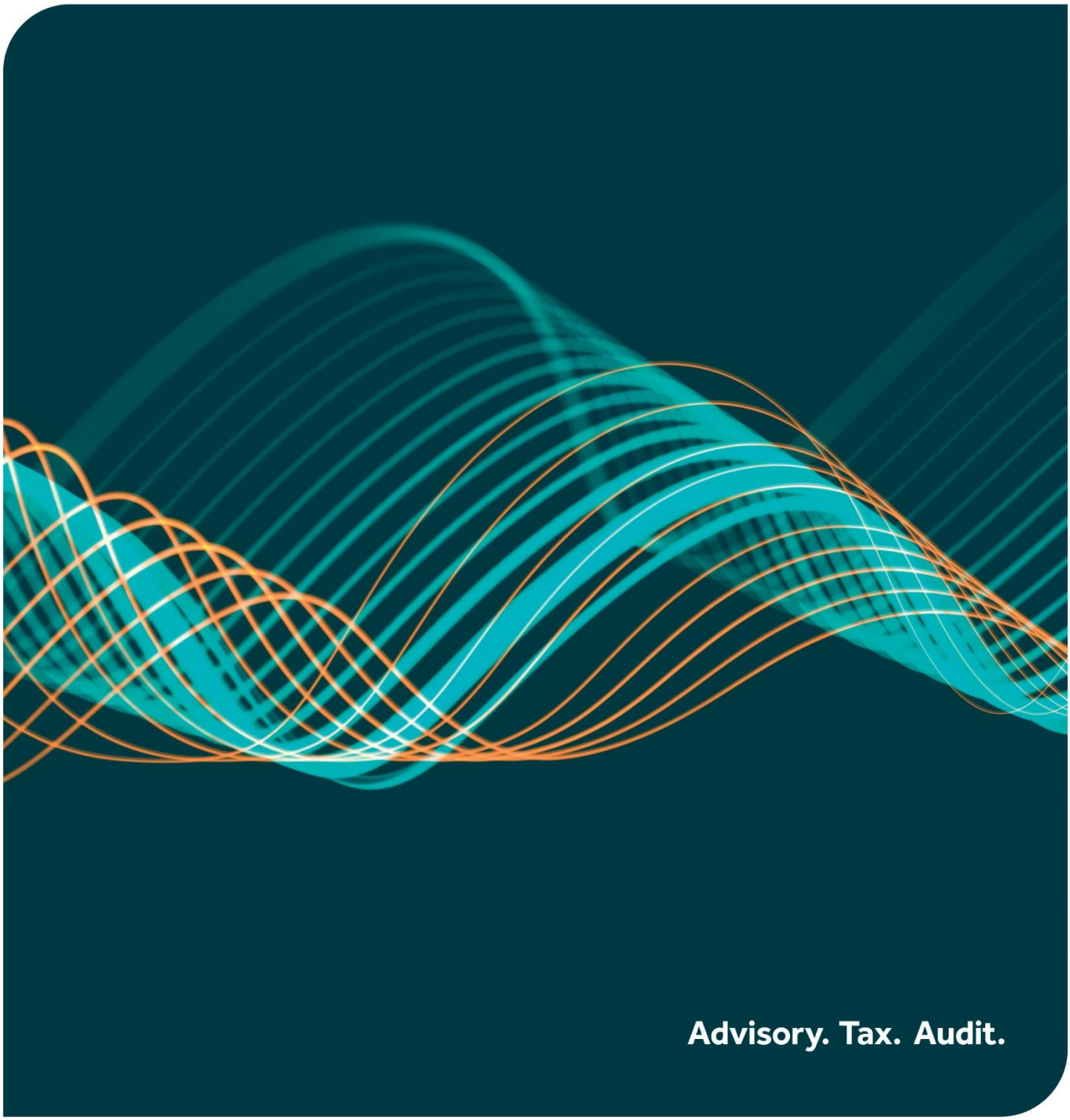
Nexia Australia

Illustrative Financial Report

SDS School Example Limited for the year ended 31 December 2026



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Introduction

This publication contains an illustrative financial report for SDS School Example Limited for the year ended 31 December 2026. The financial report illustrates a fictitious independent school applying the simplified disclosure framework for Tier 2 general purpose financial reports, AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and reporting under the *Australian Charities and Not-for-profits Commission Act 2012.*

About the illustrative financial report

Assumptions made

This illustrative financial report is intended to reflect transactions, events and circumstances that are considered common for a typical school in Australia and does not include all disclosures that may be required in practice. In preparing the illustrative financial report, it is assumed that SDS School Example Limited:

- Is a reporting entity which operates as an independent school;
- Is a not-for-profit, public company limited by guarantee;
- Is registered with the Australian Charities and Not-for-profits Commission ("ACNC");
- Is not part of a group (i.e. as a parent or as a subsidiary);
- Amongst others as described in Appendix 1, does not have any:
  - Revalued property, plant and equipment;
  - Investment property;
  - Leasing arrangements in the capacity as lessor;
  - Intangible assets;
  - Financial instruments classified at fair value;
  - Interest in joint ventures or associates;
  - Non-current assets held for sale and discontinued operations;
  - Employee defined benefit plans;
  - Biological assets; or
  - Hedge accounting.

Disclaimer

The names of people and corporations, as well as descriptions of events related to SDS School Example Limited included in this illustrative financial report are fictitious and have been created for illustration only. Any resemblance to any person or business is purely coincidental.

This financial report is illustrative only and shows one possible format of accounting and disclosure requirements for Schools. Users should note that the preparation of financial statements requires judgement in determining the choice of accounting policies, the tailoring of disclosures to reflect the transactions, events and circumstances specific to the entity, and the materiality of disclosures and its applicability in the context of the entity.

The material contained in this publication is for general information purposes only and does not constitute professional advice or recommendation from Nexia Australia. Professional advice should be obtained on your specific situation or circumstances by contacting your Nexia Advisor.

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SDS School Example Limited
ABN: 00 000 000 000

Directors' report

For the year ended 31 December 2026

The ACNC Act does not require the inclusion of a Directors' Report as part of the Annual Report. However, we have retained a Report by the Directors as, in our opinion, it provides relevant and useful information to users of the Annual Report.

Your Directors present their report, together with the financial statements, on SDS School Example Limited (the 'School' or the 'Company') for the year ended 31 December 2026.

Directors
The names of the Directors of the School in office at any time during, or since the end, of the year are:

Ms. Kylie Watson
Mr. Leigh Carter
Mr. Thomas White

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

Information on directors

Ms. Kylie Watson	Chair (Non-executive)
Qualifications	Bachelor of Business, Member of Chartered Accountants Australia and New Zealand (CA ANZ), Diploma of Education.
Experience	Director since 2019 and appointed chair in 2022. Ms. Watson is a director of a number of for-profit and not-for-profit entities.
Mr. Leigh Carter	Director (Non-executive)
Qualifications	Bachelor of Science, Diploma of Education.
Experience	Director since 2023. Over 16 years' experience as director on various boards, including three listed entities and four non-profit organisations.
Mr. Thomas White	Director (Non-executive)
Qualifications	Bachelor of Arts, Diploma of Education, Member of the Australian Institute of Company Directors.
Experience	Director since 2021, Mr White has over 20 years' experience in education and 15 years' experience as a director for non-profit organisations.

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SDS School Example Limited
ABN: 00 000 000 000

Directors' report

For the year ended 31 December 2026

Meeting of directors

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director are:

	Board of Directors' meetings	
	Eligible	**Attended**
Ms. Kylie Watson	10	10
Mr. Leigh Carter	10	10
Mr. Thomas White	10	9

Company secretary

Ms. Andrea Hunter has held the role of Company Secretary since January 2020. She has over 20 years of accounting and company secretarial experience in higher education institutions in Australia and internationally.

Ms. Andrea Hunter is a member of CPA Australia.

Operating and financial review

The surplus for the year amounted to $218,413 (2025 surplus: $394,468).

The directors may wish to provide details of the key operating and financial activities, results, and information on elements of its financial performance and operational developments during the period.

Principal activities

The principal activity of SDS School Example Limited during the financial year was the provision of education to students from kindergarten to Year 12.

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

Objectives and strategy

The School's objective is to provide high-quality teaching across a diverse curriculum to support students from kindergarten through to Year 12 to achieve their potential.

To achieve this objective, the School has adopted the following strategies:

- Continue to employ high-quality teaching staff to implement the curriculum; and
- Prepare a long-term strategic plan which will be reviewed on a regular basis.

The School measures its own performance through a number of financial and non-financial benchmarks; including analysis against the authorised yearly budget and five-year strategic plan.

The benchmarks are used by the Directors to assess the financial performance and sustainability of the School and whether the School's short-term and long-term objectives are being achieved.

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SDS School Example Limited
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Directors' report

For the year ended 31 December 2026

The directors may wish to disclose how the School measures its performance, including any key performance indicators used by the School.

Events occurring after the reporting date

On 17 February 2027, the top floor of Block A of the School building was damaged by a fire. The School had safely evacuated all students and staff members at the time of the fire. Insurance claims have been lodged with the Company's insurers. Other than the insurance excess of $25,000 which is payable by the School, it is expected that the proceeds from insurance will cover the costs of restoring the damaged property and equipment.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the School, the results of those operations or the state of affairs of the School in future years.

Likely developments

Information on likely developments in the operations of the School and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the School.

Environmental issues

The School's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

Members' guarantee

SDS School Example Limited is a company limited by guarantee and, consequently, does not have share capital. In the event of, and for the purpose of winding up of the School, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up is $10 (2025: $10).

At 31 December 2026 the collective liability of members was $1,570 (2025: $1,230), based on 157 (2025: 123) current ordinary members.

Indemnifying officer or auditor

During the financial year, the School paid premiums in respect of directors' and officers' liability insurance contracts.

Such insurance contracts insure against certain liability (subject to specific exclusions) for persons who are Directors and officers of the School.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for the auditors of the School.

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SDS School Example Limited
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Directors' report

For the year ended 31 December 2026

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the School or intervene in any proceedings to which the School is a party for the purpose of taking responsibility on behalf of the School for all or any part of those proceedings.

Auditor's independence declaration

The Auditor's Independence Declaration for the year ended 31 December 2026 has been received and is attached to this Directors' Report.

Signed in accordance with a resolution of the Directors:

.....	.....
Mr. Leigh Carter Director	**Mr. Thomas White** Director
Dated: 29 March 2027	Dated: 29 March 2027

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The Board of Directors
SDS School Example Limited
57 Business Street
SUBURB NSW 2134

29 March 2027

Dear Board Members,

Auditor's Independence Declaration under Subdivision 60-40 of the Australian Charities and Not-for-profits Commission Act 2012

As lead auditor for the audit of the financial statements of SDS School Example Limited for the financial year ended 31 December 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) The auditor independence requirements of Subdivision 60-40 of *the Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

b) Any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia Australia

Peter Smith

Partner

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Independent auditor's report to the members SDS School Example Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of SDS School Example Limited (the Company), which comprises the Statement of Financial Position as at 31 December 2026, 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 material accounting policy information, and the Directors' Declaration.

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

i. Giving a true and fair view of the Company's financial position as at 31 December 2026 and of its financial performance for the year then ended; and

ii. Complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 responsibility for the audit of the financial report' section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional & 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.

Other information

The Directors are responsible for the other information. The other information comprises the information in SDS School Example Limited's Directors' Report for the year ended 31 December 2026 but does not include the financial report and the 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 the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility 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 in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 entity'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 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 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 registered entity 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.

.....	.....
Nexia Australia Chartered Accountants Sydney	**[Name of Partner]** Partner

Dated: 29 March 2027

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SDS School Example Limited
ABN: 00 000 000 000

Directors' declaration

For the year ended 31 December 2026

The Directors of the School declare that, in their opinion:

a) There are reasonable grounds to believe that the School is able to pay all of its debts as, and when they become due and payable; and

b) The attached financial statements and notes thereto satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with a resolution of the Board of Directors pursuant to Regulation 60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

.....

Mr. Leigh Carter
Director

Dated: 29 March 2027

.....

Mr. Thomas White
Director

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General requirements for the financial statements

Frequency of reporting An entity shall present a complete set of financial statements (including comparative information – see AASB 1060.20) at least annually.	AASB 1060.16
Consistency of presentation The presentation and classification of items in the financial statements from one period to the next must be retained unless: ▪ It is apparent, following a significant change in the nature of the entity's operations or a review of its financial statements, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*; or ▪ Australian Accounting Standards – Simplified Disclosures require a change in presentation.	AASB 1060.17
Comparative information Except when AASB 1060 permits or requires otherwise, an entity discloses comparative information in respect of the previous comparable period for all amounts presented in the current period's financial statements. An entity includes comparative information for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.	AASB 1060.20
Materiality and aggregation An entity shall present separately: ▪ Each material class of similar items, and ▪ Items of dissimilar nature or function unless they are dissimilar. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about the reporting entity. An entity need not provide a specific disclosure as required by AASB 1060 if the information resulting from that disclosure is not material. This is the case even if this Standard contains a list of specific requirements or describes them as minimum requirements.	AASB 1060.21-23
Offsetting Assets and liabilities, or income and expenses must not be offset unless required or permitted by an Australian Accounting Standard.	AASB 1060.24
Complete set of financial statements (individual/primary financial statements) A complete set of financial statements of an entity shall include Statement of Financial Position, the Statement of Changes in Equity; the Statement of Cash Flows and notes to the financial statements (comprising material accounting policy information and other explanatory information) as well as either the statement of profit or loss and other comprehensive income; or the statement of profit or loss and the statement of comprehensive income; or the combined Statement of Income and Retained Earnings (if specified conditions under AASB 1060.26 are met).	AASB 1060.25-26

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General requirements for the financial statements

Titles of individual financial statements AASB 1060 permits the use of titles for the financial statements other than those used in AASB 1060 provided they are not misleading. For example, the School could refer to the Statement of Profit or Loss as 'Income Statement', or the Statement of Financial Position as 'Balance Sheet'.	AASB 1060.30
Presentation of individual financial statements An entity shall display the following information: ▪ The name of the reporting entity and any change in its name since the end of the preceding reporting period ▪ Whether the financial statements cover the individual entity or a group of entities ▪ The date of the end of the reporting period and the period covered by the financial statements ▪ The presentation currency, as defined in AASB 121 *The Effects of Changes in Foreign Exchange Rates* ▪ The level of rounding, if any, used in presenting amounts in the financial statements.	AASB 1060.31
Disclosures not applicable to the School and not illustrated:	
Going concern When management is aware of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.	AASB 1060.14-15
Reporting period is shorter or longer than one year An entity shall disclose the fact that the financial statements are presented for a period longer or shorter than one year, the reason for different periods and the fact that the amounts are not entirely comparable.	AASB 1060.16
Changes in presentation or classification When the presentation or classification of items in the financial statements is changed, an entity shall reclassify comparative amounts unless the reclassification is impracticable in which case the entity should justify the reason that it is impracticable. When comparative amounts are reclassified, an entity shall disclose the following: ▪ The nature of the reclassification; ▪ The amount of each item or class of items that is reclassified; and ▪ The reason for the reclassification.	AASB 1060.18-19

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SDS School Example Limited
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Statement of profit or loss and other comprehensive income[1-2]

For the year ended 31 December 2026

AASB 1060.25(b)(i)
AASB 1060.49(a)
AASB 1060.52
AASB 1060.56

	Note	2026 $	2025 $	
Revenue – operating activities	5(a)	**50,611,842**	48,884,149	
Revenue – government grants	5(a)	**13,221,159**	12,548,359	
Revenue from contracts with customers		**63,833,001**	61,432,508	AASB 1060.52(a)
Other income	5(b)	**1,364,270**	663,204	
Interest income		**474,320**	511,535	AASB 1060.119(b)
Total revenue and other income		**65,671,591**	62,607,247	
Employee benefits expense	7	**(49,399,077)**	(47,888,299)	
Depreciation expense	12(b)	**(4,409,660)**	(3,619,058)	
Amortisation of right-of-use assets	13	**(175,412)**	(174,052)	
ICT expenses		**(4,177,331)**	(4,019,979)	
Education expenses		**(5,701,130)**	(5,644,374)	
Property and maintenance		**(587,124)**	(342,676)	
Finance costs	6	**(368,850)**	(81,321)	AASB 1060.52(b)
Cost of goods sold		**(41,061)**	(73,212)	AASB 1060.123
Impairment of trade receivables	9	**(54,143)**	(37,682)	AASB 1060.119(c)
Co-curricular expenses		**(331,758)**	(172,963)	
Other expenses		**(207,632)**	(159,172)	
Total expenses		**(65,453,178)**	(62,212,779)	
Surplus for the year		**218,413**	394,468	AASB 1060.52(f)
Other comprehensive income				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods *[describe]*		**-**	-	AASB 1060.52(g)(i)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods *[describe]*		**-**	-	AASB 1060.52(g)(ii)
Other comprehensive income for the year		**-**	-	
Total comprehensive income for the year		**218,413**	394,468	AASB 1060.52(i)

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Guidance related to the statement of profit or loss and other comprehensive income

	Offsetting Assets and liabilities, or income and expenses must not be offset unless required or permitted by an Australian Accounting Standard.	AASB 1060.24
1	**Single statement approach vs two-statement approach** The School has elected to present a single statement of profit or loss and other comprehensive income rather than two statements – a statement of profit or loss and a separate statement of comprehensive income. If a two-statement approach is adopted, the statement of profit or loss must be followed directly by the statement of comprehensive income and items shall be presented in accordance with AASB 1060.54. If the School changes its presentation of total comprehensive income for the period from the single-statement approach to the two-statement approach, or vice versa, it applies AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* as a change in accounting policy.	AASB 1060.25(b) AASB 1060.50 AASB 1060.54
2	**Statement of Income Retained Earnings** The School presents separately a statement of comprehensive income and a Statement of Changes in Equity. AASB 1060 permits presentation of a single Statement of Income and Retained Earnings if the only changes to equity during the periods for which financial statements are presented arise from: ▪ Profit or loss; ▪ Payment of dividends; ▪ Corrections of prior period errors; and ▪ Changes in accounting policy. The School is unable to present a Statement of Income and Retained Earnings as there were movements in reserves during the current and previous financial years.	AASB 1060.26
	Presentation of 'bottom line' As the School did not have any items of other comprehensive income in any of the periods for which financial statements are presented, it may present only a statement of profit or loss or it may present a statement of comprehensive income in which the 'bottom line' is labelled 'profit or loss'. The School did not present the financials in such a manner.	AASB 1060.27
	Extraordinary items AASB 1060 does not permit any items of income and expense to be presented or described as 'extraordinary items' in the statement(s) presenting profit or loss and other comprehensive income (or in the statement of profit or loss, if presented) or in the notes.	AASB 1060.57

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Guidance related to the statement of profit or loss and other comprehensive income

Disclosures not applicable to the School and not illustrated:

Information to be presented in the statement of profit or loss and other comprehensive income — AASB 1060.52-53

If applicable, the statement of profit or loss and other comprehensive income shall also include:

a. Share of the profit or loss of investments in associates and joint ventures accounted for using the equity method.

b. Tax expense.

c. A single amount for the total of discontinued operations and the post-tax gain or loss attributable to an impairment, or reversal of an impairment, of the assets in the discontinued operation, both at the time and subsequent to being classified as a discontinued operation and to the disposal of the net assets constituting the discontinued operation (see AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*).

d. Share of the other comprehensive income of associates and joint ventures accounted for by the equity method.

e. Total comprehensive income (if an entity has no items of other comprehensive income, it may use another term for this line such as profit or loss).

f. Profit or loss for the period attributable to non-controlling interest and owners of the parent.

g. Total comprehensive income for the period attributable to non-controlling interest and owners of the parent.

Retrospective adjustment — AASB 1060.55

Under AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the effects of corrections of errors and changes in accounting policies are presented as retrospective adjustments of prior periods instead of as part of profit or loss in the period in which they arise.

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SDS School Example Limited
ABN: 00 000 000 000

Statement of financial position

AASB 1060.25(a)

As at 31 December 2026

	Note	2026 $	2025 $	
Assets				
Current assets				AASB 1060.37
Cash and cash equivalents	8	**32,743,585**	27,739,082	AASB 1060.35(a)
Trade and other receivables	9	**1,632,564**	1,306,000	AASB 1060.35(b)
Inventories	10	**29,560**	30,075	AASB 1060.35(d)
Other assets	11	**1,615,992**	858,936	AASB 1060.36
Total current assets		**36,021,701**	29,934,093	AASB 1060.36
Non-current assets				AASB 1060.37
Property, plant and equipment	12	**36,799,173**	36,486,971	AASB 1060.35(e)
Right-of-use assets	13	**2,558,922**	2,669,059	AASB 1060.36
Total non-current assets		**39,358,095**	39,156,030	AASB 1060.36
Total assets		**75,379,796**	69,090,123	AASB 1060.36
Liabilities				
Current liabilities				AASB 1060.37
Trade and other payables	14	**4,963,874**	5,456,011	AASB 1060.35(k)
Contract liabilities	15	**7,070,005**	5,477,277	AASB 1060.44(d),159
Lease liabilities	16	**84,088**	132,443	AASB 1060.35(l)
Provisions	17	**5,521,306**	5,686,427	AASB 1060.35(o)
Total current liabilities		**17,639,273**	16,752,158	AASB 1060.36
Non-current liabilities				AASB 1060.37
Contract liabilities	15	**6,203,164**	3,648,180	AASB 1060.44(d),159
Lease liabilities	16	**2,561,834**	2,555,415	AASB 1060.35(l)
Provisions	17	**584,716**	787,015	AASB 1060.35(o)
Borrowings	18	**2,825,041**	-	AASB 1060.35(l)
Total non-current liabilities		**12,174,755**	6,990,610	AASB 1060.36
Total liabilities		**29,814,028**	23,742,768	AASB 1060.36
Net assets		**45,565,768**	45,347,355	AASB 1060.36
Equity				
Reserves	20	**3,483,184**	2,068,688	AASB 1060.44(f)
Accumulated funds		**42,082,584**	43,278,667	AASB 1060.44(f)
Total equity		**45,565,768**	45,347,355	AASB 1060.36

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Guidance related to the Statement of Financial Position

Current/non-current distinction AASB 1060.37-41

Current and non-current assets, and current and non-current liabilities, are presented as separate classifications in its Statement of Financial Position in accordance with AASB 1060.38-41, except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, all assets and liabilities shall be presented in order of approximate liquidity (ascending or descending).

Sequencing and formatting of items in the Statement of Financial Position AASB 1060.42-43

There is no prescribed sequence or format in which items are to be presented in the Statement of Financial Position. Additional line items may be included when the size, nature or function of an item or aggregation of similar items is such that separate presentation is relevant to an understanding of the entity's financial position.

The descriptions used and the sequencing of items or aggregation of similar items may be amended according to the nature of the entity and its transactions, to provide information that is relevant to an understanding of the entity's financial position. The judgement of whether additional line items are presented separately is based on the assessment of the amounts, nature and liquidity of assets and liabilities, and the function of assets within the entity.

The School has elected to present the following items in the following classifications as it provides more relevant information to the users:

- Right-of-use assets separately from property, plant and equipment *(also see AASB 16.47(a) Leases);*
- Lease liabilities separately from borrowings *(also see AASB 16.47(b) Leases);*
- Contract liabilities separately from payables; and
- Employee benefit obligations as part of provisions.

Disclosures not applicable to the School and not illustrated:

Information to be presented in the Statement of Financial Position AASB 1060.35

If applicable, the Statement of Financial Position also includes:

- Other financial assets
- Investment property
- Intangible assets
- Biological assets
- Investments in associates
- Investments in joint ventures
- Financial liabilities
- Liabilities and assets for current tax
- Deferred tax liabilities and deferred tax assets
- Non-controlling interests, presented within equity separately from the equity attributable to the owners of the parent
- Equity attributable to the owners of the parent
- The total of assets classified as held for sale and assets included in disposal groups classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*
- Liabilities included in disposal groups classified as held for sale in accordance with AASB 5

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SDS School Example Limited
ABN: 00 000 000 000

Statement of Changes in Equity

For the year ended 31 December 2026

AASB 1060(25)(c)
AASB 1060.60
AASB 1060.5-6

	Note	Reserves $	Retained surpluses $	Total $	
Balance at 1 January 2025		**-**	**44,952,887**	**44,952,887**	AASB 1060.61(c)
Surplus for the year		-	394,468	394,468	AASB 1060.61(c)(i)
Total comprehensive income		**-**	**394,468**	**394,468**	AASB 1060.61(a)
Transfer of Scholarship Fund donations and interest	20(a)	561,237	(561,237)	-	
Transfer from the Scholarship Fund to the School	20(a)	-	-	-	
Transfer of Building Fund donations and interest	20(b)	1,507,451	(1,507,451)	-	
Transfer from the Building Fund to the School	20(b)	-	-	-	
Total transactions with owners and other transfers		**2,068,688**	**(2,068,688)**	**-**	
Balance at 31 December 2025		**2,068,688**	**43,278,667**	**45,347,355**	AASB 1060.61(c)
Balance at 1 January 2026		**2,068,688**	**43,278,667**	**45,347,355**	AASB 1060.61(c)
Surplus for the year		-	218,413	218,413	AASB 1060.61(c)(i)
Total comprehensive income		**-**	**218,413**	**218,413**	AASB 1060.61(a)
Transfer of Scholarship Fund donations and interest	20(a)	138,175	(138,175)	-	
Transfer from the Scholarship Fund to the School	20(a)	(557,589)	557,589	-	
Transfer of Building Fund donations and interest	20(b)	1,985,169	(1,985,169)	-	
Transfer from the Building Fund to the School	20(b)	(151,259)	151,259	-	
Total transactions with owners and other transfers		1,414,496	(1,414,496)	-	
Balance at 31 December 2026		**3,483,184**	**42,082,584**	**45,565,768**	AASB 1060.61(c)

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Guidance related to the Statement of Changes in Equity

Disclosures not applicable to the School and not illustrated:

Information to be presented in the Statement of Changes in Equity — AASB 1060.61(a)-(c)

If applicable, the Statement of Changes in Equity shall also include:

- Total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests;
- For each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*; and
- For each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from:
  - i. Profit or loss;
  - ii. Other comprehensive income; and
  - iii. The amounts of investments by, and dividends and other distributions to, owners in their capacity as owners, showing separately issues of shares, treasury share transactions, dividends and other distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control.

Statement of Income and Retained Earnings — AASB 1060.26, AASB 1060.62

The School presents separately a Statement of Profit or Loss and Other Comprehensive Income and a Statement of Changes in Equity. AASB 1060 permits presentation of a single Statement of Income and Retained Earnings if the only changes to equity during the periods for which financial statements are presented arise from:

- Profit or loss;
- Payment of dividends;
- Corrections of prior period errors; or
- Changes in accounting policy.

The School did not present the financials in such a manner as there were movements in reserves during the financial year.

Information to be presented in the Statement of Income and Retained Earnings — AASB 1060.63

An entity shall present, in the Statement of Income and Retained Earnings, the following items in addition to the information required by the section covering the Statement of Profit or Loss and Other Comprehensive Income:

- Retained earnings at the beginning of the reporting period;
- Dividends declared and paid or payable during the period;
- Restatements of retained earnings for corrections of prior period errors;
- Restatements of retained earnings for changes in accounting policy; and
- Retained earnings at the end of the reporting period.

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Statement of Cash Flows

AASB 1060.25(d)
AASB 1060.64

For the year ended 31 December 2026

	Note	2026 $	2025 $	
Cash flows from operating activities				AASB 1060.66-67,70(b)
Receipts from customers		**48,245,986**	44,878,030	AASB 1060.67(a)-(b)
Receipts from government grants		**14,543,275**	13,616,195	AASB 1060.67(a)-(b)
Gifts and donations received		**1,948,330**	936,254	AASB 1060.67(b)
Payments to suppliers and employees		**(57,739,159)**	(50,780,646)	AASB 1060.67(c)-(d)
Interest received		**474,320**	511,535	AASB 1060.67(f),82,83
Interest paid	6	**(368,850)**	(81,321)	AASB 1060.67(f),82,83
Net cash provided by operating activities		**7,103,902**	9,080,047	AASB 1060.75
Cash flows from investing activities				AASB 1060.66 AASB 1060.74
Payments for property, plant and equipment	12(b)	**(4,721,862)**	(5,583,965)	AASB 1060.68(a)
Net cash used by investing activities		**(4,721,862)**	(5,583,965)	AASB 1060.75
Cash flows from financing activities				AASB 1060.66 AASB 1060.74
Proceeds from borrowings	18	**2,825,041**	-	AASB 1060.69(c)
Repayments of lease liabilities – principal		**(202,578)**	(219,016)	AASB 1060.69(e)
Net cash flows from financing activities		**2,622,463**	(219,016)	AASB 1060.75
Net increase/(decrease) in cash and cash equivalents held		**5,004,503**	3,277,066	AASB 1060.75
Cash and cash equivalents at beginning of financial year		**27,739,082**	24,462,016	
Cash and cash equivalents at end of financial year	8	**32,743,585**	27,739,082	

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Guidance related to the Statement of Cash Flows

Cash equivalents Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Investments normally only qualify as cash equivalent if they have a short maturity of three months or less from the date of acquisition. Bank overdrafts are normally considered financing activities similar to borrowings. However, if they are repayable on demand and form an integral part of an entity's cash management, bank overdrafts are a component of cash and cash equivalents.	AASB 1060.65
Classification of items AASB 1060 permits interest paid to be shown as operating or financing activities and interest received to be shown as operating or investing activities, as deemed relevant for the entity. The School has elected to classify interest received and interest paid as cash flows from operating activities. Additionally, in relation to leases, the School has classified: ▪ Short-term lease payments and payments for leases of low-value assets as operating activities ▪ Cash payments for the interest portion of lease liabilities as operating activities consistent with the presentation of interest payments ▪ Cash payments for the principal portion of lease payments as financing activities	AASB 1060.69(e) AASB 1060.82-83 AASB 16.50
Cash flows from operating activities Cash flows from operating activities have been presented using the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed. Alternatively, cash flows from operating activities could be presented using the indirect method, whereby profit or loss is adjusted for the effects of non-cash transactions, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.	AASB 1060.70
Disclosures not applicable to the School and not illustrated:	
Foreign currency cash flows An entity records cash flows arising from transactions in a foreign currency by applying the foreign currency exchange rate at the date of the cash flow.	AASB 1060.79-80
Unrealised gains and losses Unrealised gains and losses arising from changes in foreign currency exchange rates are not cash flows. However, to reconcile cash and cash equivalents at the beginning and the end of the period, the effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency must be presented in the Statement of Cash Flows. The entity presents the resulting unrealised gain or loss separately from cash flows from operating, investing and financing activities.	AASB 1060.81
Dividends An entity presents separately cash flows from dividends received and paid as operating, investing or financing activities as appropriate.	AASB 1060.82

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SDS School Example Limited
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Notes to the financial statements

AASB 1060.25(e)

For the year ended 31 December 2026

1. Reporting entity

SDS School Example Limited (the 'School' or the 'Company') is a company limited by guarantee, incorporated and domiciled in Australia. The address of the School's registered office is 57 Business Street, Suburb Sydney, NSW, 2134.

AASB 1060.31(a)
AASB 1060.32(a)

The School operates a non-government school providing education from Kindergarten through to Year 12.

AASB 1060.32(b)

The financial report for the year ended 31 December 2026 comprises SDS School Example Limited as an individual entity and was authorised for issue on the date the attached Directors' Declaration was signed by the Directors of the School. The School's constitution permits the Directors to amend and reissue the financial report.

AASB 1060.31(b)
AASB 1060.31(c)
AASB 1060.186

2. Basis of preparation

AASB 1060.91(a)
AASB 1060.94

a) Compliance with Australian accounting standards – simplified disclosures

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*. The School is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

AASB 1060.10
AASB 1060.11

b) Functional and presentation currency and rounding

The functional and presentation currency of the School is Australian dollars.

AASB 1060.31(d)-(e)
AASB 1060.181

The amounts presented in the financial statements have been rounded to the nearest dollar.

c) Comparatives

Comparatives are consistent with prior years, unless otherwise stated.

AASB 1060.20

d) Historical cost convention

The financial statements have been prepared on a historical cost basis, unless as described otherwise in the accounting policies.

AASB 1060.95(a)

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Notes to the financial statements

AASB 1060.25(e)

For the year ended 31 December 2026

AASB 1060.26
AASB 1060.27

Single Statement of Income and Retained Earnings or Single Statement of Comprehensive Income

If the only changes to equity during the periods for which the financial statements are presented arise from profit or loss, corrections of prior period errors, and changes in accounting policy, the company may elect to present a single Statement of Income and Retained Earnings instead of the Statement of Comprehensive Income and Statement of Changes in Equity.

If an entity has no items of other comprehensive income in any of the periods for which financial statements are presented, it may present only a statement of profit or loss or it may present a statement of comprehensive income in which the 'bottom line' is labelled 'profit or loss'.

e) Adoption of new and revised accounting standards

AASB 1060.106

The Company has adopted all new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

The initial application of these Accounting Standards has not had any effect on the current period or any prior period, and it is not expected to have an effect on future periods.

Any new or amended Accounting Standards or Interpretations issued but which are not yet mandatory have not been early adopted.

3. Significant accounting judgements, estimates and assumptions

AASB 1060.96 - AASB 1060.97

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates and may have impacts on future periods. Estimates and underlying assumptions are reviewed by the School on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management have considered the critical estimates and judgements below in the context of current economic conditions.

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Notes to the financial statements

AASB 1060.25(e)

For the year ended 31 December 2026

(a) Judgements

Judgements made by management that significantly affect the School's accounting policies and that have a significant effect on the amounts recognised in the financial statement are as follows:

AASB 1060.96

i. Lease of low value assets
The School has elected not to recognise a right-of-use asset and lease liability for leases where the underlying asset is of low value. The School has determined that an asset is of low value when the value of the asset when it is new is less than $10,000.

ii. Judgements in the recognition of revenue
Judgements have been applied in the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for the School's grants and contributions that are contracts with customers.

iii. Enrolment fees
The School charges a non-refundable enrolment fee upon the acceptance of an offer for placement of a student. The School considers the upfront enrolment fee represents an advance payment for future services and is recognised as revenue over a period of ten years, which is the expected average enrolment period of students.

(b) Estimation uncertainty and assumptions

AASB 1060.97

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i. Provision for employee benefits
Provisions for employee benefits payable after 12 months from the reporting date are discounted based on future wage and salary levels, experience of employee departures and periods of service, as described in Note 4(l). Long-term employee benefits are discounted using market yields on government bonds of maturity similar to expected settlement of the liability.

ii. Leases
Management cannot readily determine the interest rate implicit in its leases and therefore estimates its incremental borrowing rate to measure lease liabilities. Management estimates its incremental borrowing rate and considers whether adjustments to the interest rates on its current borrowings are required. Where leases have a renewal option, the School has considered the importance of the underlying asset to the School's operations as well as the significant leasehold improvements undertaken when determining the lease term.

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iii. Estimation of useful lives of assets

The School determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written-off or written-down.

iv. Allowance for expected credit loss of trade receivables

The value of the expected credit loss of receivables is estimated by considering the debtor's categories, ageing of receivables, communication with the debtors and prior payment history.

Critical estimates and judgements

Judgements and estimates are by their very nature entity specific and will therefore vary between entities. Management should carefully assess which judgements and estimates have a significant risk of resulting in material adjustments.

Other examples

Other examples of significant judgements, assumptions and estimation uncertainties may include: -

- Determination of the amount and timing of income arising from transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity in applying AASB 1058 *Income of Not-for-Profit Entities*
- Fair value measurements and valuation processes
- Key assumptions in underlying recoverable amounts for impairment test of intangible assets or goodwill.

Disclosures not applicable to the School and not illustrated:

Disclosure of a change in estimate

AASB 1060.109

An entity shall disclose the nature of any change in an accounting estimate and the effect of the change on assets, liabilities, income and expense for the current period. If it is practicable for the entity to estimate the effect of the change in one or more future periods, the entity shall disclose those estimates.

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Notes to the financial statements

AASB 1060.25(e)

For the year ended 31 December 2026

4. Material accounting policy information

AASB 1060.91(a)
AASB 1060.94-95

(a) Revenue from contracts with customers

Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers* when a contract with a customer contains performance obligations to transfer goods or services to the customer that are sufficiently specific to determine when the obligation has been satisfied. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

AASB 1060.157(a)

Revenue is measured at the amount which the School expects to receive in consideration for satisfying its performance obligations to a customer. Where consideration comprises variable components, the amount recognised as revenue is constrained to that amount that would not result in a significant reversal of the cumulative revenue recognised when that uncertainty is resolved.

i. Tuition and other student fee income

AASB 1060.157(a)
AASB 1060.158

Revenue from student fees is recognised over the period to which the provision of education services relate. Excursion fees are recognised as revenue when the excursion occurs. Fees received in advance of the School providing the goods or services are recognised as a contract liability. Fees are recognised as revenue net of any discounts or concessions.

ii. Non-refundable application and enrolment fees

AASB 1060.157(a)
AASB 1060.158

Non-refundable enrolment fees received for the placement of a student are considered to be an advance payment for future tuition services and are recognised as revenue over the expected period of tuition, which is estimated to be ten years. The non-refundable enrolment fees are charged on average one year before commencement.

The deferred fees are recognised as part of contract liabilities.

Application fees relate to a prospective student's application and their inclusion on a wait list. Payment of an application fee does not guarantee an offer of future tuition and is recognised by the School as income upon receipt.

iii. Sale of goods

AASB 1060.157(a)

Revenue from the sale of goods is recognised as revenue when the performance obligation is satisfied (generally being delivery of the goods). Payment terms for the sale of goods are generally cash on delivery.

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Notes to the financial statements

AASB 1060.25(e)

For the year ended 31 December 2026

iv. Grants

State and Federal government grant funding that contain specific conditions on the use of those funds are recognised as (or when) the School satisfies its performance obligations by providing goods and services to its students. Grants to acquire or construct property, plant and equipment to identified specifications for the School's own use are recognised as income when (or as) the School satisfies its obligations under the grant. A contract liability is recognised where the School has received grant funds but has not satisfied its obligations under the funding agreement.

AASB 1060.235-237

v. Donations and bequests

Donations, endowments and bequests that contain sufficiently specific performance obligations are recognised as revenue when (or as) the School satisfies those obligations. Any deferred revenue is recognised as part of contract liabilities.

AASB 1060.229

(b) Other income

i. General grants, donations, and gifts

AASB 1058.9-10

AASB 15 App F

General grants, gifts, bequests, and donations that provide the School with discretion, or do not contain sufficiently specific performance obligations, regarding their use are recognised as income in accordance with AASB 1058 *Income of Not-for-Profit Entities* when the School controls those funds. Income is recognised at fair value where the consideration for the asset is significantly less than fair value principally to enable the School to further its objectives.

Donations, endowments, and bequests that impose a contractual obligation upon the School to pay cash to a student are recognised as a financial liability and are disclosed within trade and other payables.

ii. Interest income

Interest income is recognised using the effective interest rate of the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

AASB 9.5.4.1-5.4.2

iii. Volunteer services

The School has elected to recognise volunteer services. Volunteer services are recognised when the fair value of the services can be measured reliably and the services would have been purchased if they had not been donated. The fair value of volunteer services is recognised as income and a related expense based on the nature or function of those services.

AASB 1058.19

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Notes to the financial statements

AASB 1060.25(e)

For the year ended 31 December 2026

iv. Other

Other revenue including resource fees, sports, and other levies are recognised as income upon receipt of those fees.

AASB 1058.9-10

c) Income tax

AASB 1060.176

The School is exempt from income tax under section 50-45 of the *Income Tax Assessment Act 1997* due to the nature of its activities.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

AASB 1060 (Appendix A)

Restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in AASB 107. Where the School can access those amounts on demand, the contractual restrictions on the use of the amounts held in the demand deposit do not change the nature of the deposit as cash.

IFRSIC Agenda Decision (April 2022)

e) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement no more than 14 days from the date of issue of an invoice.

AASB 1060.112

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. At each reporting date the School considers the expected credit losses arising on trade receivables, including unpaid tuition fees. Because of the short-term nature of trade receivables the School applies a simplified approach in calculating expected credit losses. The School does not track changes in credit risk on an individual basis, but instead recognises a loss allowance based on lifetime expected credit losses on a collective basis at each reporting date.

AASB 9.5.5.3-5.5.4

Provision rates are based on days past due for groupings of various customer and student segments that have similar characteristics (e.g. by day-students or boarders, number of siblings attending the school, year group, and other factors). Provision rates are initially based on the School's historical credit loss experience adjusted for forward-looking information, changing economic conditions and events.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

AASB 9.5.5.1

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Notes to the financial statements

AASB 1060.25(e)

For the year ended 31 December 2026

f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, where applicable, any accumulated depreciation and impairment losses. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the School.

AASB 1060.134(a)
AASB 116.30
AASB 116.13

i. Land and buildings

Land and buildings are stated at historical cost based on the cost of recent redevelopments of the school campus and the continuing use of the school campus for educational purposes, less subsequent depreciation for buildings. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

ii. School equipment

School equipment is stated at historical cost, less accumulated depreciation and any accumulated impairment losses.

The depreciable amount of an asset is determined after deducting its residual value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset commencing from the time the asset is held ready for use and is recognised in profit or loss.

AASB 1060.134(b)
AASB 116.53

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

AASB 1060.134(c)

Fixed asset class	Useful life
Buildings	40 years
School equipment	Three to seven years
Leasehold improvements	Life of the lease

Capital works in progress is not depreciated as the asset is not yet ready for occupation and use. Land is not depreciated as it has an unlimited useful life.

AASB 116.58

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

AASB 116.51

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

AASB 116.71

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Notes to the financial statements

AASB 1060.25(e)

For the year ended 31 December 2026

g) Leases

At inception of a contract, the School assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the School the right to control the use of an identified asset over a period of time in return for consideration. AASB 16.9

Where a contract or arrangement contains a lease, the School recognises a right-of-use asset and a lease liability at the commencement date of the lease. AASB 16.22

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses. AASB 16.23-24 AASB 16.33

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the School's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. AASB 16.18

The School determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. AASB 1060.91(c)

Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the School is reasonably certain to exercise and incorporate the School's expectations of lease extension options. AASB 16.27

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets. AASB 16.38

Short-term leases (12-month term or less) and leases of low value assets are recognised as an expense as incurred in the statement of profit or loss and other comprehensive income. The School has elected to recognise right-of-use assets in respect of concessional leases with below-market rentals at cost. AASB 16.5 AASB 16.Aus25.1

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Notes to the financial statements

AASB 1060.25(e)

For the year ended 31 December 2026

h) Impairment of non-financial assets

At each reporting date, the Directors assess whether there is an indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, to the asset's carrying amount. For income generating assets, recoverable amount is generally determined by reference to market value. Where an asset is not held primarily for its ability to generate net cash inflows but for the continuing use of its service capacity, recoverable amount is determined by reference to its current replacement cost as defined in AASB 13 *Fair Value Measurement*. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

AASB 136.9

AASB 136.Aus5.1

AASB 136.60

Where it is not possible to estimate the recoverable amount of an individual asset, the School estimates the recoverable amount of the cash-generating unit to which it belongs.

AASB 136.22

i) Trade and other payables

AASB 1060.112
AASB 9.5.1.1

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the School during the reporting period which remain unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are unsecured.

j) Contract liabilities

A contract liability represents the School's obligation to transfer goods or services to the customer for which the School has received consideration from the customer. Amounts recorded as contract liabilities are subsequently recognised as revenue when the School transfers the contracted goods or services to the customer.

AASB 15.106

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AASB 1060.25(e)

For the year ended 31 December 2026

k) Financial instruments

AASB 1060.112

i. Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

AASB 132.11

Financial assets and financial liabilities are recognised when the School becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the School commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

AASB 9.3.1.1-3.1.2

All financial instruments (other than trade receivables without a significant financing component) are initially measured at fair value plus or minus transaction costs, except where the instrument is classified at fair value through profit or loss ("FVTPL") in which case transaction costs are expensed to profit or loss immediately. Trade receivables without a significant financing component are initially measured at the transaction price.

AASB 9.5.1.1
AASB 9.5.1.3

ii. Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value or amortised cost using the effective interest rate method. The subsequent measurement depends on the classification of the financial instrument as described below.

Financial assets

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

AASB 9.4.1.2

- 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; and
- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method and are subject to impairment. Interest income, foreign exchange gains and losses, impairment and any gain or loss on derecognition are recognised in profit or loss.

AASB 9.5.7.2

The School's financial assets at amortised cost include cash and cash equivalents and trade receivables.

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AASB 1060.25(e)

For the year ended 31 December 2026

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"): AASB 9.4.1.2A

- 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; and
- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.

All other financial assets are subsequently measured at FVTPL, except that the School has elected to present subsequent changes in fair value of investments in equity instruments in other comprehensive income. AASB 9.4.1.4

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method. AASB 9.4.2.1

iii. Derecognition

Financial assets
The School derecognises financial assets when the rights to receive cash flows from the asset have expired or the School transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of the financial asset are transferred or in which the School neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. AASB 9.3.2.3

Financial liabilities
The School derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. When the terms of a financial liability are modified and the cash flows of the modified liability are substantially different, the School also derecognises the financial liability. In this case, a new financial liability based on the modified terms is recognised at fair value. AASB 9.3.3.1–3.3.2

iv. Offsetting

The School offsets financial assets and financial liabilities and presents the net amount in the Statement of Financial Position only when the School has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. AASB 132.42

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AASB 1060.25(e)

For the year ended 31 December 2026

l) Employee benefits obligations

i. Short-term employee benefits obligations

Short-term employee benefits are expensed as the related service is provided. Provision is made for the School's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. AASB 119.11

ii. Other long-term employee benefits obligations

Employee benefits expected to be settled more than 12 months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss. AASB 119.155-156

The obligations are presented as current liabilities in the Statement of Financial Position if the School does not have the right as at the reporting date to defer settlement of the liability for at least 12 months after year end regardless of the classification of the liability for measurement purposes under AASB 119 *Employee Benefits*. AASB 1060.40

iii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The School has no further payment obligations once the contributions have been paid. AASB 119.51

m) Provisions

Provisions are recognised when the School 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 are not recognised for future operating losses. AASB 137.14 AASB 137.63

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Discount rates used are pre-tax rates that reflect current market assessments of the time value of money and risks specific to the School. AASB 137.45 AASB 137.47

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which it belongs.

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AASB 1060.25(e)

For the year ended 31 December 2026

n) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

AASB 123.8

All other borrowing costs are recognised as an expense in the period in which they are incurred.

o) Goods and services tax ("GST")

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

UIG Int 1031.6-11

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

Disclosures not applicable to the School and not illustrated:

Initial application of an Australian Accounting Standard

AASB 1060.106

When the initial application of an Australian Accounting Standard has an effect on the current period or any prior period, or might have an effect on future periods, an entity shall disclose the following:

a. the nature of the change in accounting policy;
b. for the current period and each prior period presented, to the extent practicable, the amount of the adjustment for each financial statement line item affected;
c. the amount of the adjustment relating to periods before those presented, to the extent practicable; and
d. an explanation if it is impracticable to determine the amounts to be disclosed in (b) or (c).

Financial statements of subsequent periods need not repeat these disclosures.

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For the year ended 31 December 2026

	Note	2026 $	2025 $	
5. Revenue and other income				
(a) Revenue from contracts with customers[1]				AASB 1060.157(b) AASB 1060.229
Operating activities:				
Tuition fees		**49,336,561**	47,636,679	
Enrolment and application fees		**1,041,221**	1,161,420	
Sale of goods		**84,035**	86,050	
Excursion fees		**150,025**	-	
		50,611,842	48,884,149	
Government grants:				
Recurrent – federal government grants		**8,704,579**	8,382,983	
Recurrent – state government grants		**3,339,296**	3,188,685	
Recurrent – other grants		**354,670**	22,467	
Non-recurrent – buildings grants	(i)	**822,614**	954,224	AASB 1060.233
		13,221,159	12,548,359	
Total revenue from contracts with customers		**63,833,001**	61,432,508	
Represented by:				AASB 1060.157(b)
Revenue recognised at a point in time		**588,730**	108,517	
Revenue recognised over time		**63,244,271**	61,323,991	
Total revenue from contracts with customers		**63,833,001**	61,432,508	

There were no amounts recognised as contract assets for the year ended 31 December 2026. AASB 1060.159

i. Non-recurrent – buildings grants

The School received a grant of $3,500,000 from the State Government for the construction of additional classrooms. The School's obligations under the grant agreement are satisfied over time as and when each specified construction milestone is met. The amount of grant funding allocated to each milestone becomes non-refundable upon satisfying the milestone. AASB 1060.226 AASB 1060.234-237

As at 31 December 2026, satisfaction of milestones relating to $1,500,000 of the grant funding milestones remain unmet and those funds have been recognised as unearned income (refer Note 15). $1,200,000 of this unearned funding is expected to be recognised as income in the subsequent financial year with the balance expected to be recognised as income when construction is expected to be completed during 2028.

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Notes to the financial statements

For the year ended 31 December 2026

	Note	2026 $	2025 $
(b) Other income			
			AASB 1060.226-229
Donations received from:			
- Third party supporters		**577,592**	537,967
- Related parties	24(b)	**107,650**	45,200
		685,242	583,167
Special purpose funding	(i)	**500,000**	-
Volunteer services	(ii)	**94,000**	-
Other income		**85,028**	80,037
		1,364,270	663,204

i. Special purpose funding

The School received grant funding of $500,000 during the financial year to provide tuition support services and counselling support to children with special needs and their parents and carers. The School has discretion as to the nature, quantity and timing of the support programs although the use of these funds is restricted to delivering support services to students with special needs and counselling support to parents and carers in need. This funding has been recognised as revenue on receipt in accordance with AASB 1058 *Income of Not-for-Profit Entities*. At 31 December 2026, $450,000 of this grant remains unspent. The School has budgeted to spend the remaining funds during the next financial year.

ii. Volunteer services

The School received voluntary services from parents as teachers' aides during the year by providing in-class assistance to students studying certain foreign languages. The related non-cash expense is included in employee benefits expenses. AASB 1060.226

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For the year ended 31 December 2026

Disaggregation of revenue[1]

AASB 1060.157(b)
AASB 15.B88-B89
AASB 1060.227

The School presented disaggregated revenue based on the type of revenue.

Entities will need to make this determination based on entity-specific factors that would be most meaningful to the users of the financial statements.

Other categories that could be used as basis for disaggregation could include:

- Nature or type of services
- Source of revenue
- Timing of transfer of goods and services (i.e. point in time or over time)

An entity aggregates or disaggregates disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.

Disclosures not applicable to the School and not illustrated:

Non-contractual income arising from statutory requirements

AASB 1060.230-232

An entity shall disclose income arising from statutory requirements (such as taxes, rates and fines) recognised during the period, disaggregated into categories that reflect how the nature and amount of income (and the resultant cash flows) are affected by economic factors.

In relation to such income, an entity shall consider disclosing information in accordance with AASB 1058 *Income of Not-for-Profit Entities* about assets such as receivables that are non-financial assets and interest income or impairment losses in relation to those receivables as well as liabilities such as financial liabilities relating to prepaid taxes or rates.

If the taxation income of an entity cannot be measured reliably, an entity shall disclose information about the nature of the tax, reasons why the income can't be reliably measured and when the uncertainty might be resolved.

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Notes to the financial statements

For the year ended 31 December 2026

	Note	2026 $	2025 $	
6. Finance costs				
Finance costs – lease interest	16	**77,809**	81,321	AASB 1060.119(a)(iv)
Finance costs – commercial bills	18	**291,041**	-	AASB 1060.119(a)(iv)
		368,850	81,321	

Disclosures not applicable to the School and not illustrated:

Items of income, expense, gains or losses AASB 1060.119

An entity shall also disclose the following items of income, expense, gains or losses:

- Income, expense, gains or losses, including changes in fair value, recognised on:
  - i. financial assets measured at FVTPL;
  - ii. financial liabilities measured at FVTPL;
  - iii. investments in equity instruments designated at FVTOCI in accordance with AASB 9.5.7.5 *Financial Instruments*; and
  - iv. financial assets measured at fair value through other comprehensive income in accordance with AASB 9.4.1.2A, showing separately the amount of gain or loss recognised in other comprehensive income during the period and the amount reclassified upon derecognition from accumulated other comprehensive income to profit or loss for the period
- The amount of any impairment loss for each class of financial asset

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	2026 $	2025 $	
7 Employee benefits expense[1]			
Employee benefits expense includes the following specific expenses:			
Superannuation guarantee contributions	**4,647,098**	**4,610,337**	AASB 1060.172

Employee benefits expense[1]

AASB 1060.171
AASB 1060.173

There is no requirement under AASB 1060 to disclose the breakdown of short-term employee benefits such as wages and salaries or annual leave.

However, an entity should disclose any share-based payment expenses as well as any transactions taken to the statement of profit or loss and other comprehensive income which relate to post-employment obligations, including both defined benefit and defined contribution plans if applicable.

Breakdown of other expenses

AASB 1060.91(c)

There is no requirement to disclose the breakdown of other expenses.

However, the information can be presented if management considers this to be relevant to the understanding of the financial performance of the entity.

Disclosures not applicable to the School and not illustrated:

Impairment of assets

AASB 1060.169-170

An entity shall disclose the amount of impairment losses/reversals recognised in profit or loss during the period and the line item(s) in the statement of profit or loss and other comprehensive income (and in the statement of profit or loss, if presented) in which those impairment losses are included or reversed for the following classes of assets:

- Property, plant and equipment
- Investment property accounted for by the cost method
- Goodwill
- Intangible assets other than goodwill
- Investments in associates
- Investments in joint ventures.

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For the year ended 31 December 2026

8. Cash and cash equivalents

Cash and cash equivalents reported in the Statement of Cash Flows[1]: AASB 1060.88

	Note	2026 $	2025 $
Cash on hand		**6,000**	6,000
Cash at bank	(b)	**29,254,401**	25,664,394
Cash at bank – Scholarship Fund	(b), 20(a)	**141,823**	561,237
Cash at bank – Building Fund	(b), 20(b)	**3,341,361**	1,507,451
		32,743,585	27,739,082

(a) Cash at bank

Cash at bank earns interest at floating rates based on daily bank deposit rates. AASB 1060.114

(b) Restricted cash

The School operates deductible gift recipient scholarship and Building Funds. These funds, totalling $3,483,184 (2025: $2,068,688), are not available to meet the general operating expenses of the School and must be used in relation to scholarships and school buildings. AASB 1060.89

Included in cash at bank is unspent grant funding of $450,000 which is restricted to delivering tuition support services and counselling support to children with special needs and their parents and carers.

In April 2022, IFRS Interpretations Committee considered whether a contractual obligation with a third party to keep a specified amount of cash in a separate demand deposit and to use the cash only for specified purposes represented a component of cash and cash equivalents. The Committee noted that restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash. IFRSIC Agenda Decision (April 2022)

(c) Non-cash financing and investing transactions

During the financial year, the School entered into equipment leases resulting in the non-cash recognition of additional right-of-use assets of $65,275 (2025: Nil). Refer Notes 13 and 16. AASB 1060.86-87

[1] Components of cash and cash equivalents AASB 1060.88 AASB 107.7-8

AASB 1060 requires the components of cash and cash equivalents to be presented. Additionally, the standard also requires the reconciliation of the amounts presented in the Statement of Cash Flows to the equivalent items presented in the Statement of Financial Position if such amounts differ.

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	Note	2026 $	2025 $	
9. Trade and other receivables				
Current				
Trade receivables	(a)	**2,020,621**	1,699,177	AASB 1060.44(b)
Less: Provision for expected credit loss		**(728,421)**	(657,517)	AASB 1060.119(c)
Trade receivables at amortised cost		**1,292,200**	1,041,360	AASB 1060.113(b)
Amounts due from related parties	(a)	**-**	1,045	AASB 1060.44(b)
Net GST receivable		**340,364**	263,595	AASB 1060.44(b)
		1,632,564	1,306,000	

(a) Terms and conditions of the above receivables

Trade receivables are non-interest bearing and are generally due for settlement no more than 14 days from the date of the invoice. AASB 1060.114

Refer to Note 24 for terms and conditions with related parties. AASB 1060.198(b)(i)

Disclosures not applicable to the School and not illustrated:

Derecognition AASB 1060.116

If the entity has transferred financial assets to another party in a transaction that does not qualify for derecognition, the entity discloses the following for each class of such financial assets:

- The nature of the assets
- The nature of the risks and rewards of ownership to which the entity remains exposed
- The carrying amounts of the assets and of any associated liabilities that the entity continues to recognise.

Collateral AASB 1060.117

When an entity has pledged financial assets as collateral for liabilities or contingent liabilities, it shall disclose the following:

- The carrying amount of the financial assets pledged as collateral
- The terms and conditions relating to its pledge.

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	2026 $	2025 $	
10. Inventories			
Current			
Uniform shop – at cost	**22,450**	23,265	AASB 1060.123(b)
Book shop – at cost	**7,110**	6,810	AASB 1060.123(b)
	29,560	30,075	

Cost of inventories sold to customers amounting to $43,861 (2025: $72,312) was recognised as an expense during the year. AASB 1060.123(c)

In 2026, $2,800 (2025: $900) was recognised as an expense for inventories carried at net realisable value. AASB 1060.123(d)

Disclosures not applicable to the School and not illustrated:

Classification of inventories AASB 1060.44(c)

An entity shall disclose separately, either in the Statement of Financial Position or in the notes, the following amounts of inventories:

- In the process of production for sale in the ordinary course of business
- In the form of materials or supplies to be consumed in the production process or in the rendering of services

Inventories pledged as securities AASB 1060.123(e)

An entity shall disclose the total carrying amount of inventories pledged as security for liabilities.

Inventories held for distribution by not-for-profit entities AASB 1060.124

A not-for-profit entity shall also disclose the basis on which any loss of service potential of inventories held for distribution is assessed, or the bases when more than one basis is used.

11. Other assets			
Current			
Prepayments	**1,615,992**	858,936	AASB 1060.44(b)

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	Note	2026 $	2025 $	
12. Property, plant and equipment				
Non-current				
Land and buildings				AASB 1060.44(a)
Land and buildings – at cost		**22,145,564**	21,264,378	AASB 1060.134(d)
Less: accumulated depreciation		**(12,286,747)**	(11,790,343)	AASB 1060.134(d)
	(a)	**9,858,817**	9,474,035	
School equipment				AASB 1060.44(a)
School equipment – at cost		**22,272,373**	22,237,155	AASB 1060.134(d)
Less: accumulated depreciation		**(13,489,007)**	(12,509,235)	AASB 1060.134(d)
		8,783,366	9,727,920	
Leasehold improvement				AASB 1060.44(a)
Leasehold improvement – at cost		**33,166,409**	29,753,065	AASB 1060.134(d)
Less: accumulated depreciation		**(17,006,257)**	(14,072,773)	AASB 1060.134(d)
		16,160,152	15,680,292	
Capital work in progress				
Capital work in progress – at cost		**1,996,838**	1,604,724	AASB 1060.44(a)
Total property, plant and equipment		**36,799,173**	36,486,971	

(a) Assets pledged as security

Land and buildings of the School with an aggregate carrying value of $3,500,000 as at 31 December 2026 (2025: $Nil) have been pledged to secure the commercial bill of the School. The School is restricted in pledging these assets as security for other borrowings or to sell them to another entity. Refer to Note 18. AASB 1060.135(a)

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For the year ended 31 December 2026

(b) Movements in the carrying amount of property, plant and equipment [1]

2026	Land and buildings $	School equipment $	Capital work in progress $	Leasehold improvement $	Total $	AASB 1060.134(e)
Opening balance	**9,474,035**	**9,727,920**	**1,604,724**	**15,680,292**	**36,486,971**	
Additions	**35,896**	**1,322,175**	**1,042,614**	**2,321,177**	**4,721,862**	AASB 1060.134(e)(i)
Transfers/reclassifications	**845,289**	**(1,313,370)**	**(650,500)**	**1,118,581**	**-**	AASB 1060.134(e)(viii)
Depreciation expense	**(496,403)**	**(953,359)**	**-**	**(2,959,898)**	**(4,409,660)**	AASB 1060.134(e)(vii)
Closing balance	**9,858,817**	**8,783,366**	**1,996,838**	**16,160,152**	**36,799,173**	

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Disclosures not applicable to the School and not illustrated:	
Reconciliation of the carrying amount[1] Movements in the carrying amount of property, plant and equipment shall separately show: ▪ Assets classified as held for sale or included in a disposal group classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* and other disposals. ▪ Acquisitions through business combinations. ▪ Increases or decreases resulting from revaluations under AASB 116 *Property, Plant and Equipment* and from impairment losses recognised or reversed in other comprehensive income in accordance with AASB 136 *Impairment of Assets.* ▪ Transfers to and from investment property carried at fair value through profit or loss (see AASB 140.57 *Investment Property*) ▪ Impairment losses recognised or reversed in profit or loss in accordance with AASB 136 *Impairment of Assets.* ▪ Other changes.	AASB 1060.134(e)
Fair value of investment property at cost cannot be reliably measured An entity that has investment property whose fair value cannot be measured reliably shall disclose that fact and the reasons why fair value cannot be measured reliably for those items of investment property.	AASB 1060.135(c)
Revaluation of property, plant and equipment An entity shall also disclose the following if items of property, plant and equipment are stated at revalued amounts: ▪ Effective date of the revaluation. ▪ Whether an independent valuer was involved. ▪ Methods and significant assumptions applied in estimating the items' fair values. ▪ Revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders.	AASB 1060.136

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For the year ended 31 December 2026

	Note	2026 $	2025 $	
13. Right-of-use assets				AASB 1060.44(a)
Non-current				
Right-of-use assets – at cost		**2,908,386**	2,843,111	
Less: Accumulated amortisation		**(349,464)**	(174,052)	
	(a)	**2,558,922**	2,669,059	

(a) Movements in the carrying amount of right-of-use assets

Land and buildings			AASB 1060.144(a)
Opening balance	**2,511,417**	2,666,194	
Less: Amortisation expense	**(154,299)**	(154,777)	1060.133(e)(vii)
Closing balance	**2,357,118**	2,511,417	
Other Equipment			AASB 1060.144(a)
Opening balance	**157,642**	176,917	
Add: Lease additions	**65,275**	-	
Less: Amortisation expense	**(21,113)**	(19,275)	1060.133(e)(vii)
Closing balance	**201,804**	157,642	
Total	**2,558,922**	2,669,059	

Refer Note 16 for further details of the School's leasing arrangements.

Disclosures not applicable to the School and not illustrated:

Right-of-use assets that meet the definition of investment property AASB 1060.133

A lessee that holds a right-of-use asset that is an investment property provides lessees' disclosures in paragraphs 144 and 146 of AASB 1060.

Right-of-use assets are measured at revalued amount AASB 1060.136

Where right-of-use assets are measured at revalued amounts, an entity discloses:

- The effective date of the revaluation.
- Where an independent valuer was involved.
- The methods and significant assumptions applied in estimating the items' fair values.
- The revaluation surplus, including the change for the period and any restrictions on the distribution of the balance to shareholders.

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Notes to the financial statements

For the year ended 31 December 2026

	Note	2026 $	2025 $	
14. Trade and other payables				
Current				
Trade payables	(a)	**640,880**	895,065	AASB 1060.44(d)
Other payables	(a)	**303,135**	599,985	AASB 1060.44(d)
Payables to related parties	24	**2,920**	-	AASB 1060.44(d)
Accruals		**354,987**	422,657	AASB 1060.44(d)
Refundable deposits	(b)	**3,661,952**	3,538,304	AASB 1060.44(d)
		4,963,874	5,456,011	

(a) Terms and conditions of trade and other payables

Trade payables are non-interest bearing and are generally due for payment within 30 days of the invoice date. Other payables are non-interest bearing and have an average term of three months.

AASB 1060.114
AASB 1060.198(b)

Refer to Note 24 for terms and conditions for related parties.

(b) Refundable deposits

The refundable deposits comprise fee deposits which are repayable once the family/student has left the School. The amount is required to be classified as a current liability because the School does not have the right to defer settlement past 12 months from balance date.

However, based on past experience, the School does not expect that it will be required to settle the entire liability within the next 12 months.

The amount of refundable deposits that the School expects to be paid longer than 12 months from balance date is $3,197,171 (2025: $3,326,006).

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	Note	2026 $	2025 $	
15. Contract liabilities				AASB 1060.44(d) AASB 1060.159
Current				
Tuition fees in advance		**3,627,203**	4,696,568	
Capital grant	5(a)(i)	**1,500,000**	-	
Enrolment fees – non-refundable	(a)	**1,942,802**	780,709	
		7,070,005	5,477,277	
Non-current				
Enrolment fees – non-refundable	(a)	**6,203,164**	3,648,180	

(a) Non-refundable enrolment fees

As stated in Note 5, non-refundable enrolment fees received upon the acceptance of an offer for placement of a student are considered to be an advance payment for future tuition services and are recognised as revenue over the expected period of tuition, which is estimated to be ten years. The non-refundable enrolment fees are charged on average one year before commencement.

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	Note	2026 $	2025 $
16. Lease liabilities			
Information about leases for which the School is a lessee is presented below. The School did not have any leasing arrangements as a lessor.			
Current			
Lease liability	(a) (b)	**84,088**	132,443
Non-current			
Lease liability	(a)	**2,561,834**	2,555,415

(a) Description of the School's leasing arrangements

The School leases land and buildings for education and teaching purposes. These leases are under agreements of between 20 and 25 years. Lease payments are subject to CPI adjustments every three years. The School has an option to extend all leases for a further ten years after expiry. At each balance date the School reassesses whether it is reasonably certain to exercise the options. As at balance date, the School is not reasonably certain to exercise the options to extend the leases.

AASB 1060.114
AASB 1060.144(c)

The School leases various items of equipment that it uses for teaching and administrative purposes. Equipment leases have fixed lease terms between three and seven years, do not contain extension options, and have fixed lease payments over the lease term.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Generally, the School is restricted from entering into any sub-lease arrangements.

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	2026 $	2025 $	
(b) Amounts recognised in profit or loss			
Expenses relating to short-term leases and leases of low-value assets that are not recognised as right-of-use assets	**88,965**	79,004	AASB 1060.146(b)

Future lease payments[1]

The future minimum lease payments arising under the School's lease contracts at the end of the reporting period are as follows: AASB 1060.144(b)

- Not later than one year	**82,095**	130,842
- Later than one year and not later than five years	**1,404,932**	1,523,973
- Later than five years	**1,223,575**	1,186,673
Closing balance as at 31 December	**2,710,602**	2,841,488

(c) Leases with significantly below-market terms and conditions[2]

The School entered into a ten year concessional lease under which the local council provided additional land at Street 2 for the School's use at significantly below-market terms. The School is only permitted to use the land for sporting activities by the School's students. AASB 1060.151

Future lease payments[1] AASB 1060.144(b)

Disclosures of future minimum lease payments are made on an undiscounted basis.

Leases with significantly below-market terms and conditions[2] AASB 1060.152

The disclosures provided by a not-for-profit entity in accordance with AASB 1060.151 are provided individually for each material lease that has significantly below-market terms and conditions principally to enable the entity to further its objectives or in aggregate for leases involving right-of-use assets of a similar nature.

An entity should consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements. An entity should aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.

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For the year ended 31 December 2026

	2026 $	2025 $	
17. Provisions			
Current			
Employee benefits obligation			AASB 1060.44(e)
Long service leave	**4,116,197**	4,236,449	
Annual leave	**1,064,161**	1,201,045	
Fringe benefits	**340,948**	248,933	
	5,521,306	5,686,427	
Non-current			
Employee benefits obligation			AASB 1060.44(e)
Long service leave	**584,716**	787,015	

Employee benefit obligations are presented as current liabilities where the School does not have the right as at reporting date to defer settlement for at least 12 months after year end. However, based on past experience, the School does not expect all employees to take the full amount of accrued entitlements or require payment within the next 12 months. AASB 1060.91(c)

Employee benefit obligations expected to be settled within 12 months	**1,508,936**	1,315,487

Disclosures not applicable to the School and not illustrated:

Disclosures about provisions AASB 1060.153

For each class of provision (other than employee benefits), an entity shall disclose all of the following:

- A reconciliation showing:
  - i. The carrying amount at the beginning and end of the period;
  - ii. Additions during the period, including adjustments that result from changes in measuring the discounted amount;
  - iii. Amounts charged against the provision during the period; and
  - iv. Unused amounts reversed during the period;
- A brief description of the nature of the obligation and the expected amount and timing of any resulting payments
- An indication of the uncertainties about the amount or timing of those outflows
- The amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.

Comparative information for prior periods is not required.

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Notes to the financial statements

For the year ended 31 December 2026

	2026 $	2025 $
18. Borrowings		
Non-current		
Secured commercial bill	**2,825,041**	-

A commercial bill facility of $4,000,000 (2025: $Nil) was available to the School at balance date. The facility is repayable in full in March 2031 and bears a variable interest rate at a margin of 1.8% above the 90-day Bank Bill Swap rate ("BBSW") throughout the term of the facility. The facility is secured by a fixed and floating charge over all the assets of the School. AASB 1060.114 AASB 1060.117

The facility is subject to an annual review conducted in August whereby the lender may reduce or cancel the facility within 90 days if, in the lender's opinion, there is a material adverse change affecting the business or financial condition of the company. The facility is also subject to financial (times interest cover) and non-financial (minimum student enrolment) covenants measured at each annual review date. The School would have complied with the covenants if they were assessed based on the School's circumstances at balance date. AASB 1060.47A

Disclosures not applicable to the School and not illustrated:

Defaults and breaches on loan payable AASB 1060.118

For loans payable recognised at the reporting date for which there is a breach of terms or a default of principal, interest, sinking fund or redemption terms that have not been remedied by the reporting date, an entity shall disclose the following:

- Details of that breach or default
- The carrying amount of the related loans payable at the reporting date
- Whether the breach or default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.

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19. Members' guarantee

SDS School Example Limited is a company limited by guarantee and, consequently, does not have share capital. In the event of, and for the purpose of winding up of the School, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up is $10 (2025: $10). AASB 1060.46

At 31 December 2026 the collective liability of members was $1,570 (2025: $1,230), based on 157 (2025: 123) current ordinary members.

20. Reserves

AASB 1060.46

	Note	2026 $	2025 $	
Scholarship Fund Reserve	(a)	**141,823**	561,237	AASB 1060.44(f)
Building Fund Reserve	(b)	**3,341,361**	1,507,451	AASB 1060.44(f)
		3,483,184	2,068,688	

(a) Scholarship Fund Reserve[1]

The School operates a deductible gift recipient Scholarship Fund. The Scholarship Fund receives voluntary tax-deductible donations from parents and friends solely to provide money for eligible scholarships and bursaries. The School recognises all Scholarship Fund donations and interest in the profit or loss for the period and tracks the balance of the Scholarship Fund in a separate reserve. The table below reconciles the movement in the reserve in the period. AASB 1060.44(f))

Opening balance	**561,237**	-
Add: Donation and interest received	**138,175**	561,237
Less: Transfers to the School for scholarship payments	**(557,589)**	-
Closing balance	**141,823**	561,237

(b) Building Fund Reserve[1]

The School operates a deductible gift recipient Building Fund. The Building Fund receives voluntary tax-deductible donations from parents and friends which are available for the acquisition, construction or maintenance of School buildings. The School recognises all Building Fund donations and interest in the profit or loss for the period and tracks the balance of the Building Fund in a separate reserve. The table below reconciles the movement in the reserve in the period. AASB 1060.44(f)

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For the year ended 31 December 2026

	2026 $	2025 $
Opening balance as at 1 January	**1,507,451**	-
Add: Donation and interest received	**1,985,169**	1,507,451
Less: Transfers to the School for maintenance of school buildings	**(151,259)**	-
Closing balance as at 31 December	**3,341,361**	1,507,451

Deductible gift recipient funds ("DGR")[1]

SDS School Example Limited operates DGR funds within the School entity. It is common for Schools to establish separate entities (e.g. Foundations) to operate DGR funds and other fundraising activities. For Schools preparing General Purpose Financial Reports, consideration needs to be given to whether these separate entities need to be consolidated with the School in accordance with AASB 10 *Consolidated Financial Statements*.

21. Financial instruments

The School's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable, accounts payable and borrowings.

The carrying amounts for each category of financial instruments as detailed in the accounting policies to these financial statements, are as follows:

(a) Financial assets[1]

AASB 1060.113(b)

	Note	2026 $	2025 $
Current			
Financial assets measured at amortised cost:			
Cash and cash equivalents	8	**32,743,585**	27,739,082
Trade and other receivables	9	**1,292,200**	1,041,360
Total financial assets		**34,035,785**	28,780,442

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Notes to the financial statements

For the year ended 31 December 2026

(b) Financial liabilities[1]

Current	Note	**2026 $**	**2025 $**	
Financial liabilities measured at amortised cost:				AASB 1060.113(d)
Trade and other payables	14	**4,963,874**	5,456,011	
Non-current				
Financial liabilities measured at amortised cost:				AASB 1060.113(d)
Borrowings	18	**2,825,041**	-	
Total financial liabilities		**7,788,915**	5,456,011	

Financial assets and liabilities[1]

Contract assets, prepayments, contract liabilities (e.g., tuition fees received in advance), GST receivable, and refund liabilities are amongst items which do not meet the definition of a financial instrument and need not be included in the note above.

Disclosures not applicable to the School and not illustrated:

Financial instruments at fair value AASB 1060.113 (a), (c), (e)

Where applicable, an entity shall disclose in the above table the carrying amounts of each of the following categories of financial assets and financial liabilities at the reporting date:

- Financial assets measured at fair value through profit or loss ("FVTPL");
- Financial liabilities measured at FVTPL;
- Financial assets measured at fair value through other comprehensive income ("FVTOCI"), showing separately:
  - i. financial assets that are measured at FVTOCI in accordance with AASB 9.4.1.2A *Financial Instruments*; and
  - ii. investments in equity instruments designated as such upon initial recognition in accordance with AASB 9.5.7.5 *Financial Instruments*.

Basis for determining fair value AASB 1060.115

For all financial assets and financial liabilities measured at fair value, the entity shall disclose the basis for determining fair value. When a valuation technique is used, the entity shall disclose the assumptions applied in determining fair value for each class of financial assets or financial liabilities.

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Notes to the financial statements

For the year ended 31 December 2026

Derecognition AASB 1060.116

If an entity has transferred financial assets to another party in a transaction that does not qualify for derecognition (see AASB 9.3.2.15 *Financial Instruments*), the entity shall disclose the following for each class of such financial assets:

- The nature of the assets
- The nature of the risks and rewards of ownership to which the entity remains exposed
- The carrying amounts of the assets and of any associated liabilities that the entity continues to recognise.

Items of income, expense, gains or losses AASB 1060.119

An entity shall disclose income, expense, gains or losses, including changes in fair value, recognised on financial assets and financial liabilities recognised at FVTPL or amortised cost, investments in equity instruments at FVTOCI, and financial assets at FVTOCI in accordance with AASB 9.4.1.2A *Financial Instruments*. An entity shall also disclose the total interest income and total interest expense for financial assets or financial liabilities not measured at FVTPL as well as any impairment loss for each financial asset class.

22. Commitments

(a) Capital commitments

As at 31 December 2026, the School had capital commitments of approximately $540,000 (2025: $600,000) in relation to building improvements. AASB 1060.135(b)

(b) Short term leases and leases of low-value assets AASB 1060.146(a)

The future lease payments for non-cancellable lease contracts not capitalised in the financial statements are as follows:

	2026	**2025**
	$	**$**
- Not later than one year	**57,758**	62,445
- Between one year and five years	**11,432**	6,680
- Later than five years	**7,242**	4,545
	76,432	73,670

The above lease commitments for short-term leases and leases of low-value assets are dissimilar to the portfolio of leases recognised in Note 16.

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Notes to the financial statements

For the year ended 31 December 2026

(c) Other commitments

The School has entered into lease contracts that have not commenced at 31 December 2026. The future cash outflows to which the School is potentially exposed for these non-cancellable lease contracts are as follows: AASB 1060.188

	2026 $	2025 $
- Not later than one year	**11,820**	10,820
- Between one year and five years	**70,000**	65,000
- Later than five years	**25,290**	20,290
	107,110	96,110

Disclosures not applicable to the School and not illustrated:

Commitments relating to joint ventures AASB 1060.129(d)

An entity shall disclose the aggregate amount of its commitments relating to joint ventures, including its share in the capital commitments that have been incurred jointly with other venturers, as well as its share of the capital commitments of the joint ventures themselves.

Commitments relating to investment property AASB 1060.132(d)

An entity shall disclose the contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements of investment property.

Contractual commitments for the acquisition of intangible assets AASB 1060.138(d)

An entity shall disclose the amount of contractual commitments for the acquisition of intangible assets.

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23. Contingent liabilities

The School received government grants for capital works in the current and previous periods that may require full or partial repayment if the related assets are disposed or cease to be used for approved purposes within ten years of their acquisition. AASB 1060.154

The maximum possible liability relating to the repayment of those grants at 31 December 2026 is $5,752,000 (2025: $5,752,000). The Directors are of the opinion that the conditions relating to the grants will continue to be complied with and that it is not probable that a repayment of this amount will be required.[1]

Additional guidance	
Remote possibility of outflow[1] Where the possibility of an outflow is remote, contingent liability disclosure can be omitted. **Disclosures not applicable to the School and not illustrated:**	
Contingent assets If an inflow of economic benefits is probable (more likely than not) but not virtually certain, an entity shall disclose a description of the nature of the contingent assets at the end of the reporting period and, where practicable, an estimate of their financial effect, measured using the principles set out AASB 137.36-52 *Provisions, Contingent Liabilities and Contingent Assets*. If impracticable to do so, the entity shall state the fact.	AASB 1060.155
Prejudicial disclosures In extremely rare cases, disclosure of some or all of the information required by AASB 1060.153–155 can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset. In such cases, an entity need not disclose the information, but shall disclose the general nature of the dispute, together with the fact that, and reason why, the information has not been disclosed.	AASB 1060.156
Termination benefits When there is uncertainty about the number of employees who will accept an offer of termination benefits, a contingent liability exists unless the outflow in settlement is remote.	AASB 1060.175

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24. Related parties

AASB 1060.190-191
AASB 1060 (Appendix A)

Related parties

In considering each possible related party relationship, an entity shall assess the substance of the relationship and not merely the legal form. The definition of a related party includes the following persons and entities:

a. A person (or a close member of that person's family) is related to the reporting entity if the person:
   i. is a member of the key management personnel of the reporting entity, or of a parent of the reporting entity;
   ii. has control or joint control over the reporting entity; or
   iii. has significant influence over the reporting entity.

b. The reporting entity (Entity 1) is related to another entity (Entity 2) if:
   i. Entity 1 and Entity 2 are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   ii. Entity 1 is an associate or joint venture of Entity 2. (or an associate or joint venture of a member of a group of which Entity 2 is a member).
   iii. Entity 1 and Entity 2 are joint ventures of the same third party (Entity 3).
   iv. Entity 1 is a joint venture of Entity 3 and Entity 2 is an associate of Entity 3 (or vice versa).
   v. Entity 2 is a post-employment benefit plan for the benefit of employees of Entity 1 or an entity related to Entity 1. If Entity 1 is itself a post-employment benefit plan, any sponsoring employers are also related to Entity 1.
   vi. Entity 2 is controlled or jointly controlled by a person identified in (a) above.
   vii. a person who has control or joint control over Entity 1 has significant influence over Entity 2 or is a member of the key management personnel of Entity 2, or
   viii. Entity 2 (or any member of the group of which Entity 1 is a part) provides key management personnel services to Entity 1 or Entity 1's parent.

The following are not necessarily related parties in the context of AASB 1060:

- Two entities simply because they have a director or other member of key management personnel in common
- Two venturers simply because they share joint control over a joint venture
- Providers of finance, trade unions, public utilities or government departments and agencies simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process)
- A customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, merely by virtue of the resulting economic dependence.

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(a) Transactions with key management personnel

AASB 1060.199(c)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

AASB 1060.193

ii. Key management personnel compensation

Key management personnel compensation comprised short-term employee benefits, other long-term employment benefits and post-employment benefits.

	2026 $	2025 $	
Key management personnel compensation	**988,675**	982,724	AASB 1060.194

The above amounts include compensation of $250,000 (2025: $225,000) for key management personnel services obtained from a separate management entity.

AASB 1060.196

iv. Key management personnel transactions

Key management personnel of the School hold positions of control in another company which transacted with the School during the year. The aggregate value of transactions and outstanding balances related to this were as follows:

AASB 1060.199(c)
AASB 1060.203

Purchase of repairs and maintenance

AASB 1060.201

Transaction values for the year ended 31 December	**42,250**	17,640	AASB 1060.198(a)
Amount owing by the School as at 31 December	**7,322**	-	AASB 1060.198(b)

The School purchased repairs and maintenance services from a company controlled by a Director of the School. Amounts were billed based on market rates for such services and were due and payable under normal payment terms in similar transactions with non-key management personnel-related companies on an arm's length basis.[1]

AASB 1060.202

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For the year ended 31 December 2026

	2026 $	2025 $	
Purchases of stationery supplies			AASB 1060.201
Transaction values for the year ended 31 December	**2,920**	-	AASB 1060.198(a)
Amount owing by the School as at 31 December	**2,920**	-	AASB 1060.198(b)

The School purchased stationery supplies from a company controlled by a Director of the School. Purchases were made below-market price and on payment terms to reflect the relationships between the parties. AASB 1060.202

(b) Transactions with other related parties AASB 1060.199(d)

i. SDS School Example Foundation

Income received	**107,650**	45,200	AASB 1060.198(a)
Amount owed to the School as at 31 December	**-**	1,045	AASB 1060.198(b)

The SDS School Foundation provides financial and other assistance to the School to assist the School to achieve its vision for its past, present and future students. The Foundation supports the School through donations, grants, and settlement of liabilities on behalf of the School.[1] AASB 1060.198(b)-(d)

[1] Foundations

It is common for Schools to establish Foundations to operate DGR funds and other fundraising activities. For Schools preparing General Purpose Financial Reports, consideration needs to be given to whether these separate entities need to be consolidated with the School in accordance with AASB 10 *Consolidated Financial Statements*. AASB 1060.104

Disclosures not applicable to the School and not illustrated:

Disclosure of parent-subsidiary relationships AASB 1060.192

Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been related party transactions. An entity shall disclose the name of its parent and, if different, the ultimate controlling party.

If neither the entity's parent nor the ultimate controlling party produces financial statements available for public use, the name of the next most senior parent that does so (if any) shall also be disclosed.

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Commitments to related parties AASB 1060.198

Disclose the amount of commitments to related parties, including committed future sales or purchases as at the end of the reporting period, as well as the applicable terms and conditions.

Other required disclosures AASB 1060.201

AASB 1060.201 contains additional examples of transactions that shall be disclosed if they are with a related party.

	2026 $	2025 $
25. Auditors' remuneration		
(a) Nexia Australia		
Audit of the financial report	**83,500**	83,000
Other assurance services:		
- Grant acquittals	**9,640**	8,600
	93,140	91,600
(b) Other Nexia network firms		
Indirect tax services	**5,400**	3,016

AASB 1060.98-99

Auditors' remuneration AASB 1060.98-99

AASB 1060 requires separate disclosure of fees for the audit or review of the financial report as well as all other services performed during the reporting period by each auditor or reviewer, including any network firms, and a description of the nature of other services.

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26. Events occurring after the reporting date

On 17 February 2027, the top floor of Block A of the School building was damaged by a fire. The School had safely evacuated all students and staff members at the time of the fire. Insurance claims have been lodged with the Company's insurers. Other than the insurance excess of $25,000 which is payable by the School, it is expected that the proceeds from insurance will cover the costs of restoring the damaged property and equipment.

AASB 1060.187-188

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the School, the results of those operations or the state of affairs of the School in future years.

AASB 1060.188

Examples of non-adjusting events

The following are examples of non-adjusting events after the end of the reporting period that would generally result in disclosure. The disclosures will reflect information that becomes known after the end of the reporting period but before the financial statements are authorised for issue:

- A major business combination.
- Announcement of a plan to discontinue an operation.
- Major purchases of assets, classification of assets as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, disposals of assets, or expropriation of major assets by government.
- The destruction of a major production plant by a fire.
- Announcement, or commencement of the implementation, of a major restructuring.
- Issues or repurchases of an entity's debt or equity instruments.
- Abnormally large changes in asset prices or foreign exchange rates.
- Changes in tax rates or tax laws enacted or announced that have a significant effect on current and deferred tax assets and liabilities.
- Entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees.
- Commencement of a major litigation arising solely out of events that occurred after the end of the reporting period.

End of the financial report

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Appendix 1 – Other disclosures not illustrated

The following is a list of other AASB 1060 disclosure requirements that are not illustrated in this publication.

Issue not illustrated	Description of relevant disclosure, if applicable	
Assets held for sale	If, at the reporting date, an entity has any assets classified as held for sale, or assets and liabilities that are included in a disposal group that is classified as held for sale, the entity shall disclose the following information: • A description of the asset(s) or the group of assets and liabilities • A description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of that disposal.	AASB 1060.47
Imputation credits/franking credits	An entity is required to disclose imputation credits in respect of any New Zealand imputation credits and any Australian imputation credits. An entity shall disclose the amount of imputation credits (such as from the receipt of dividends recognised as receivables at the reporting date) available for use in subsequent reporting period.	AASB 1060.100-102
Consolidated financial statements	An entity preparing consolidated financial statements shall disclose • The fact that the financial statements are consolidated; • The basis for concluding that control exists when the parent doesn't directly or indirectly own through subsidiaries more than 50% of the voting power; • Differences in parent's and subsidiaries' reporting dates in the preparation of consolidated financial statements; • The nature and extent of any significant restrictions on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans; • Related party disclosures as required by AASB 1060.198 for entities over which the entity has control over.	AASB 1060.104 AASB 1060.199(b)
Separate financial statements	An entity preparing separate financial statements shall disclose: • The fact that the financial statements are separate financial statements; • Description of methods used to account for the investments in subsidiaries, joint ventures and associates, and shall identify the consolidated financial statements or other primary financial statements to which they relate.	AASB 1060.105

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Appendix 1 – Other disclosures not illustrated

Issue not illustrated	Description of relevant disclosure, if applicable	
Prior period errors	An entity shall disclose the following about prior period errors: a. the nature of the prior period error; b. for each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected; c. to the extent practicable, the amount of the correction at the beginning of the earliest prior period presented; and d. an explanation if it is not practicable to determine the amounts to be disclosed in (b) or (c). Financial statements of subsequent periods need not repeat these disclosures.	AASB 1060.110
Other Financial Instrument Issues – Hedging Disclosures	An entity shall disclose the following separately for each category of risk exposures that it decides to hedge and for which hedge accounting is applied: • A description of the hedge; • A description of the financial instruments designated as hedging instruments and their fair values at the reporting date; • The nature of the risks being hedged, including a description of the hedged item. For fair value hedges, the entity shall disclose the following: • The amount of the change in fair value of the hedging instrument recognised in profit or loss for the period; • The amount of the change in fair value of the hedged item recognised in profit or loss for the period. For cash flow hedges and hedges of a net investment in a foreign operation, an entity shall disclose the following: • The periods when the cash flows are expected to occur and when they are expected to affect profit or loss; • A description of any forecast transaction for which hedge accounting had previously been used, but which is no longer expected to occur; • The amount of the change in fair value of the hedging instrument that was recognised in other comprehensive income during the period; • The amount that was reclassified to profit or loss for the period; • The amount of any excess of the cumulative change in fair value of the hedging instrument over the cumulative change in the fair value of the expected cash flows that was recognised in profit or loss for the period.	AASB 1060.120-122

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Appendix 1 – Other disclosures not illustrated

Issue not illustrated	Description of relevant disclosure, if applicable	
Investment property	An entity shall disclose the following for all investment property accounted for at fair value through profit or loss: • The methods and significant assumptions applied in determining the fair value of investment property; • The extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and class of the investment property being valued. If there has been no such valuation, that fact shall be disclosed; • The existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal; • Contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements; • A reconciliation between the carrying amounts of investment property at the beginning and end of the period, showing separately: i. additions, disclosing separately those additions resulting from acquisitions through business combinations; ii. net gains or losses from fair value adjustments; iii. transfers to and from investment property carried at cost less accumulated depreciation and impairment (see AASB 140.57 *Investment Property*); iv. transfers to and from inventories and owner-occupied property; and v. other changes. AASB 1060 does not require the reconciliation to be presented for prior periods. In accordance with the section covering Leases, the owner of an investment property provides lessors' disclosures about leases into which it has entered. A lessee that holds a right-of-use asset that is an investment property provides lessees' disclosures as required by that section for any leases into which it has entered.	AASB 1060.132-133

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Appendix 1 – Other disclosures not illustrated

Issue not illustrated	Description of relevant disclosure, if applicable	
Investments in associates	An entity shall disclose: • Its accounting policy for investments in associates; • The carrying amount of investments in associates (AASB 1060.35(i)); • The fair value of investments in associates accounted for using the equity method for which there are published price quotations; • Related party disclosures as required by AASB 1060.198 for entities which the entity has significant influence over. For investments in associates: • Accounted by cost model – Disclose amount of dividends and other distributions recognised as income. • Accounted by equity method – Disclose separately investors' share of the profit or loss and share of other comprehensive income of such associates and its share of any discontinued operations of such associates. • Accounted in accordance with AASB 9 *Financial Instruments* – An investor shall make the disclosures required by AASB 1060.113–115.	AASB 1060.125-128 AASB 1060.52(c) AASB 1060.199(b)
Investments in joint ventures ("JVs")	An entity shall disclose its: • Accounting policy for investments in JVs; • The carrying amount of investments in JVs (AASB 1060.35(j)); • The fair value of investments in JVs accounted for using the equity method for which there are published price quotations; • The aggregate amount of its commitments relating to JVs, including its share in the capital commitments that have been incurred jointly with other venturers, as well as its share of the capital commitments of the JVs themselves; • Related party disclosures as required by AASB 1060.198 for entities which the entity has joint control over. For investments in JVs: • Accounted by equity method – Disclose separately venturer share of the profit or loss and share of other comprehensive income of such JVs and its share of any discontinued operations of such JVs. • Accounted in accordance with AASB 9 *Financial Instruments* – A venturer shall make the disclosures required by AASB 1060.113–115.	AASB 1060.129-131 AASB 1060.52(c) AASB 1060.199(b)

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Appendix 1 – Other disclosures not illustrated

Issue not illustrated	Description of relevant disclosure, if applicable	
Intangible assets other than goodwill	An entity shall disclose the following for each class of intangible assets: • The useful lives or the amortisation rates used; • The amortisation methods used; • The gross carrying amount and any accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the reporting period; • The line item(s) in the primary financial statements in which any amortisation of intangible assets is included; • A reconciliation of the carrying amount at the beginning and end of the reporting period, showing separately: i. Additions; ii. Assets classified as held for sale or included in a disposal group classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* and other disposals; iii. Acquisitions through business combinations; iv. Increases or decreases resulting from revaluations under AASB 138 *Intangible Assets* and from impairment losses recognised or reversed in other comprehensive income in accordance with AASB 136 *Impairment of Assets*; v. Amortisation; vi. Impairment losses recognised or reversed in profit or loss in accordance with AASB 136 *Impairment of Assets*; and vii. Other changes. AASB 1060 does not require the reconciliation to be presented for prior periods. An entity shall also disclose: • A description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the entity's financial statements; • For intangible assets acquired by way of a government grant and initially recognised at fair value (see AASB 138.44 *Intangible Assets*), the fair value initially recognised for these assets; and their carrying amounts; • The existence and carrying amounts of intangible assets to which the entity has restricted title or that are pledged as security for liabilities; • The amount of contractual commitments for the acquisition of intangible assets; • The aggregate amount of research and development ("R&D") expenditure recognised as an expense during the period (See AASB 138.66-67 *Intangible Assets*); • If items of intangible assets are stated at revalued amounts, an entity shall disclose the requirements per AASB 1060.140 *Investment Property;*	AASB 1060.137-141

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Appendix 1 – Other disclosures not illustrated

Issue not illustrated	Description of relevant disclosure, if applicable	
	• For an intangible asset with an indefinite useful life, the carrying amount of that asset and the reasons supporting the assessment of an indefinite useful life as well as a description of the factor(s) that played a significant role in determining that the asset has an indefinite useful life.	
Business combinations and goodwill	For each business combination during the period, the acquirer shall disclose the following: • The names and descriptions of the combining entities or businesses; • The acquisition date; • The percentage of voting equity instruments acquired; • The cost of the combination and a description of the components of that cost (such as cash, equity instruments and debt instruments); • The amounts recognised at the acquisition date for each class of the acquiree's assets, liabilities and contingent liabilities, including goodwill; • The amount of any excess recognised in profit or loss in accordance with AASB 3.34 *Business Combinations* and the line item in the statement of comprehensive income (and in the statement of profit or loss, if presented) in which the excess is recognised; • A qualitative description of the factors that make up the goodwill recognised, such as expected synergies from combining operations of the acquiree and the acquirer, or intangible assets or other items not recognised in accordance with AASB 3.10-14 *Business Combinations;* • For each business combination in which the acquirer holds less than 100 per cent of the equity interests in the acquiree at the acquisition date, the acquirer shall disclose the amount of the non-controlling interest in the acquiree recognised at the acquisition date and the measurement basis for that amount. An acquirer shall disclose a reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period, showing separately: • Changes arising from new business combinations • Impairment losses • Disposals of previously acquired businesses • Other changes. This reconciliation need not be presented for prior periods.	AASB 1060.142-143

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Appendix 1 – Other disclosures not illustrated

Issue not illustrated	Description of relevant disclosure, if applicable	
Leasing activities in the capacity of a lessor	**Disclosures of Finance Leases by Lessors** A lessor shall make the following disclosures for finance leases: • A reconciliation between the gross investment in the lease at the end of the reporting period and the present value of lease payments receivable at the end of the reporting period. In addition, a lessor shall disclose the gross investment in the lease and the present value of lease payments receivable at the end of the reporting period, not later than one year; later than one year and not later than five years; and later than five years; • Unearned finance income; • The unguaranteed residual values accruing to the benefit of the lessor; • The loss allowance for uncollectable lease payments receivable; • Income relating to variable lease payments not included in the measurement of the net investment in the lease; • A general description of the lessor's significant leasing arrangements, including, for example, information about variable lease payments, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements. **Disclosures of Operating Leases by Lessors** A lessor shall disclose the following for operating leases: • The future lease payments under non-cancellable operating leases for not later than one year; later than one year and not later than five years; and later than five years; • Total variable lease payments that do not depend on an index, or a rate, recognised as income; • A general description of the lessor's significant leasing arrangements, including, for example, information about variable lease payments, renewal or purchase options and escalation clauses and restrictions imposed by lease arrangements. In addition, the requirements for disclosure about assets in accordance with the sections covering Property, Plant and Equipment and Investment Property at Cost, Intangible Assets other than Goodwill, and Impairment of Assets apply to lessors for assets provided under operating leases. Disclosure requirements for lessees and lessors apply equally to sale and leaseback transactions. The required description of significant leasing arrangements includes description of unique or unusual provisions of the agreement or terms of the sale and leaseback transactions.	AASB 1060.147-150

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Appendix 1 – Other disclosures not illustrated

Issue not illustrated	Description of relevant disclosure, if applicable	
Share-based payments	An entity shall disclose information about the nature and extent of share-based payment arrangements that existed during the period as required by AASB 1060.164, total expense recognised in profit or loss, the carrying amount of liabilities from share-based payment transactions at the end of the period as well as an explanation for any modifications, if any, made on those arrangements. Additionally, for: • Equity-settled share-based payment arrangements Disclose fair value measurement of goods or services received or the value of equity instruments granted and an explanation of valuation method selected, if any. • Cash-settled share-based payment arrangements Disclose information on how liability was measured.	AASB 1060.164-168
Defined benefit plans	An entity shall disclose the information required by AASB 1060.173(a)-(j) about defined benefit plans. If an entity has more than one defined benefit plan, these disclosures may be made in total, separately for each plan, or in such groupings as are considered to be the most useful. However, if the defined multiemployer benefit plans are accounted for as defined contribution plans in accordance with AASB 119.34 *Employee Benefits*, an entity shall disclose this fact and the reason why sufficient information is not available to use defined benefit accounting, along with any available information about the plan's surplus or deficit and the implications, if any, for the entity.	AASB 1060.172-173
Termination benefits	For each category of termination benefits that an entity provides to its employees, the entity shall disclose the nature of the benefit, the amount of its obligation and the extent of funding at the reporting date.	AASB 1060.174
Foreign currency translation	An entity shall disclose: • The amount of exchange differences recognised in profit or loss during the period other than those arising from financial instruments measured at FVTPL; • The amount of exchange differences arising during the period and classified in a separate component of equity at the end of the period, • If the presentation currency is different from the functional currency; • If there have been changes in the functional currency of either the reporting entity or a significant foreign operation, the entity shall disclose that fact and the reason for the change in functional currency.	AASB 1060.180-182
Financial reporting in hyperinflationary economies	An entity shall disclose the fact that the financial statements and comparatives have been restated, which method was used (historical cost or current cost approach), information about the identity and the level of the price index and the amount of gain or loss on monetary items.	AASB 1060.183-184

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Appendix 1 – Other disclosures not illustrated

Issue not illustrated	Description of relevant disclosure, if applicable	
Biological assets	An entity shall disclose the following with respect to its biological assets: <u>Measured using the cost model:</u> • A description of each class of its biological assets; • An explanation of why fair value cannot be measured reliably; • The depreciation method used; • The useful lives or the depreciation rates used; • The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period. <u>Measured at fair value:</u> • A description of each class of its biological assets; • The methods and significant assumptions applied in determining the fair value of each category of agricultural produce at the point of harvest and each category of biological assets; • A reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period. The reconciliation need not be presented for prior periods. See AASB 1060.204(c).	AASB 1060.204-205

Service concession arrangements: grantors that are public sector entities	A public sector grantor shall consider disclosing qualitative and quantitative information on each material service or in aggregate for service concession arrangements involving services of a similar nature.
	
	This includes information on the following:
	• A description of the arrangements;
	• Significant terms of the arrangements that may affect the amount, timing and uncertainty of future cash flows (e.g. the period of the arrangement, re-pricing dates and the basis upon which re-pricing or renegotiation is determined);
	• The nature and extent (e.g. quantity, time period, or amount), of:
	  i. Rights to receive specified services from the operator;
	  ii. The carrying amount of service concession assets as at the end of the reporting period, including separate disclosure for existing assets of the grantor reclassified as service concession assets during the reporting period;
	  iii. Rights to receive specified assets at the end of an arrangement;
	  iv. Renewal and termination options;
	  v. Other rights and obligations (e.g. major overhaul); and
	  vi. Obligations to provide the operator with access to service concession assets or other revenue generating assets.
	• Changes in arrangements occurring during the reporting period.
		AASB 1060.242-243

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Appendix 1 – Other disclosures not illustrated

Issue not illustrated	Description of relevant disclosure, if applicable	
Changes to Accounting Standards	AASB 2025-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures*	
	This Standard amends AASB 1060 to require a Tier 2 entity to disclose information about financial instruments with contingent features that do not relate directly to basic lending risks and costs that enables users of financial statements to understand the effect that changes in contractual terms could have on the entity's future cash flows.	AASB 1060.119A-119C
	This Standard is effective for financial periods beginning on or after 1 January 2026.	
	AASB 2025-3 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures*	AASB 1060.122A-122C
	This Standard amends AASB 1060 to incorporate the disclosures about nature-dependent electricity contracts added by AASB 2025-1 for Tier 1 entities that are relevant for Tier 2 entities. A Tier 2 entity is required to disclose information about nature-dependent electricity contracts that meet the 'own-use' criteria and are recognised as procurement contracts.	
	This Standard applies to annual periods beginning on or after 1 January 2026.	

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