

COMPASS INDEPENDENT SCHOOL LIMITED
(ABN 52 635 422 767)

2023 FINANCIAL REPORT



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COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
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COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 DECEMBER 2023.

Directors

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

Alicia Gilbert	
Lisa van Leent	
Shaun Nykvist	
Shayla Olsen	
Kim Summers	- Appointed 16/02/2023

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

Objectives

To objects of the Company are to advance education by operating a primary school that:

- Is small, independent and multi-age
- Promotes children's inquiry, play, creativity and collaboration
- Values each child's identity and uniqueness
- Tailors literacy and numeracy learning to the child
- Utilises integrated curriculum
- Focuses on children's growth
- Values being caring, fair, open-minded and respectful

Key Performance Measures

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

Information on Directors

Alicia Gilbert	- Director
Qualifications	- Bachelor and Masters of Education
Experience	- Alicia Gilbert is the Founder of Compass Independent School. She has served as a Director on the School Board since its inception. Alicia has 20 years' experience in education.
	- Board Member since 09/08/2019
Lisa van Leent	- Director
Qualifications	- Associate Professor in Education
Experience	- Lisa van Leent is a Founding Director and Chairperson of Compass Independent School. Lisa is an Associate Professor in Education at QUT with over 20 years of experience working in schools and classrooms.
	- Board Member since 09/08/2019
Shaun Nykvist	- Director
Experience	- Shaun Nykvist is a Founding Director of Compass Independent School and has co-founded 2 early years schools in Vietnam. Shaun is a Senior lecturer in Education at QUT with over 25 years of experience working in schools and universities both nationally and internationally and holds a current teacher registration. Shaun has held previous positions on other boards as a director.
	- Board Member since 09/08/2019

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
DIRECTORS' REPORT

Shayla Olsen

Qualifications

Experience

- Director
- Bachelor of Education (Primary) and Masters of Arts (Editing & Publishing)
- **Shayla Olsen** is a Director and founding board member of Compass Independent School. She has 13 years of experience in education in multi-age and team-teaching settings.
- Board Member since 09/08/2019

Kim Summers

Qualifications

Experience

- Director
- Master of Education, Graduate Diploma of Education, Bachelor of Arts, Graduate Certificate of Project Management and Graduate Certificate of Religious Education
- **Kim Summers** has served as a Director on the Compass School Board since 2023. Kim has over 25 years' experience in education as a teacher, middle leader, manager, academic and senior executive. Kim is the founder and Director of the company Summersland PTY LTD which provides educational services and resources.
- Board Member since 16/02/2023

Meetings of Directors

During the financial year, 18 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Alicia Gilbert	18	18
Lisa van Leent	18	17
Shaun Nykvist	18	13
Shayla Olsen	18	16
Kim Summers	16	15

The Entity is registered with the Australian Charities and Not-for-profits Commission and is a Entity limited by guarantee. If the Entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 DECEMBER 2023 has been received and can be found as part of the financial report.

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



Director Alicia Gilbert



Director Kim Summers

Dated this 27th day of June 2024

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767

**AUDITOR'S INDEPENDENCE DECLARATION UNDER ACNC ACT SECTION 60-40 TO THE
DIRECTORS OF COMPASS INDEPENDENT SCHOOL LIMITED**

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 Compass Independent School Limited. As the lead audit partner for the audit of the financial report of Compass Independent School Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023 there have been no contraventions of:

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

A handwritten signature in black ink, appearing to be "Glen Klein".

Glen Klein FCPA
Registered Company Auditor 385321
Director
Audit Right Pty Ltd

3 June 2024



COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		\$	\$
Revenue	2a	545,576.01	1,797.29
Administration expenses	2b	(24,688.73)	(7,106.33)
Employment expenses	2c	(224,908.58)	0.00
Operating expenses	2d	(183,888.17)	(13,071.65)
Service provision expenses	2e	(27,744.47)	(2,281.92)
Current year surplus before income tax		84,346.06	(20,662.61)
Income tax expense		0.00	0.00
Net current year surplus		84,346.06	(20,662.61)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		0.00	0.00
Items that will be reclassified subsequently to profit or loss when specific conditions are met		0.00	0.00
Total other comprehensive income for the year		0.00	0.00
Total comprehensive income for the year		84,346.06	(20,662.61)
Total comprehensive income attributable to members of the entity		84,346.06	(20,662.61)

The accompanying notes form part of these financial statements.

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	121,014.85	156,047.78
Accounts receivable and other debtors	4	118,989.85	98,537.00
TOTAL CURRENT ASSETS		<u>240,004.70</u>	<u>254,584.78</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	756,957.69	0.00
TOTAL NON-CURRENT ASSETS		<u>756,957.69</u>	<u>0.00</u>
TOTAL ASSETS		<u>996,962.39</u>	<u>254,584.78</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	6	278,884.96	121,015.68
Employee provisions	7	13,520.58	0.00
TOTAL CURRENT LIABILITIES		<u>292,405.54</u>	<u>121,015.68</u>
NON-CURRENT LIABILITIES			
Long term amounts payable	8	668,749.01	182,107.32
TOTAL NON CURRENT LIABILITIES		<u>668,749.01</u>	<u>182,107.32</u>
TOTAL LIABILITIES		<u>961,154.55</u>	<u>303,123.00</u>
NET ASSETS		<u>35,807.84</u>	<u>(48,538.22)</u>
EQUITY			
Retained surplus		<u>35,807.84</u>	<u>(48,538.22)</u>
TOTAL EQUITY		<u>35,807.84</u>	<u>(48,538.22)</u>

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Retained Surplus / (Deficit)
	\$
Balance at 1 January 2022	<u>(27,875.61)</u>
Comprehensive income	
Surplus / (deficit) for the year attributable to members of the entity	(20,662.61)
Other comprehensive income for the year	<u>0.00</u>
Total comprehensive income attributable to members of the entity	<u>(20,662.61)</u>
Balance at 31 December 2022	<u>(48,538.22)</u>
Comprehensive income	
Surplus / (deficit) for the year attributable to members of the entity	84,346.06
Other comprehensive income for the year	<u>0.00</u>
Total comprehensive income attributable to members of the entity	<u>84,346.06</u>
Balance at 31 December 2023	<u>35,807.84</u>

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from donations and operations		522,568.17	(96,809.71)
Payments to suppliers and employees		(452,580.09)	99,886.08
Interest received		2,554.99	70.00
Interest paid		(15,516.00)	0.00
		<hr/>	<hr/>
Net cash (used in)/generated from operating activities	9	57,027.07	3,146.37
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		0.00	0.00
		<hr/>	<hr/>
Net cash used in investing activities		0.00	0.00
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan made / received		0.00	146,552.00
Repayment of Loans		(92,060.00)	0.00
		<hr/>	<hr/>
Net cash used in financing activities		(92,060.00)	146,552.00
		<hr/>	<hr/>
Net decrease in cash held		(35,032.93)	149,698.37
Cash on hand at the beginning of the financial year		156,047.78	6,349.41
		<hr/>	<hr/>
Cash on hand at the end of the financial year	3	121,014.85	156,047.78
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The financial statements cover COMPASS INDEPENDENT SCHOOL LIMITED as an individual entity, incorporated and domiciled in Australia. COMPASS INDEPENDENT SCHOOL LIMITED is a company limited by guarantee.

The financial statements were authorised for issue on 25 June 2024 by the directors of the Entity.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

Accounting Policies

a. Revenue and Other Income

The Entity is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

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

Revenue and Other Income

Operating grants, donations and bequests

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

When both these conditions are satisfied, the Entity: – identifies each performance obligation relating to the contract. Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards;
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Other Income

Contributed assets

The entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards.

On initial recognition of an asset, the Entity recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions).

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 1: Summary of Significant Accounting Policies (cont'd)

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

Capital grant

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

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under the terms of the grant.

Interest income

Interest income is recognised using the effective interest method.

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

b. Leases

The Entity as lessee

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- 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;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 1: Summary of Significant Accounting Policies (cont'd)

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-8 and measures the right-of-use assets at cost on initial recognition.

c. Employee Provisions

Short-term employee benefits

Provision is made for the Entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high-quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The Entity's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

d. Cash and Cash Equivalents

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

e. Trade and Other Receivables

Trade and other receivables include amounts due from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

f. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 1: Summary of Significant Accounting Policies (cont'd)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

g. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

h. Intangible Assets

Software

Software is recorded at cost. Where software is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

i. Provisions

Provisions are recognised when the Entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Where the Entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements must be presented.

k. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Entity.

Key estimates

(i) Impairment

The Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgments

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 1: Summary of Significant Accounting Policies (cont'd)

(ii) Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likelihood to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

(iii) Employee benefits

For the purpose of measurement, AASB 119 : *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The Entity expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

I. New and Amended Accounting Policies Adopted by the Entity

AASB 2022-3: Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

AASB 2022-3 amends the Australian illustrative examples for not-for-profit entities accompanying AASB 15 Revenue from Contracts with Customers to illustrate how AASB 15 applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of AASB 15.

The Basis for Conclusions also document the Board's decision to retain the accounting policy choice on an ongoing basis for NFP private sector lessees to elect to initially measure a class of ROU assets arising under concessionary leases at cost or at fair value.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments

The Entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2020-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022.

The adoption of the amendment did not have a material impact on the financial statements

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2: Net Current Year Surplus / (Deficit)

	2023	2022
	\$	\$
a. Revenue		
Enrolment application fees	3,728.32	1,727.29
Grant funding	328,794.00	0.00
Interest received	2,554.99	70.00
Lease incentive	85,700.00	0.00
Other income	250.00	0.00
Tuition fees	124,548.70	0.00
	<hr/> 545,576.01	<hr/> 1,797.29
b. Administration expenses		
Accounting and bookkeeping	4,372.50	1,061.27
Admin and office expenses	722.54	0.00
Advertising	3,975.43	667.35
Bank fees	0.00	(2.50)
Legal fees	12,553.51	5,348.39
Printing and stationery	2,993.19	31.82
Sundry expenses	71.56	0.00
	<hr/> 24,688.73	<hr/> 7,106.33
c. Employment expenses		
Provision for Annual Leave	10,115.91	0.00
Provision for Long Service Leave	3,404.67	0.00
Salaries and wages	191,430.16	0.00
Superannuation	19,957.84	0.00
	<hr/> 224,908.58	<hr/> 0.00
d. Operating expenses		
Cleaning	66.50	0.00
Insurance	4,290.81	3,684.15
Kitchen Supplies	832.78	0.00
Rent	172,399.94	0.00
Repairs and maintenance	6.56	0.00
Security	54.53	0.00
Telephone and internet	2,372.05	0.00
Town planning	0.00	8,687.50
Waste removal	0.00	700.00
Water	3,865.00	0.00
	<hr/> 183,888.17	<hr/> 13,071.65

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 2: Net Current Year Surplus / (Deficit) (Cont'd)

	2023	2022
	\$	\$
e. Service provision expenses		
Classroom furniture	1,265.49	1,602.72
Digital tools and resources	2,971.94	70.00
Excursions and events	2,342.50	401.93
Interest expense	15,516.00	0.00
IT and computer	584.31	0.00
Student related expenses	1,214.08	0.00
Subscriptions	3,850.15	207.27
	<u>27,744.47</u>	<u>2,281.92</u>

Note 3: Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank - AMP xx186	0.00	1,002.33
Cash at bank - AMP xxx459	0.00	5,023.31
Cash at bank - Westpac Everyday Debit Card	23,627.01	0.00
Cash at bank - Westpac Investor Funds	4.99	150,022.14
Cash at bank - Westpac Parent Tuition Fees	87,372.13	0.00
Cash at bank - Westpac State Funding	10,010.72	0.00
	<u>121,014.85</u>	<u>156,047.78</u>

Note 4: Accounts Receivable and Other Debtors

	2023	2022
	\$	\$
Accounts receivable	53,760.00	98,537.00
Prepayments	18,094.85	0.00
Rental bond receivable	47,135.00	0.00
	<u>118,989.85</u>	<u>98,537.00</u>

Note 5: Property, Plant and Equipment

	4,372.50	1,061.27
	\$	\$
Right of Use Asset - Building Lease	971,207.69	0.00
Amortisation of Right of Use Asset	<u>(214,250.00)</u>	<u>0.00</u>
	<u>756,957.69</u>	<u>0.00</u>

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 6: Accounts Payable and Other Payables

	2023	2022
	\$	\$
Accruals	0.00	85,700.00
Fees in advance	79,040.00	29,869.00
GST payable	10,290.00	5,446.68
PAYG withholding payable	12,143.00	0.00
Rent payable	178,256.00	0.00
Superannuation payable	(844.04)	0.00
	<u>278,884.96</u>	<u>121,015.68</u>

Note 7: Employee Entitlements

	2023	2022
	\$	\$
Provision for Annual Leave	10,115.91	0.00
Provision for Long Service Leave	3,404.67	0.00
	<u>13,520.58</u>	<u>0.00</u>

Note 8: Long Term Amounts Payable

	2023	2022
	\$	\$
Loan - Alicia & Ken Gilbert	90,047.32	107,115.32
Loan - Chadd McGlone	0.00	24,992.00
Loan - James Burnett	0.00	50,000.00
Rent payable	578,701.69	0.00
	<u>668,749.01</u>	<u>182,107.32</u>

Note 9: Cash Flow Information

	2023	2022
	\$	\$
Reconciliation of cash flows from operations with net current year surplus / (deficit)		
Net current year surplus / (deficit)	84,346.06	(20,662.61)
Non-cash flows in profit:		
- depreciation and amortisation	0.00	0.00
Changes in assets and liabilities:		
- (increase)/decrease in accounts receivable and other debtors	(20,452.85)	(98,537.00)
- (decrease)/increase in accounts payable and other payables	(20,386.72)	122,345.98
- (decrease)/increase in employee entitlements	13,520.58	0.00
	<u>57,027.07</u>	<u>3,146.37</u>

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 10: Entity Details

The registered office of the company is:

8 Musk Avenue
KELVIN GROVE QLD 4059

The principal place of business is:

8 Musk Avenue
KELVIN GROVE QLD 4059

Note 11: Members' Guarantee

The Entity is registered with the Australian Charities and Not-for-profits Commission and is a Entity limited by guarantee. If the Entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity.

Note 12: Related Party Transactions Disclosure

a) Fees paid to a related party for providing goods or services to the charity

Director, Kim Summers was engaged in a school leadership support role via her company, Summersland Consultancy. Kim was employed for 8 hours per week over an 8 week period to an amount of \$5,760. This sum was paid in full upon completion of this support role. Details of Kim's activities during the consultancy were presented to the Board and noted during meeting minutes.

Alicia Gilbert is the Founder of the School and employed as the Principal. Alicia's salary was \$100,000 per annum in 2023. This was determined by the Board through in-camera sessions without Alicia present.

Compass Conflict of Interest Register was updated to reflect the transactions above.

b) Loans from/to a related party

Alicia Gilbert is the School Principal and Founder, and also a Director. Alicia and Ken Gilbert provided unsecured loans to Compass Independent School.

I. Loan for expenses incurred at a former site (Brookfield Uniting Church Hall) to the amount of \$47,115.

Expenses were documented and the total loan amount verified by Chartered Accountant, Philip Strout.

Board meeting minutes determined the loan amount would be repaid through 'fee-free tuition fees' for Alicia and Ken's children, Sebastien and Tristan who attend the School, until the loan is repaid.

II. Loan of \$60,000 to fund the School, including the bond for the current school lease at QUT.

The loan agreement was prepared by Chartered Accountant, Philip Strout with an interest rate of 6% per annum. The loan term is for 3 years, expiring on 30th November 2025.

Interest was paid to Ken and Alicia Gilbert in accordance with the loan agreement to the total of \$3,000.

The combined loan amount was \$107,115.32 and the current balance is \$90,047.32.

Ongoing activities related to the loan are discussed and approved/not approved by the Board using 'in camera sessions'. All activities are noted in Board minutes.

c) Compass Independent School signed a Lease with QUT in 2023 to the value of \$171,400 per annum (exclusive of GST). The lease was arranged via Commercial Operations at QUT and legal representatives for each party. As per the School's Conflict of Interest Policy, personal interests that Directors have in association with QUT are limited to:

- Dr Lisa van Leent: Current employee of QUT
- Dr Shaun Nykvist: Current employee of QUT in 2023

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of COMPASS INDEPENDENT SCHOOL LIMITED, the directors declare that:

- 1 The financial statements and notes, as set out in the financial report, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with the Australian Accounting Standards applicable to the company; and
 - b. give a true and fair view of the financial position of the Registered Entity as at 31 DECEMBER 2023 and of its performance for the year ended on that date.
- 2 There are reasonable grounds to believe that the Registered Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with subsections 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Director Alicia Gilbert



Director Kim Summers

Dated this 27th day of June 2024

COMPASS INDEPENDENT SCHOOL LIMITED ABN 52 635 422 767
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASS INDEPENDENT SCHOOL LIMITED

Opinion

We have audited the financial report of Compass Independent School Limited (the registered entity), which comprises the statement of financial position as at 31 December 2023, 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 summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Registered Entity's financial position as at 31 December 2023 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards, and Division 60 of the *Australian Charities and Not-for-profits Commission Act 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 Registered Entity in accordance with the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 Registered Entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the registered entity'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 the directors either intend to liquidate the registered entity 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 decision of users taken on the basis of this financial report.

As part of an audit in accordance with the Australia 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate 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 Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors 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 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.

A handwritten signature in black ink, appearing to be 'Glen Klein', with a large loop at the end.

Glen Klein FCPA
Registered Company Auditor 385321
Director
Audit Right Pty Ltd

27 June 2024