management, and to ensure that families did not accumulate unsustainable levels of debt.

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The Committee also reviewed and updated a number of the school's policies in 2022, this work was undertaken with the support of Independent Schools Victoria (ISV) and will continue in 2023. Key policy documents included the school Constitution, Code of Conduct, Board Charter, Committee charters, Grievance policy and Board Induction manual.

The ARCC looks forward to continuing to support the Board in 2023 with carrying out Risk Review, Policy and compliance reviews and financial oversight.

Amod Joshi

ARC Committee Chair



BOARD COMMITTEE REPORTS

REMUNERATION & NOMINATIONS COMMITTEE 2022 REPORT

The Remuneration and Nominations (RemNoms) Committee is primarily responsible for overseeing matters relating to the structure and composition of the Board as well as matters relating to the Principal's selection, performance and remuneration.

2022 was a year of big change for the board's composition. The chair, Neil Champion resigned from his position of Chair of the Board and Margaret Abernethy, who was a member of the RemNoms Committee, also resigned. This left the board with only five members, the minimum required to form a quorum for board decision making. The RemNoms committee commends Ellen McOmish, Justin Garrett, Jade McEwen and Amod Joshi for their tireless efforts to carry out the work of the Board.

Ellen McOmish stepped into the role of Board Chair and Has Razwi into the Deputy Chair role as Justin Garrett resigned from the role of Deputy Chair and RemNoms Committee Chair as he decided to retire from the Board in April 2023. RemNoms thanks Justin for his commitment to our school. His passion for good governance shines through in everything he does.

In 2023, two new appointed directors, Faza Fauzi and Fiona Grandage, have joined the board. Both Faza and Fiona are parents at the school as well as members. They joined as appointed directors to fill vacancies as the Board is required to maintain a minimum of five directors in order to function. With just the minimum of five, there is a risk of not being able to form a quorum if one director is unable to attend a meeting. The Remunerations and Nominations Committee are continually looking, both within and outside our community, for Directors who have skill sets that both compliment and support the NEMSA Board.

2023 has started off with a lot of optimism and a strong outlook where we are stabilising governance procedures to support our long-term strategic plans. We now have a board composition that is strong in Leadership, Risk Management, Project Management and Governance. To shore up our skillset as a collective, we are seeking candidates with CPA / Finance / Accounting skills as well as experience in a school principal role. If you have someone in mind, please reach out to Has Razwi, Board Deputy Chair or Ellen McOmish, Board Chair.

Has Razwi

RemNoms Committee Chair and Deputy Board Chair

BOARD COMMITTEE REPORTS

STRATEGIC GROWTH COMMITTEE 2022 REPORT

The Strategic Growth Committee (SGC) was established in 2022 to look specifically at growth options for the school, with consideration for ensuring the school has the budget, resources, and capacity to delivery any options proposed.

Strategic Growth was established as a stand-alone Committee as “planned growth” was not something the school had considered for a number of years and as such the Board was conscious that they wanted to be able to deliver to the community on their commitments.

As a new committee, we have been very fortunate to have Karen Bennetts supporting us as a co-opted Director since the beginning of 2023. Some of our community members will remember Karen from her long-term association with the school. Karen’s in-depth knowledge of the school, Montessori philosophy and the education sector are highly valued.

Whilst the remit of the committee covers many potential growth areas, the initial focus for the committee has been the potential introduction of a Middle Years program to North-Eastern. This work is aligned with the school’s Strategic Plan. Led by Janis and her executive team the committee has completed significant amount of research and assessments on both the long-term viability of such a program and assessment of all planning and resourcing that would need to be completed prior to such a program commencing.

We are conscious that many of our community members are keen to learn more about a potential Middle Years program and are looking forward to talking with you all at the Annual General Meeting (AGM) 2023.

Ellen McOmish

SGC Chair and Board Chair

STAFF CREDENTIALS

Amanda Panetta	Diploma of Early Childhood Education, AMI Assistants Certificate (0–3 years), AMI Assistants Certificate (3–6 years), Bachelor of Education Early Years and Primary (In progress)
Andrea Warry	Associate Diploma in Children's Services
Ayasha Senaratne	Diploma of Children's Services (Early Childhood Education and Care), AMI Montessori 0–3 Orientation
Carmelina Carpenter	Diploma of Early Childhood Education and Care, AMI Montessori 0–3 Orientation
Christopher Yoos	Bachelor of Fine Arts (Art Education)
Danielle Stackpoole	Diploma of Early Childhood Education and Care, AMI Montessori 3–6 Orientation
Elen Nicoli	Diploma of Early Childhood Education and Care
Esther Wu	Bachelor of Education, Diploma of Early Childhood Education and Care, AMI Montessori 0–3 Orientation
Faith Pereira	Diploma of Children's Services, AMI Montessori Diploma (3–6 years)
Gabrielle Giampiccolo	Bachelor of Early Childhood Education
Grace Francey-Bourke	Certificate III in Early Childhood Education and Care, AMI Montessori 0 – 3 Orientation
Hannah Young	Certificate III in Early Childhood Education and Care, AMI Montessori 0 – 3 Orientation
Janette Reimerink	Bachelor of Education, MWEI Montessori Diploma (3–6 years), MWEI Montessori Diploma (6–12 years)
Janine Raaff	Bachelor of Teaching (Primary), Diploma of Early Childhood Education, MWEI Montessori Diploma (In progress)
Janis Coffey	Bachelor of Arts (Honours), Postgraduate Diploma in Education (Primary), AMI Certificate in Adolescent Programs

STAFF CREDENTIALS CONTINUED

Jasnarinder Kaur	Diploma of Early Childhood Education and Care
Jennie Mai	Diploma of Early Childhood Education and Care and Certificate, AMI Montessori 3–6 Orientation
Jennifer Kenny	Bachelor of Primary Education (Primary and Early Childhood Education)
Jennifer Leung	Masters of Applied Linguistics, Bachelor of Education, American Montessori Society Teacher's Certification (6–9 years)
Karen Findlay	Certificate III Education Support
Karlisa Smy	Bachelor of Teaching Early Childhood, MWEI Graduate Diploma of Education (6–12 years), AMI Diploma (3–6 years)
Katrine Craft	Bachelor of Biological Sciences (Major in Zoology), Graduate Diploma in Education (Primary), MWEI Diploma of Early Childhood and Primary Education (6–12 years)
Madushani Silva	Diploma of Children's Services (Early Childhood Education and Care), Diploma Montessori Method of Education (3–6 years), AMI Montessori 0 – 3 Orientation
Marie Odendaal	Master of Education (Specific Learning Difficulties), Master of Early Childhood, Master of TESOL, Higher Diploma in Education Senior Primary, MWEI Diploma (9–12 years), AMI Adolescent Refresher Certificate, Montessori Diploma (6–9 years), Montessori Diploma (0–6 years)
Michael Gannaway	Diploma of Children's Services, AMI Montessori 0 – 3 Orientation
Naoko Gatti	Diploma of Children's Services (Early Childhood Education and Care), AMI Montessori 0 – 3 Orientation
Nasrin Dastani	Bachelor of Arts in Library Studies, Diploma of Early Childhood Education and Care
Natasha Desmond	AMI Montessori Diploma (3–6 years), Certificate III Early Childhood Education, Bachelor of Arts
Nicholas Lindsay	Bachelor of Applied Sciences (Physical Education)

STAFF CREDENTIALS CONTINUED

Nicki Bright	Bachelor of Applied Science (Speech Pathology)
Nicole Buchanan	Bachelor of Education (Primary), Graduate Diploma in Early Childhood Teaching, MWEI Certificate in Montessori Studies (3-6 years) (In progress)
Rachel Aerlic	Diploma of Children's Services (Early Childhood Education and Care), MWEI Diploma of Early Childhood & Primary Education (0-3 years), Bachelor of Early Childhood Education (In Progress)
Rosemarie Mastropaolo	Diploma of Early Childhood Education and Care, Certificate III Education Support
Rozanne Mentzel-Gwynne	Bachelor of Music (Honours), Postgraduate Certificate in Education
Ruwani Alwis	Diploma of Children's Services
Samantha Brooke	Bachelor of Science (Honours), MWEI Graduate Diploma of Education (3-6 years)
Sandra Starvaggi	Bachelor of Applied Music (Performance), Graduate Diploma Education (Secondary), AMI Montessori Diploma (6-12 years)
Sarah Papadopoulos	Bachelor of Education (Primary)
Shagun Goswami	Bachelor of Arts (Psychology), MWEI Graduate Diploma in Education (In Progress)
Sheetal Vanaik	Graduate Diploma in Education (Early Childhood), Certificate of Education Support, AMI Assistants Certificate (0-3 years), (3-6 years), (6-12 years)
Shelly Raj	Masters of Education, Masters of English, Graduate Diploma of Education (Primary), Graduate Diploma of Early Childhood Teaching, AMI Montessori Diploma (3-6 years), VIT Effective Mentor Training
Shi Hui Toi	Bachelor of Education (Early Years), AMI Montessori Diploma (3-6 years)

STAFF CREDENTIALS CONTINUED

Shona Williamson	Masters of Education – Specific Learning Difficulties (Special Education), Diploma of Counselling (Child Development and Family Therapy), Bachelor of Education (Primary)
Sue D'Ath	Bachelor of Horticultural Science, Diploma of Early Childhood Education and Care, AMI Montessori Diploma (3–6 years)
Sylvia Liu	Bachelor of Commerce (Accounting and Finance), AMI Montessori Diploma (3–6 years), MWEI Graduate Diploma of Education (3–6 years) (In progress)
Thilini Karunathilaka	Bachelor of Teaching (Birth –5 years), Diploma of Children's Services, Diploma in Montessori Method/Pre-School Teacher Training, Diploma in Montessori Method of Education and Child Psychology, AMI 6–12 Orientation, Masters of Teaching (In Progress)
Vaishali Goswami	Bachelor of Science, Bachelor of Education, MWEI Diploma Pre-primary and Primary, MWEI Diploma (3–6 years), Certificate III in Children's Services
Verica Svilar	Diploma of Early Childhood Education and Care (In progress), AMI Montessori 0 – 3 Orientation (In progress)

