

MELBOURNE GIRLS GRAMMAR
an Anglican school

ABN 81 116 806 163

ANNUAL REPORT

**FOR THE YEAR ENDED
31 DECEMBER 2020**

COMPANY DETAILS

Principal

Dr TE Meath

Chairman

Mr M Burgess

Deputy Chairman

Mrs C Clark OAM

Directors

Mr N Appleton

Dr C Button QC

Dr J Faulkner

The Revd T Lauersen

The Revd Canon H Patacca

Mrs S Morgan

Mr A Mytton

Mrs A Permezel

Mr H Stockdale

Ms C Wong

Registered Office

86 Anderson Street, South Yarra 3141

Auditors

Deloitte Touche Tohmatsu

477 Collins Street, Melbourne 3000

Bankers

National Australia Bank

Level 2, 330 Collins Street, Melbourne 3000

Secretary and Principal Accounting Officer

Mr C Lawless

MISSION

In the pursuit of our vision, Melbourne Girls Grammar is committed to the provision of an exceptional education for girls, with an emphasis on strong Christian values, high expectations, creativity and academic challenge. Within a supportive and optimistic culture we provide opportunities for students to discover their passions and build their capacities for action and influence within their many life contexts.

MEMBERS

As at 31 December 2020 there were 37 (2019: 37) Members of the Company whose names appear below:

Directors

Mr N Appleton
Mr M Burgess
Dr C Button QC
Mrs C Clark OAM
Dr J Faulkner
The Revd T Lauersen
Mrs S Morgan
Mr A Mytton
Mrs A Permezel
The Revd Canon H Patacca
Mr H Stockdale
Ms C Wong

Principal

Dr TE Meath

Staff

Ms C Stubbings
Miss WC Tan

Students

Miss L Ingram
Miss T Chiang
Miss M Barnes

Old Grammarians

Mrs J Hare
Mrs R Trindade
Ms J Wilkinson
Mrs A Williams
Mrs E Harrison

Parents' Association

Mrs R Buscombe
Mr C Chipperfield
Mrs D McNamara
Ms T Read
Ms R Wilkinson

Foundation

Mr DI Clarke
Mrs K O'Sullivan

Diocese

Mr J Blanch
Mr J Castles
Rev E Fraser
Rev Canon RM McDougall
Rev D Nicholls
Rev C Taplin

PRINCIPAL'S REPORT

I have pleasure in presenting my 2020 Report.

INTRODUCTION

This report is prepared in accordance with State and Commonwealth requirements under government funding legislation, regulations and agreements. The purpose is to provide the School Community and wider public key information about the characteristics of the School and its performance for the preceding year.

Melbourne Girls Grammar has specialised in providing a quality education for girls since 1893. The School provides an education for girls from 3 year old kindergarten through to Year 12 across two campuses – Merton Hall and Morris Hall – located in the suburb of South Yarra in inner Melbourne.

The 2020 year proved to be challenging with the Victorian bushfires occupying our prayers and requiring support for our MGGS families at the beginning of the Year. Surprisingly, that major crisis was then dwarfed by the impact of the COVID-19 global pandemic, which moved us to a remote learning mode for several months. The Community remained united and as you will bear witness throughout this report, the School weathered the crisis through careful planning, focus on educational outcomes and careful financial management.

VISION

Melbourne Girls Grammar aspires to develop ethical women of action. Through a focus on learning, research and innovation, we will continually be recognised by our own community, the national and international community as a leading school in girls' education.

MISSION

In the pursuit of our vision, Melbourne Girls Grammar is committed to the provision of an exceptional education for girls, with an emphasis on strong Christian values, high expectations, creativity and academic challenge. Within a supportive and optimistic culture we provide opportunities for students to discover their passions and build their capacities for action and influence within their many life contexts.

VALUES

In support of our mission, the values of Melbourne Girls Grammar are:

- Integrity
- Compassion
- Courage
- Self Discipline

STAFF

STAFF ATTENDANCE

The attendance according to employee classification is:

Teachers	School Assistants	Administrative	Grounds & Maintenance
93.0%	97.3%	94.7%	100%

STAFF RETENTION

Overall, 94.3% (2019: 87.4%) of School employees have been retained from 2020 into the 2021 school year.

The average tenure of all staff members employed at the end of 2020 was 6.2 years (2019: 7.0 years).

PRINCIPAL'S REPORT

TEACHER QUALIFICATIONS

Doctorate	1%
Masters	34%
Post-Graduate Certificate	8%
Bachelor with Honours	2%
Bachelor	51%
Graduate Diploma	2%
Diploma	2%

The above represents the highest qualification achieved by each of our staff members.

TEACHER STANDARDS

Of our teaching staff, 100% are registered with the Victorian Institute of Teaching and all registrations have been renewed for the 2020 year. On commencement by all teaching staff, the Human Resources Department obtain a copy of the registration and its corresponding expiry date which is then followed up at the appropriate time to ensure renewal is achieved.

WORKFORCE

The overall workforce of Melbourne Girls Grammar was comprised of 159 full-time employees, 77 part-time employees and 142 casual employees (2019: 163 full-time employees, 89 part-time employees and 134 casual employees). The split of male to female staff is 18.5% to 81.5% (2019: 21% to 79.04%), as indicated in our annual submission to the Workplace Gender Equality Agency in 2020. In regard to employee numbers for 2020, it is important to note that as a new Principal I worked with the Executive to reimagine and redefine the workforce in a more prudent manner than previous years. This led to a reduction to the overall number of MGGS employees at the 2020 census. Added to this, the choice to pause the recruitment of three Executive positions at the commencement of the uncertainty stemming from the COVID-19 pandemic.

No employees have advised the School that they have an Aboriginal or Torres Strait Islander heritage.

OCCUPATIONAL HEALTH & SAFETY

The School has an Occupational Health & Safety Program which is administered by the Occupational Health & Safety Committee, a representative group of staff members, and ultimately the responsibility rests with the Executive team, Principal and School Council. Fortunately, during the year there were nil staff incidents that required lodgement of claims to the WorkCover Authority. The nature of each of the incidents was such that no alterations to the School's facilities were required.

EXPENDITURE AND TEACHER PARTICIPATION IN PROFESSIONAL LEARNING 2020

As expected, 2020 reported a decline in the take up of Professional Learning, nonetheless staff continued to participate in formal and informal learning throughout the pandemic year.

MGGS Professional Learning is aligned to the School's annual operational priorities for Wellbeing and Academic programming. Departments and individuals set their own priorities in line with the School's and document their intended actions and learning experiences they will engage with in order to move their practice forward. The fundamental purpose of professional development is to grow the expertise of our staff for the improved outcomes of our students from 3-year-old kindergarten to Year 12.

In 2020, teachers accessed Professional Learning opportunities predominately online. The Professional Learning opportunities offered and accessed within MGGS took the form of mandated compliance focused professional learning, wellbeing, project, and team-based inquiries into elements of practice, presentations, workshops, lectures and the Centre for Educational Enterprise (CEE) Community Education Series. External to MGGS, teachers took the opportunity to access Professional Learning through further studies at universities.

PRINCIPAL'S REPORT

Whilst it is by no means a comprehensive summary of the professional learning undertaken by our staff, CEE reported the following data on the registration for internal and external professional learning opportunities. These totals do not include Whole School Staff Days, Innovation Grants, Professional Learning Fellowship Award, professional reading text or tertiary studies:

Total Professional Learning Registrations	693
Barbara Tolson Centre	38
Morris Hall	50
Merton Hall	556
Artemis	49

Total Professional Learning hours	2452
Barbara Tolson Centre	92
Morris Hall	128
Merton Hall	1989
Artemis	243

In 2020, staff are given the opportunity to apply for funding through an Innovation Grant, to explore new technologies and new and innovative pedagogical approaches that have the potential to improve student learning and engagement. The 2020 Professional Learning and Innovation Grant assists the School to build a culture of innovation whereby teachers personalise their learning through purposeful and intentional actions. The Grants support teachers to take risks and confidently explore new approaches and implement new strategies into their instructional practices. Four teams were granted the resources to execute their projects in the following domains: Reading Comprehension, Indigenous Education, Video and Podcasting and SOLO Taxonomy. The Innovation Grants are not reflected in the total professional learning registrations and hours.

2020 was our inaugural year of the Professional Learning Fellowship Awards. The Melbourne Girls Grammar Professional Learning Fellowship Awards (PLFA) are annual awards made available to all MGGS staff. The PLFA is offered through the generous support of the School Council. Two (2) staff members were awarded a PLFA valued at \$6,000. Regrettably due to an unprecedented year, only one staff member maximised this Award. The PLFA are not reflected in the total professional learning registrations and hours.

Furthermore, in 2020, our chosen professional reading text was Educator, Author, Speaker and Researcher at Project Zero, Harvard Graduate School of Education, Ron Ritchhart's, *Creating Cultures of Thinking*. This was followed up by online resources created and shared by Ron Ritchhart. The professional text is not reflected in the total professional learning registrations and hours.

Our performance development culture encourages staff to value their own learning and to aim for excellence in their role. The structure is designed for teachers to connect across curriculum areas and share diverse practice in order to break down silos and experience high quality instructional practices at a variety of levels and in a variety of Departments. Staff share their learning within Departments and Level Teams and at whole School staff meetings. This in turn provokes dynamic professional discussions and enriches our collegial circles.

The professional learning budget is supported by related expenditures such as temporary teachers, travel, accommodation, and catering.

PRINCIPAL'S REPORT

STUDENTS

STUDENT COMPOSITION

Our students come from Melbourne, rural Victoria and all over Australia, in particular the Northern Territory and central New South Wales. We also have many international students from Asia and elsewhere throughout the globe. In 2020 we had seven students (2019: six students) who identified themselves to the School as being Aboriginal or Torres Strait Islander.

STUDENT ATTENDANCE

Morris Hall
95.6%

Merton Hall
95.2%

92.2% of students who completed Year 9 at MGGS in 2017 went on to complete Year 12 at MGGS in 2020 (2019: 82.9%).

Non-attendance is monitored by year level co-ordinators and the Directors of Students, and managed on a case-by-case basis depending on the wellbeing needs of the individual student.

YEAR 12 OUTCOMES

The key academic results from our Year 12 students in 2020 are as follows:

- (7.5%) obtained an ATAR of 99 or higher (2019: 11.9%).
- (30.8%) obtained an ATAR of 95 or higher (2019: 32.7%).
- (50.0%) obtained an ATAR of 90 or higher (2019: 54.5%).
- (61.6%) obtained an ATAR of 85 or higher (2019: 68.3%).
- (75.8%) obtained an ATAR of 80 or higher (2019: 72.2%).
- 7 perfect study scores (50) were achieved in 2020.

The ATAR (Australian Tertiary Admission Rank) is the score used for tertiary selection. It is a measure of a student's ranking within Victoria based on VCE results. Hence 50% of MGGS students obtaining an ATAR of 90 or above means that these students are within the top 10% of the State. Our median ATAR for the year was 89.47 (2019: 90.85, 2018: 90.30) and 61.6% (2019: 68.3%, 2018: 63.6%) of our graduates were within the top 15% of the State.

YEAR 12 DESTINATIONS

All of our 123 graduating Year 12 students were eligible for tertiary studies. All students (99%) seeking course placements for 2020 (2019: 99%) have been offered a course in the career pathway of their choice. The VTAC (Victorian Tertiary Admissions Centre) offers were for the following areas of study:

Area of Study	% of Offers
Agriculture & Environmental Studies	1%
Architecture & Building	3%
Creative Arts	10%
Education	2%
Engineering	7%
Health	4%
Information Technology	1%
Management & Commerce	23%
Natural & Physical Sciences	19%
Society & Culture	30%

PRINCIPAL'S REPORT

BENCHMARK RESULTS

NAPLAN testing across the country was cancelled in 2020. Below are results from 2019 and 2018.

2019

We are very proud of the results our Grammarians have achieved in the 2019 NAPLAN testing with 99% of MGGS students achieving at or above the national minimum standard for all literacy and numeracy measures across all levels.

National minimum standard for Year levels are as follows:

Year 3 – Band 2

Year 5 – Band 4

Year 7 – Band 5

Year 9 – Band 6

- At Year 3, 100% of MGGS students ranked at or above the minimum standard for Reading and Writing, and Numeracy.
- At Year 5, 100% of MGGS students ranked at or above the minimum standard for Reading, Writing and Numeracy.
- At Year 7, 100% of students ranked at or above the minimum standard for Reading and Numeracy and 99% for Writing.
- At Year 9, 100% of students ranked at or above the minimum standard for Reading and Numeracy and 98% for Writing.

In comparing the MGGS median score (50th percentile) with the State median score we find that:

- At Year 3
The median scores in all testing areas for MGGS were above the median scores of other students in the State.
The median score in Writing for MGGS was at or above the 75th percentile scores of all students in the State.
The median score in Reading and Numeracy were statistically similar to the 75th percentile scores of all students in the State.
- At Year 5
The median scores in all testing areas for MGGS were significantly above the median scores of other students in the State.
The median score for Writing at MGGS was significantly above the 75th percentile score for all students in the State.
75 % of students at MGGS scored above the median State score in Numeracy and Reading.
- At Year 7
The median scores in all testing areas for MGGS were significantly above the median scores of other students in the State.
The median scores for Writing and Numeracy were at or above the 75th percentile scores for all students in the State.
75% of students at MGGS scored above the median State score in Reading, Writing and Numeracy.
- At Year 9
The median scores in all testing areas for MGGS were significantly above the median scores of other students in the State.
The median score for Writing at MGGS was significantly above the 75th percentile score for all students in the State.
75% of students at MGGS scored above the median State score in Writing and Numeracy.

PRINCIPAL'S REPORT

2018

In the 2018 NAPLAN testing 99% of MGGS students achieved at or above the national minimum standard for all literacy and numeracy measures across all levels.

National minimum standard for Year levels are as follows:

Year 3 – Band 2

Year 5 – Band 4

Year 7 – Band 5

Year 9 – Band 6

- At Year 3, 100% of MGGS students ranked at or above the minimum standard for Reading and Writing, and 97% for Numeracy.
- At Year 5, 100% of students ranked at or above the minimum standard for Reading, Writing and Numeracy.
- At Year 7, 100% of students ranked at or above the minimum standard for Writing and Numeracy and 99% for Reading.
- At Year 9, 100% of students ranked at or above the minimum standard for Reading and Numeracy and 94% for Writing.

In comparing the MGGS median score (50th percentile) with the State median score we find that:

- At Year 3
The median scores in all testing areas for MGGS were above the median scores of other students in the State.
The median score in Writing for MGGS was at or above the 75th percentile scores of all other students in the State.
- At Year 5
The median scores in all testing areas for MGGS were significantly above the median scores of other students in the State.
The median scores in Reading, Writing and Numeracy for MGGS were at or above the 75th percentile scores of all other students in the State.
- At Year 7
The median scores in all testing areas for MGGS were significantly above the median scores of other students in the State.
- At Year 9
The median scores in all testing areas for MGGS were significantly above the median scores of other students in the State.

STAKEHOLDER FEEDBACK

Parent and Student Surveys

I continued to hold many forums with key stakeholders of the School, including staff, parents, alumnae and students during the year to ascertain opportunities for change and improvement in the school. I am excited by what we were able to achieve during a turbulent year last year and look forward to further implementation of the MGGS Strategic Plan 2020-2025.

Staff Surveys

The School engages the services of InSync Survey to conduct its bi-annual survey of staff engagement with the next survey scheduled for 2021. The outcomes will be communicated to staff and School Council. We use this staff feedback to continuously improve staff culture and to enhance those practices that ensure we remain an employer of choice in the independent school sector.

PRINCIPAL'S REPORT

FINANCIAL ACTIVITIES

The School's finances are overseen by the Finance Committee, which currently comprises five members and the Principal and Executive Director of Business Services. The Committee met nine times in 2020 to discuss the School's financial activities. The Committee has responsibility for guiding the financial operations of the School and its key functions are to recommend the annual budget to School Council, review monthly results, monitor parent debt and in conjunction with the Audit & Risk Management Committee to endorse the annual audited financial statements to School Council.

The School seeks to balance between being financially prudent to maintain fees at manageable levels for its parent cohort and generating income and operating cash flows that can be used to provide the best resources and educational environment for its students. In recent years, the School has embarked on a building renewal program which has resulted in the refurbishment or development of several areas at both the Merton Hall and Morris Hall campuses, and we have plans to continue over the coming years with a new strategic Development Framework being prepared. The School has funded these from a mixture of government grants, operating cash flows, fundraising and external debt.

SCHOOL INCOME

The School receives funding from both the State and Commonwealth governments. The following table provides a breakdown of school income in the 2020 year by funding source:

Tuition and Boarding Fees	72.7%
Other Student-related Fees	3.3%
Commonwealth Grants	18.9%
State Grants	1.8%
Donations	1.6%
Other	1.7%
	100%

SCHOOL EXPENDITURE

The School's expenditure throughout the 2020 year is as follows:

Employee Costs	67.9%
Educational Costs	4.5%
Administrative Costs	4.0%
Finance Costs	0.2%
Facility Costs	5.7%
Depreciation & Amortisation	9.2%
Other	8.5%
	100%

SCHOLARSHIPS

The School has established many scholarships and bursaries for Grammarians and prospective Grammarians to open up an education at the School to more students. Discounts are also offered to some families based on their circumstances – primarily discounts for multiple Grammarians from the one family attending the School concurrently. A breakdown of the various concessions provided are below, in terms of the number of full-time equivalent concession provided:

	2020	2019
Bursaries	29.2	17.3
Indigenous Scholarships	5.0	6.0
Other Scholarships	48.3	47.0
Discounts	14.1	14.4
	96.6	84.7

In 2020 our fourth 125th Anniversary Scholarship awardee commenced at the School, thanks to the generosity of the Community.

PRINCIPAL'S REPORT

VALUE ADDED

As a School community, we regard our students as central to everything we do – our plans, our operations and our measures of success. We are a forward looking community and understand that our students must be prepared for life in an increasingly complex and globally connected world. Our focus is the development of young women with the confidence, skills and experience to excel in life beyond school. Leadership, team building, social and cultural awareness, and a strong sense of personal self-worth are crucial components of an education at Melbourne Girls Grammar. Our approach is aimed at ensuring girls are keen to learn and to extend themselves, that they seek out opportunities and are solution focused in their thinking.

The overwhelming number of MGGS students that maintain co-curricular schedules alongside their academic studies, their exemplary participation in community programs, and their keen involvement in cultural tours and exchanges are indicators of the value inherent in an MGGS education. We aspire for every girl that she become who she is meant to be, and that she optimizes her personal growth through her schooling.

I believe this Report to be an accurate reflection on the experiences and achievements of MGGS in 2020. I would like to recognise and thank all our staff and School Council for their energy, talents and commitment to the School and its students and it is my great pleasure to continue to lead this community.

Dr Toni E. Meath
Principal

DIRECTORS' REPORT

Your Directors have pleasure in submitting herewith the financial statements for the Company for the year ended 31 December 2020 together with Notes to and forming part of the Accounts. This report is made in accordance with a resolution of the Directors.

During 2020, our Community was challenged by the unexpected arrival of Covid-19, with a significant impact across the community and our School.

Through careful planning and management, the Executive of the School switched to remote learning throughout parts of the Year. The capability to switch to remote learning was enhanced by a policy of the School to invest in technology in recent years. Our teachers and staff undertook significant work adjusting educational programs to a fully remote environment and we are grateful for their efforts to ensure our Grammarians were receiving the very best of educational outcomes throughout the Year. We would also like to thank our parents, guardians and those who supported our Grammarians during the remote learnings periods and also in the adjustment to moving from School to home learning and back. We continue to provide support to our Grammarians in this challenging period, through of wellbeing and other support staff. We greatly appreciate the adaptability and resilience our students and community have shown.

Council committed, throughout this period, to retaining our staff and supporting them throughout 2020. Our excellent teaching and supporting staff are so important to our School. It was also very important to have the School in ready position to return to campus at short notice and ensure a full program of education whether remotely or in-person.

We would like to thank our leadership and staff for their disciplined focus on ensuring the safety of our school environment, following government guidelines closely and ensuring a disciplined application of safety measures throughout the Year.

Council focused its attention on supporting the members of our Community who had been placed under financial strain throughout the Year, offering an extended period of fee discounts across the School, ensuring no fee increase in 2021, and a strategy of relief for clear cases of financial distress through an increased bursary program. A number of parents who were able to, also donated to the bursary programs in support of those in our community who needed support throughout the year.

Through careful strategic management, we are focused on ensuring the School remains well placed for the current uncertain environment, including prudent management of our financial position, ensuring ongoing investment in our technology and school environment, and support of our very hard working and adaptive staff. It is critical that we plan and manage for not just the current challenging times yet also remaining focused on the long-term wellbeing of our School. We would like to thank all of those who have supported our education program and community during this challenging period.

DIRECTORS' REPORT

(a) Names of Officers are as follows:

Chairman & Deputy Chairman

Mr Mark BURGESS

Qualification: BCom (Hons)

Experience: Director since April 2017. Deputy Chairman from May 2018 to February 2019.
Chairman since February 2019.

Mrs Tania BROUGHAM

Qualification: BA (Hons)

Experience: Director since April 2011. Deputy Chairman since May 2019. Retired May 2020.

Ms Carolyn CLARK OAM

Qualifications: BA LLB (Hons), LLM

Experience: Director since April 2015. Deputy Chairman since May 2020.

Directors

Mr Neil APPLETON

Qualifications: BArch (1st Class Hons), MArch, RAIA

Experience: Director since February 2018.

Dr Catherine BUTTON QC

Qualifications: BA, LLB (Hons), BCL (Dist) Oxon, D Phil (Oxon)

Experience: Director since May 2019.

Dr Julie FAULKNER

Qualifications: PhD (Monash), MEdStudies (Monash), Dip Ed (Deakin), BA (Hons) (Monash)

Experience: Director since March 2013.

The Revd Tracy LAUERSEN

Qualifications: BTh., Dip Ed (Secondary), Dip Training & Development, Dip Divinity & Mission

Experience: Director since February 2017.

Mrs Sarah MORGAN

Qualifications: BEng., PGrad Dip (Contemporary Art), MBA

Experience: Director since September 2018.

Mr Alistair MYTTON

Qualifications: BComm (Melb), CA, GAICD

Experience: Director since May 2019.

The Revd Canon Heather PATACCA

Qualifications: BA, M.Div.

Experience: Director since January 2019.

Mrs Anna PERMEZEL

Qualifications: BA (Melb)

Experience: Director since September 2014.

Mr Hayden STOCKDALE

Qualifications: BCom(Hons), LLB(Hons), Grad. Dip. App. Fin. MAICD

Experience: Director since April 2016.

DIRECTORS' REPORT

Ms Kate TEMBY

Qualifications: BEc (Monash), CA

Experience: Director since January 2015. Retired August 2020.

Ms Cynthia WONG

Qualifications: B.Sc. (Hons), MBA (MBS)

Experience: Director since June 2020.

Company Secretary

Mr Christian LAWLESS

Qualifications: BCom, LLB, CA

Experience: Company Secretary since January 2012.

Directors and the Company Secretary have been in office since the start of the year to the date of this report unless otherwise stated.

(b) Attendance at Board of Director meetings during the year:

	Eligible	Attended		Eligible	Attended
Mr Mark Burgess (Chairman)	13	13	Mrs S Morgan	13	13
Mr N Appleton	13	13	Mr A Mytton	13	12
Mrs T Brougham	6	6	Mrs A Permezel	13	13
Ms C Clark OAM	13	13	Mr H Stockdale	13	12
Dr C Button	13	13	Ms K Temby	10	10
Dr J Faulkner	13	13	Revd Canon H Patacca	13	9
The Revd T Lauersen	13	10	Ms Cynthia Wong	7	7

* Director was on a Council approved leave of absence for part of the year.

- (c) The principal activity of the Company during the year was the conduct of a day and boarding school for girls from 3-year-old kindergarten to Year 12. There has not been any significant change in the nature of the activities during this period.
- (d) The surplus of the Company for the year ended 31 December 2020 was \$4,300,116 (2019: \$3,381,498) It was not necessary to make provision for Income Tax as the Company claims exemption from Income Tax under the *Income Tax Assessment Act 1997*.
- (e) No dividends have been paid or proposed during the year. Distributions to members are absolutely prohibited under the Company's Constitution.
- (f) No options to shares in the Company have been granted during the year and there were no options outstanding at the end of the year.
- (g) No Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with a Director or with a firm of which he/she is a member or with a Company in which he/she has a substantial material interest.
- (h) No matters or circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in subsequent years.

DIRECTORS' REPORT

- (i) The Company has not, during or since the end of the year, in respect of any person who is or has been an officer or auditor of the Company or of a related body corporate:
- Indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
 - Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings except for the payment of a standard Directors' and Officers' Liability insurance premium to cover events other than wilful breach of duty.
- (j) No person has applied for leave of the Court to bring proceedings to which the Company is a party and the purpose of which is to take responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.
- (k) The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.
- (l) The number of members of the company as at 31 December 2020 was 37 (2019: 37).
- (m) The auditor's independence declaration for the year ended 31 December 2020 has been received and is included on page 16.
- (n) Events other than those of a financial nature:
Comments on other aspects of the Company's activities have been omitted from this report in favour of a full coverage of events which is contained in the Principal's Report (page 3) and to be presented on behalf of the Board of Directors to the Members at the Annual General Meeting on 26 April 2021.

No matters or circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in subsequent years.

DATED AT South Yarra this 31st day of March 2021.

Signed in accordance with a resolution of Directors made pursuant to s.60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

On behalf of the Directors



M Burgess
Chairman



G Clark (OAM)
Deputy Chairman

The Directors
Melbourne Girls Grammar – an Anglican School
86 Anderson Street
South Yarra VIC 3141

31 March 2021

Dear Board Members

Melbourne Girls Grammar – an Anglican School

In accordance with Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Directors of Melbourne Girls Grammar – an Anglican School.

As lead audit partner for the audit of the financial statements of Melbourne Girls Grammar – an Anglican School for the financial year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Peter Glynn
Partner
Chartered Accountants

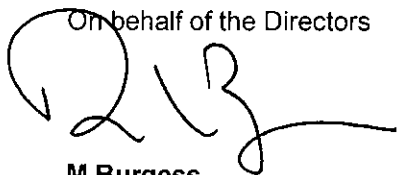
DIRECTORS' DECLARATION

The Directors declare that:

- a) 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; and
- b) in the Directors' opinion, the attached financial statements and notes thereto for the year ended 31 December 2020 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company.

Signed in accordance with a resolution of the Directors made pursuant to s.60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

On behalf of the Directors



M Burgess
Chairman



C Clark (OAM)
Deputy Chairman

DATED AT South Yarra this 31st day of March 2021.

MELBOURNE GIRLS GRAMMAR
an Anglican school
ABN 81 116 806 163

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
Revenue	2	42,484,701	41,597,287
Less Expenses			
Employee benefits expense	3	26,249,311	25,154,621
Direct tuition expenses		1,742,410	3,270,209
Administrative expenses		1,534,953	1,702,947
Finance costs	3	92,843	195,612
Facility costs		2,214,750	2,415,799
Depreciation and amortisation expenses	3	3,547,734	3,354,532
Other expenses		3,302,584	3,122,069
		38,684,585	39,215,789
Surplus for the year (excluding revenue for capital projects)		3,800,116	2,381,498
Revenue for capital projects	2	500,000	1,000,000
Surplus for the year (i)		4,300,116	3,381,498
Other comprehensive income		-	-
Total Surplus for the year		4,300,116	3,381,498

(i) Surplus for the year is represented as follows:

Surplus before depreciation, amortisation, asset losses and write-offs and revenue for capital building projects		7,353,221	5,735,030
Depreciation and amortisation expense	3	(3,547,734)	(3,354,532)
(Loss)/Gain on sale or disposal of fixed assets	3	(5,371)	1,000
Revenue for capital building projects	2	500,000	1,000,000
Surplus for the year		4,300,116	3,381,498

The accompanying notes form part of these financial statements

MELBOURNE GIRLS GRAMMAR
an Anglican school
ABN 81 116 806 163

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Current Assets			
Cash and cash equivalents	4	1,604,211	1,385,839
Trade and other receivables	5	2,403,443	981,727
Inventory	6	272,704	268,771
Other assets	7	1,142,961	484,098
Total Current Assets		5,423,319	3,120,435
Non-Current Assets			
Property, plant and equipment	8	66,700,249	66,987,712
Intangible assets	9	55,560	79,432
Right of use assets	10	695,977	365,779
Total Non-Current Assets		67,451,786	67,432,923
Total Assets		72,875,105	70,553,358
Current Liabilities			
Trade and other payables	11	2,480,130	1,896,047
Provisions	12	2,536,093	2,036,295
Other liabilities	13	12,026,799	13,109,763
Borrowings	14	557,000	3,057,000
Lease liabilities	18	189,825	90,316
Total Current Liabilities		17,789,847	20,189,421
Non-Current Liabilities			
Provisions	12	948,143	638,390
Other liabilities	13	751,083	689,415
Borrowings	14	1,228,684	1,418,684
Lease liabilities	18	520,163	280,379
Total Non-Current Liabilities		3,448,073	3,026,868
Total Liabilities		21,237,920	23,216,289
NET ASSETS		51,637,185	47,337,069
Accumulated Funds			
Retained surplus	15	51,632,285	47,332,169
Chapel fund	16	4,900	4,900
TOTAL ACCUMULATED FUNDS		51,637,185	47,337,069

The accompanying notes form part of these financial statements

MELBOURNE GIRLS GRAMMAR
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Cash Flow from Operating Activities			
Receipts from parents		28,428,881	36,579,580
Receipts from government grants		9,787,623	4,720,658
Payments to suppliers and employees		(33,426,946)	(36,039,339)
Other receipts		796,026	1,079,859
Interest income		2,431	9,403
Finance costs		(92,843)	(195,612)
Donations received		500,000	1,000,000
Net cash provided by operating activities	19(b)	5,995,172	7,154,549
Cash Flow from Investing Activities			
Proceeds from sale of property, plant & equipment		-	1,000
Purchase of property, plant & equipment		(3,075,633)	(3,040,379)
Purchase of intangible assets		(24,056)	(723)
Net cash used in investing activities		(3,099,689)	(3,040,102)
Cash Flow from Financing Activities			
Net repayments of external borrowings		(2,500,000)	(4,500,000)
Principal portion of lease repayment		(177,111)	(88,758)
Net proceeds of borrowings from related parties		-	1,125,000
Net cash used in financing activities		(2,677,111)	(3,463,758)
Net increase in cash and cash equivalents		218,372	650,689
Cash and cash equivalents at beginning of the year		1,385,839	735,150
Cash and cash equivalents at end of the year	19(a)	1,604,211	1,385,839

The accompanying notes form part of these financial statements

MELBOURNE GIRLS GRAMMAR
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Retained Surplus	Chapel Fund	Total
Balance at 1 January 2019	44,790,597	4,900	44,795,497
Impact of adopting AASB15 Revenue from Contracts with Customers as at 1 January 2019	(839,926)	-	(839,926)
Surplus for the year	3,381,498	-	3,381,498
Total Comprehensive Income for the Year	3,381,498	-	3,381,498
Total Changes in Equity	2,541,572	-	2,541,572
Balance at 31 December 2019	47,332,169	4,900	47,337,069
Surplus for the year	4,300,116	-	4,300,116
Total Comprehensive Income for the Year	4,300,116	-	4,300,116
Total Changes in Equity	4,300,116	-	4,300,116
Balance at 31 December 2020	51,632,285	4,900	51,637,185

The accompanying notes form part of these financial statements

MELBOURNE GIRLS GRAMMAR
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Statement of Accounting Policies

Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* and Australian Accounting Standards - Reduced Disclosure Regime, and comply with other requirements of the law.

The financial statements cover Melbourne Girls Grammar as an individual entity. For the purposes of preparing the financial statements, the company is a not-for-profit entity.

The financial statements were authorised for issue by the Directors on 31st March 2021.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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 at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The following material accounting policies have been adopted by the Company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Property, Plant and Equipment

Each class of property, plant and equipment is stated at cost less accumulated depreciation and amortisation, and any impairment losses.

Property

Freehold land and buildings are measured using the cost basis. The carrying amount of freehold land and buildings is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from those assets.

Furniture and Equipment

Furniture and equipment are measured on the cost basis. The carrying amount of furniture and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from those assets.

Depreciation and Amortisation

The depreciable amount of all tangible assets, but excluding freehold land, are depreciated over the estimated useful life of the asset. The difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, is included in the operating surplus in the year of disposal. The depreciation and amortisation rates used for each class of depreciable asset are:

Class of Fixed Asset	Rate
Building and Land improvements	2.50 - 10%
Furniture and Equipment	5 - 33.33%
Motor Vehicles	10 - 20%
Leasehold Improvements	5 - 10%

(b) Intangible Assets

Intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. The useful life of intangible assets is 3 to 10 years.

(c) Income Tax

The income of the Company is exempt from income tax by virtue of the *Income Tax Assessment Act 1997*.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Statement of Accounting Policies cont'd

(d) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in statement of financial position.

(e) Employee Entitlements

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

Contributions to defined contribution superannuation plans are expensed when incurred and paid by the Company on behalf of employees.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Statement of Accounting Policies cont'd

(f) Revenue

Tuition income and enrolment fees

Revenue from tuition fees, subject levies and other receipts from parents are recognised upon delivery of the service or goods. Tuition fees billed in advance or prepaid portion are recognised as deferred revenue at reporting date.

In addition to tuition income the Company receives a fee upon enrolment of a student into an upcoming years. This fee represents a material right to receive future tuition services (being education as the fee entitles the student to a place in the school) and thus will be recognised as revenue over the expected school life of the student at Melbourne Girls Grammar.

Government grants

The new income requirements state that in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction should be accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied, as opposed to immediate income recognition under AASB 1058.

The Company has conducted an analysis of the government grant contracts and analysed the terms of each contract to determine whether the arrangement meets the enforceability and the 'sufficiently specific' criteria under AASB 15. For those grant contracts that are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058.

All government grants received during the year have been recognised as revenue in the current year as the funding agreements did not contain sufficiently specific performance obligations.

Donations and bequests

Donations and bequests are recognised on a cash basis unless the School enters into an enforceable contract which contains 'sufficiently specific' performance obligations.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount

(g) Cash and Cash Equivalents

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

(h) Goods and Services 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 asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

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

Cash flows are included in the cash flow on a gross basis. The GST component of cash flows is classified as an operating cash flow.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Statement of Accounting Policies cont'd

(i) Inventory

Inventories are measured at the lower of cost and net realisable value. Cost of inventories is determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as a surplus or deficit in the period in which they are incurred.

(k) Impairment of Assets

At each reporting date, the Company 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. In respect of not-for-profit entities, where the future economic benefits of an asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciable replacement cost of an asset less, where applicable, accumulated depreciation and amortisation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in surplus or deficit immediately.

(l) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The provision for doubtful debts is determined by performing an individual assessment on each debtor account as to their recoverability. Refer to note 5.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Statement of Accounting Policies cont'd

(m) Going Concern

The Company continues to experience strong enrolments and operating cash flows which are underpinning our ability to maintain a high degree of financial stability.

The Company reported a deficiency in working capital of \$12,358,675 due to the classification of:

- (i) prepaid fees and fees billed in advance of \$12,058,946 which will be fully recognised as revenue in the operations of the Company in future years.
- (ii) vested annual and long service leave liabilities of \$2,363,924 which the Directors do not consider will be fully paid in the next twelve months based on past experience.

Based on the above matters in addition to \$7.5m of unused debt facility, the directors consider the going concern basis of preparation is appropriate.

(n) Financial Assets

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Initial Measurement of Financial Assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs.

Impairment of Financial Assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Trade and Other Receivables and Contract Assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Statement of Accounting Policies cont'd

(o) Financial Liabilities and Equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities measured subsequently at amortised cost

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

(p) New and revised Accounting Standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 January 2020.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company include:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia	1 January 2020	31 December 2020
AASB 2018-6 Amendments – Definition of a Business	1 January 2020	31 December 2020
AASB 2018-7 Amendments – Definition of Material	1 January 2020	31 December 2020
AASB 2019-1 Amendments – References to the Conceptual Framework	1 January 2020	31 December 2020

The above new and revised Standards and amendments thereof and Interpretations effective for the current year have no material impact to the school.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2020-2 Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector	1 July 2021	31 December 2021
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	1 July 2021	31 December 2021
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2022	31 December 2022

There will be no impact of the revised Standards/Interpretations on the Company's financial statements.

The Company does not intend to adopt any of these pronouncements before their effective dates. The Company has the potential effects of these pronouncements and has determined they are unlikely to have a material impact on the Net Surplus of the Company.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	\$	\$
2. Revenue		
<i>Operating activities</i>		
Provision of services:		
Tuition	35,841,467	34,186,883
Boarding fees	2,176,036	2,145,820
Application fees	72,086	78,352
Other fees	1,362,524	2,292,163
Scholarships, discounts & bursaries	(6,775,971)	(2,574,835)
Government grants (recurrent)	4,492,839	4,291,507
JobKeeper Payments	4,405,000	-
Interest income on cash and cash equivalents	2,431	9,403
Other income	718,289	977,994
	<u>42,294,701</u>	<u>41,407,287</u>
<i>Non-operating activities</i>		
Donations for recurrent purposes from related parties	<u>190,000</u>	<u>190,000</u>
	<u>190,000</u>	<u>190,000</u>
Revenue	<u>42,484,701</u>	<u>41,597,287</u>
<i>Revenue for capital projects</i>		
Donations for capital purposes from related parties	<u>500,000</u>	<u>1,000,000</u>
	<u>500,000</u>	<u>1,000,000</u>
Total Revenue	<u>42,984,701</u>	<u>42,597,287</u>
Included in Total Revenue above were:		
Total donations	690,000	1,190,000
3. Surplus for the Year		
Surplus for the year has been derived after the following items of expenditure:		
Employee Benefits expense:		
- short term employee benefits	24,211,003	23,063,936
- post employment benefits (defined contribution plans)	2,038,308	2,040,278
- termination benefits	-	50,407
Total employee benefits expense	<u>26,249,311</u>	<u>25,154,621</u>
Depreciation of non-current assets:		
- building	2,009,797	1,967,013
- improvements	34,805	26,966
- motor vehicles	24,618	34,299
- furniture & equipment	1,288,505	1,231,628
Total depreciation expense	<u>3,357,725</u>	<u>3,259,906</u>
Depreciation of right of use assets	186,206	93,674
Amortisation of intangible assets:		
- trademarks	1,302	952
- software	2,501	-
Total amortisation expense	<u>3,803</u>	<u>952</u>
Total depreciation and amortisation expense	<u>3,547,734</u>	<u>3,354,532</u>
Loss/(Gain) on sale or disposal of fixed assets	<u>5,371</u>	<u>(1,000)</u>
Impairment of Intangible Assets	<u>44,125</u>	<u>-</u>
Operating lease rental expenses for low value assets or short term arrangements	<u>138,336</u>	<u>144,317</u>
Remuneration of the auditors for:		
- audit of accounts	34,500	31,430
- taxation services	-	7,455
The auditor is Deloitte Touche Tohmatsu.	<u>34,500</u>	<u>38,885</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 \$	2019 \$
3. Surplus for the Year (Continued)		
Finance costs:		
- interest paid to related parties	51,319	42,403
- interest paid to financial institutions	23,867	146,086
- interest on leased assets	17,657	7,123
Finance costs expensed	<u>92,843</u>	<u>195,612</u>
Fair value loss on interest rate swaps	<u>-</u>	<u>(4,696)</u>
4. Cash and Cash Equivalents		
Cash on Hand	2,900	2,900
Cash at Bank	<u>1,601,311</u>	<u>1,382,939</u>
	<u>1,604,211</u>	<u>1,385,839</u>
5. Trade and Other Receivables		
Family Debtors	3,421,331	1,086,607
Less Provision for doubtful debts (i)	<u>(1,100,808)</u>	<u>(303,326)</u>
	2,320,523	783,281
Related Parties	40,940	17,476
Other Debtors	<u>41,980</u>	<u>180,970</u>
	<u>2,403,443</u>	<u>981,727</u>
(i) Movement in provision for doubtful debts		
Balance at beginning of the year	(303,326)	(197,200)
Amounts recovered during the year	58,122	56,681
Impairment losses recognised on receivables	(860,512)	(175,135)
Amounts written off from provision during the year as uncollectable	<u>4,908</u>	<u>12,328</u>
Balance at the end of the year	<u>(1,100,808)</u>	<u>(303,326)</u>
The average credit period for family debtors is 14 days. No interest is charged on outstanding trade receivables. The company measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit loss ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast conditions at the reporting date.		
The company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. None of the trade receivables that have been written off is subject to enforcement activities.		
6. Inventory		
Uniform Shop Inventory	<u>272,704</u>	<u>268,771</u>
	<u>272,704</u>	<u>268,771</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 \$	2019 \$
7. Other Assets		
Prepayments	1,081,205	461,417
Monies held on trust	61,756	22,681
	<u>1,142,961</u>	<u>484,098</u>
8. Property, Plant and Equipment		
Freehold Land at cost	2,211,961	2,211,961
Freehold Land Improvements at cost	2,095,387	1,667,508
Provision for depreciation	(1,237,634)	(1,202,829)
	<u>3,069,714</u>	<u>2,676,640</u>
Buildings at cost	78,196,552	77,042,084
Provision for depreciation	(20,973,640)	(18,964,661)
	<u>57,222,912</u>	<u>58,077,423</u>
Furniture & Equipment at cost	21,147,957	19,787,842
Provision for depreciation	(16,205,761)	(14,917,638)
	<u>4,942,196</u>	<u>4,870,204</u>
Motor Vehicles at cost	464,967	437,015
Provision for depreciation	(413,026)	(388,408)
	<u>51,941</u>	<u>48,607</u>
Capital Work in Progress	<u>1,413,486</u>	<u>1,314,838</u>
Total Property, Plant and Equipment	<u>66,700,249</u>	<u>66,987,712</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Property, Plant and Equipment (cont'd)

(a) Movements in Carrying Amounts

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

	Land & Improvements	Buildings	Furniture & Equipment	Motor Vehicles	Capital Work in Progress	Total
	\$	\$	\$	\$	\$	\$
2019						
Opening balance	2,603,902	58,521,482	4,923,115	82,906	1,075,834	67,207,239
Additions	67,348	281,738	1,090,721	-	1,600,572	3,040,379
Transfer	32,356	1,241,216	87,996	-	(1,361,568)	-
Depreciation	(26,966)	(1,967,013)	(1,231,628)	(34,299)	-	(3,259,906)
Closing balance	2,676,640	58,077,423	4,870,204	48,607	1,314,838	66,987,712
2020						
Opening balance	2,676,640	58,077,423	4,870,204	48,607	1,314,838	66,987,712
Additions	41,960	199,424	601,654	4,550	2,228,045	3,075,633
Disposals	-	(3,444)	(1,927)	-	-	(5,371)
Transfer	385,919	959,306	760,770	23,402	(2,129,397)	-
Depreciation	(34,805)	(2,009,797)	(1,288,505)	(24,618)	-	(3,357,725)
Closing balance	3,069,714	57,222,912	4,942,196	51,941	1,413,486	66,700,249

9. Intangible Assets

	2020	2019
	\$	\$
Trademarks	12,218	5,960
Software	22,505	-
WIP Intangibles	20,837	73,472
	55,560	79,432

(a) Movements in carrying amounts for each class of Intangible Assets between the beginning and the end of the

	Trademarks	Software	Work in Progress	Total
	\$	\$	\$	\$
2019				
Opening balance	6,912	-	72,749	79,661
Acquisitions	-	-	723	723
Amortisation	(952)	-	-	(952)
Closing balance	5,960	-	73,472	79,432
2020				
Opening balance	5,960	-	73,472	79,432
Acquisitions	-	-	24,056	24,056
Transfers	7,560	25,006	(32,566)	-
Impairment loss	-	-	(44,125)	(44,125)
Amortisation	(1,302)	(2,501)	-	(3,803)
Closing balance	12,218	22,505	20,837	55,560

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2020	2019
	\$	\$
10. Right of use assets		
Property at cost	696,990	389,033
Provision for depreciation	(200,832)	(73,733)
	<u>496,159</u>	<u>315,300</u>
Motor Vehicles at cost	278,868	70,420
Provision for depreciation	(79,049)	(19,941)
	<u>199,819</u>	<u>50,479</u>
Total Right of use assets	<u><u>695,977</u></u>	<u><u>365,780</u></u>

(a) Movements in carrying amounts for each class of right of use assets between the beginning and the end of the year:

	Property	Motor Vehicle	Total
	\$	\$	\$
2019			
Opening Balance	-	-	-
Additions	389,033	70,420	459,453
Depreciation	(73,733)	(19,941)	(93,674)
Closing balance	<u>315,300</u>	<u>50,479</u>	<u>365,779</u>
2020			
Opening Balance	315,300	50,479	365,779
Additions	307,957	208,447	516,404
Depreciation	(127,099)	(59,108)	(186,206)
Closing balance	<u>496,159</u>	<u>199,819</u>	<u>695,977</u>

11. Trade and other payables

Current

Trade creditors	414,187	434,423
Sundry creditors & accruals	2,065,943	1,461,624
	<u>2,480,130</u>	<u>1,896,047</u>

The average credit period on purchases is 30 days. No interest is charged on trade payables.

12. Provisions

Current

Provisions (i)	172,169	168,421
Employee entitlements (ii):		
Annual leave	650,202	435,526
Long service leave	1,713,722	1,432,348
	<u>2,536,093</u>	<u>2,036,295</u>

Non-current

Employee entitlements (ii):		
Long service leave	948,143	638,390
	<u>948,143</u>	<u>638,390</u>

(i) Movement in provision for Old Grammarians contribution:

Balance at the beginning of the year	168,421	153,215
Amounts charged to profit or loss	38,048	49,506
Amount paid during the year	(34,300)	(34,300)
	<u>172,169</u>	<u>168,421</u>

A portion of enrolment fees received from parents is set aside to be paid to the Old Grammarians Society following the departure of the student from the School. On departure from the School, a payment of \$175 is paid to the Society. The provision represents the present value of these future payments.

(ii) Aggregate employee entitlements	<u>3,312,067</u>	<u>2,506,264</u>
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 \$	2019 \$
13. Other Liabilities		
Current		
Term Fees in Advance	9,181,106	9,012,190
Advance Fees	2,567,420	3,902,047
Monies held on trust	61,756	22,681
Deferred enrolment fees	216,517	172,845
	12,026,799	13,109,763
Non-Current		
Deferred enrolment fees	751,083	689,415
	12,777,882	13,799,178
14. Borrowings		
Current		
Secured		
Bank loans secured at amortised cost (i) (ii)	-	2,500,000
	-	2,500,000
Unsecured		
Loan from a related party at amortised cost (iii)	557,000	557,000
	557,000	557,000
Total Current Borrowings	557,000	3,057,000
Non- Current		
Unsecured		
Loan from a related party at amortised cost (iii)	1,228,684	1,418,684
	1,228,684	1,418,684
Total Non-Current Borrowings	1,228,684	1,418,684
(i) Secured bank loan facility:		
Amount used	-	2,500,000
Amount unused	7,500,000	17,500,000
Total bank loan facility	7,500,000	20,000,000

The facility limit is currently \$7,500,000 (2019: \$20,000,000).

The Company also has an asset finance lease facility for \$750,000 (2019: \$750,000). The used portion of this facility is \$Nil (2019: \$Nil).

(ii) Bank loans have an interest rate of 1.87% (2019: 3.49%) which equals the weighted average rate for the year. The Company has provided security in the form of a first registered mortgage over the Merton Hall campus situated at 62-86 Anderson Street, South Yarra, Victoria.

(iii) The Company has unsecured loans with related parties, The Merton Hall Foundation and the Gilman Jones Scholarship Trust Fund, which both have an interest rate of 2.59% (2019: 2.91%).

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2020	2019
	\$	\$
15 Retained Surplus		
Balance at the beginning of the year	47,332,169	44,790,597
Total comprehensive income for the year	4,300,116	3,381,498
Impact of adopting AASB 15	-	(839,926)
Balance at the end of the year	<u>51,632,285</u>	<u>47,332,169</u>

16. Chapel Fund Reserve

Balance at the beginning of the year	4,900	4,900
Income received during the year	-	-
Balance at the end of the year	<u>4,900</u>	<u>4,900</u>

The Chapel Fund Reserve arises when donations are received from the School Chapel and reduced when expenditure is incurred specifically for the School Chapel. All transactions are recognised in the surplus or deficit.

17. Commitments

(a) Future Lease Commitments

Payable not later than 1 year	192,336	136,404
Payable later than 1 but not later than 5 years	-	136,404
	<u>192,336</u>	<u>272,808</u>

Lease commitments in 2020 consist of leased printers and photocopiers. As the value of each printer and photocopier did not meet the minimum cost threshold for recognition within AASB 16, they have not been capitalised in the balance sheet. In 2019, the lease commitments consist of leased printers and photocopiers and laptops. The lease arrangement for laptops at the time was short term, whilst the leased boat shed has been capitalised under the requirements of AASB 16.

(b) Capital Expenditure Commitments

Capital expenditure commitments		
Contracted for capital expenditure projects	917,420	560,538
	<u>917,420</u>	<u>560,538</u>

The capital commitments are payable not later than 1 year.

18. Lease Liability

Current		
Lease liability	189,825	90,316
	<u>189,825</u>	<u>90,316</u>
Non-Current		
Lease liability	520,163	280,379
	<u>520,163</u>	<u>280,379</u>

19. Notes to the Statement of Cash Flows

- (a) Reconciliation of cash for the purposes of the Statement of Cash Flows. Cash includes cash on hand and at call deposits with banks or financial institutions.

Cash at the end of the year is shown in the Statement of Financial Position as:

Cash on hand	2,900	2,900
Cash at bank	1,601,311	1,382,939
Cash and cash equivalents	<u>1,604,211</u>	<u>1,385,839</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 \$	2019 \$
19. Notes to the Statement of Cash Flows (cont'd)		
(b) Reconciliation of Cash Flow from Operations with Operating Surplus		
Surplus for the year	4,300,116	3,381,498
<i>Non Cash Flows in Operating Surplus:</i>		
(Gain)/ Loss on sale or disposal of fixed assets	5,371	(1,000)
Depreciation and Amortisation	3,547,734	3,354,532
Impairment loss of intangibles	44,125	-
Fair value loss to derivatives	-	4,696
Bad and doubtful debt expense	797,482	(26,769)
Revenue offset against related party loan (i)	(190,000)	(190,000)
<i>Change in Assets & Liabilities:</i>		
(Increase) in Trade and Other Receivables	(2,219,198)	(109,861)
(Increase) in Inventory	(3,933)	(9,490)
(Increase) / Decrease in Other Assets	(658,863)	330,238
Increase / (Decrease) in Trade and Other Payables	584,083	(41,063)
Increase in Provisions	809,551	427,169
(Decrease) / Increase in Other Liabilities	(1,021,296)	34,599
Net Cash Provided by Operating Activities	<u>5,995,172</u>	<u>7,154,549</u>

(i) During the year the Merton Hall Endowment Fund made a donation to the School of \$190,000 (2019: \$190,000) which was a non-cash transaction and treated as a deduction in the related party loan.

20. Members' Guarantee

The Company is incorporated as a company limited by guarantee and does not have share capital. The contribution of each member to its debts and liabilities in the event of a winding up is restricted to an amount not exceeding \$10.00. There were 37 members at 31 December 2020 (2019: 37).

21. Events After The Reporting Date

No matters or circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in subsequent years.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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22. Contingent Assets & Liabilities

There are no contingent assets or liabilities in existence at reporting date.

23. Key Management Personnel Compensation

	2020	2019
	\$	\$
Compensation to key management personnel	1,774,782	2,009,523

The number of personnel within this group averaged 8 during the year (2019: 9).

24. Related Party Transactions

A donation of \$190,000 (2019: \$190,000) has been made by the Merton Hall Foundation Endowment Fund.

An amount of \$40,940 (2019: \$17,476) owed by the Merton Hall Foundation has been recognised in Trade and other receivables, and \$51,156 (2019: \$52,889) owed to the Merton Hall Foundation has been recognised in trade and other payables.

Loans have been made to the Company by the Merton Hall Foundation of \$1,728,684 (2019: \$1,918,684) and by Gilman Jones Scholarship Trust Fund of \$57,000 (2019: \$57,000) as detailed in Note 14. Interest charged to profit and loss of \$51,319 (2019: \$42,403) as discussed in Note 3. In 2020, Gilman Jones Scholarship Trust Fund became part of Merton Hall Foundation.

25. Financial Instruments

	2020	2019
The Company holds the following financial instruments at amortised cost:		
Trade and other receivables	2,403,443	981,727
	<u>2,403,443</u>	<u>981,727</u>
Trade and other payables	2,480,130	1,896,047
Other liabilities	12,777,882	13,799,178
Borrowings	1,785,684	4,475,684
Lease liabilities	709,988	370,695
	<u>17,753,684</u>	<u>20,541,604</u>

Independent Auditor's Report to the Members of Melbourne Girls Grammar - an Anglican School

Opinion

We have audited the financial report of Melbourne Girls Grammar - an Anglican School, which comprises the statement of financial position as at 31 December 2020, 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, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Directors.

In our opinion, the accompanying financial report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Statements to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the ACNC Act 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 Directors' financial reporting responsibilities under the ACNC Act. Our report is intended solely for the members and the *Australian Charities and Not-for-profits Commission* (ACNC) and should not be distributed to or used by parties other than the members and the ACNC. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the other information. The other information comprises the Principal's report and the Directors' report, 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 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.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



DELOITTE TOUCHE TOHMATSU



Peter Glynn
Partner
Chartered Accountants
Melbourne, 31 March 2021