

ALLIANCE FRANCAISE DE SYDNEY
A.C.N. 000 783 139
(A Company Limited by Guarantee)

FINANCIAL REPORT

for the year ended

31st December 2019



THOMAS DAVIS & CO
CHARTERED ACCOUNTANTS
ESTABLISHED 1894

www.thomasdavis.com.au
mail@thomasdavis.com.au

30 March, 2020

The President and Committee,
Alliance Francaise de Sydney
257 Clarence Street,
Sydney, NSW 2000

Dear Sirs,

We report the completion of our examination of the books of account and records of your Company for the year ended 31st December, 2019 and have pleasure in furnishing herewith the following Statements:-

- (1) Statement of Financial Position as at 31st December, 2019.
- (2) Statement of Comprehensive Income for the year ended 31st December, 2019.
- (3) Statement of Changes in Members' Funds for the year ended 31st December, 2019.
- (4) Statement of Cash Flows for the year ended 31st December, 2019.
- (5) Notes to and Forming part of the Financial Statements for the year ended 31st December, 2019.
- (6) Directors' Declaration, and Auditor's Report in respect to the Financial Report for the year ended 31st December, 2019.

Yours faithfully,

Thomas Davis & Co.

A member of



Independent legal & accounting firms

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CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

ALLIANCE FRANCAISE DE SYDNEY
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DIRECTORS REPORT

The Directors have the pleasure in submitting the Financial Statements as at 31 December 2019.

1 - Directors

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

Lyn Tuit, President
Frederic Veniere, Vice President
Christophe Hoareau, Honorary Treasurer
Marie Chretien, Vice President
Gareth Dando
Rose Guerin
Marie Varnier-Gitard
Dominique Barbeau
Allan Woodley

Mr Dominique Giovanangeli, Secretary

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

All Directors of the Company retire in accordance with the Company's Constitution. The names of the Directors elected shall be announced at the Annual General Meeting in accordance with the Company's Constitution.

2 - Information on Directors

Ms Lyn Tuit	President
Qualifications	BA Dip. Ed. (University of Western Australia). Diplôme Supérieur CCI Paris Australian Institute of Company Directors Diploma GAICD
Experience	Principal, Momentum ² Director, Intuitive Communication Director, Sydney Salon Member of the executive committee, Association Nationale des Membres de L'Ordre National du Mérite for Australia Past First Secretary, Australian Embassy, Paris, France Past Director, South Australian Tourism board of directors Past South Australian Regional Director, France and Italy, based in Paris
Special responsibilities	Member of the Finance and Risk Subcommittee Member of the Marketing and Events Subcommittee Chair of the Building Management Subcommittee
Original appointment	14/05/2008
Last subsequent appointment	02/05/2017

DIRECTORS REPORT

2 - Information on Directors continued

Mr Frederic Veniere	Vice President
Qualifications	French-qualified Lawyer - Avocat (Paris Bar and Law Society of NSW as Foreign Lawyer) PhD Law (University of Lille, France) Post-graduate Diploma in Business Law (University Paris La Sorbonne, France) MBA (IAE Lille, France)
Experience	Consultant at McLachlan Thorpe Partners Member of FACCI (French Australian Chamber of Commerce and Industry), Sydney Past Partner at Hillman Venière Lawyers Past Special Counsel at TressCox Lawyers, in charge of the French Desk (Sydney) Past Special Counsel at Peters & Linnette Lawyers (Sydney) Past Managing Local Partner at Salans (Tahiti) Past Special Counsel at Salans (Paris) Past Senior Manager at Deloitte Legal (Paris, France)
Special responsibilities	Member of the Marketing and Events Subcommittee Member of the Building Management Subcommittee
Original appointment	02/04/2013
Last subsequent appointment	06/06/2019
Mr Christophe Hoareau	Honorary Treasurer
Qualifications	Graduate Diploma Ecole Supérieure de Commerce (Paris, France) Member of C.A.A.N.Z. Certified Auditor registered with ASIC Qualified Accountant in France (Expert Comptable Memorialiste)
Experience	Audit Partner at EY (Sydney). Foreign Trade Advisor for France in Australia (Conseillers du Commerce Extérieur de la France en Australie)
Special responsibilities	Chair of the Finance and Risk Subcommittee
Original appointment	20/05/2009
Last subsequent appointment	09/05/2018
Ms Marie Chretien	Vice President
Qualifications	Australian Institute of Company Directors diploma (2017) MA, University of Sydney (2014) MBA, Macquarie University, Sydney (2002) Engineering degree, EFREI, Paris France (1988)
Experience	Director, The Power Institute (University of Sydney) Past Commercial & Contract Manager, APA Group, Australia Past National Key Account Manager, RTE-EDF, France
Special responsibilities	Member of the Marketing and Events Subcommittee Member of the Business Improvement Subcommittee
Original appointment	02/05/2017
Last subsequent appointment	-

DIRECTORS REPORT

2 - Information on Directors continued

Mr Gareth Dando	Director
Qualifications	MA (Hons) Physics, Oxford University, UK MBA, INSEAD Fontainebleau, France BSc (Hons) Mathematics, University of Melbourne MSc Coaching Psychology, University of Sydney
Experience	Director, Exigeant Advisory, Sydney Senior Strategic Adviser, LEK Consulting, Sydney Past CEO, Ambiat, Sydney Executive coach, Global Coaching Partnership, Sydney Past Head, Big Data Analytics, Telstra, Sydney Managing Director, Southern Cross Venture Partners, Sydney Past CEO, UNISEED, Melbourne Past Senior Manager, LEK Consulting, Melbourne Past Consultant, OC&C Strategy Consultants, London/Paris Past IT Consultant, Andersen Consulting, London UK
Special responsibilities	Chair of the Marketing and Events Subcommittee
Original appointment	15/04/2014
Last subsequent appointment	02/05/2017
Ms Rose Guerin	Director
Qualifications	B Bus UTS Sydney Diploma in Law University of Exeter (UK) Master International Business Law University of Exeter (UK) Post-graduate Diploma in Accounting, C.A.A.N.Z. Member of C.A.A.N.Z. Fellow of CPA Australia Registered Tax Agent
Experience	Partner RBG Private, tax, corporate and financial advisory firm Director ZAG Art Foundation Ltd Past Director of various State Government Agencies
Special responsibilities	Member of the Finance and Risk Subcommittee Chair of the Business Improvement Subcommittee Member of the Building Management Subcommittee
Original appointment	02/05/2017
Last subsequent appointment	-

DIRECTORS REPORT

2 - Information on Directors continued

Mrs Marie, Varnier-Gitard	Director
Qualifications	Bachelor of Business Advanced Management Program in Aviation (IATA) Safety Management for Airline Diploma
Experience	Director French Australian Chamber of Commerce and Industry (FACCI), Sydney Member Chairperson, Association Nationale des Membres de l'Ordre National du Mérite - Australia Vice-president, Societe des Membres de la Legion d'Honneur General delegate for Australia of French veterans leaving abroad (FACS) Member of the executive committee, Association of the Friends of the La Perouse Museum Member of the executive committee, Association of French assist NSW Past Chairperson, Union des Français de l'Etranger (UFE) Co-Founder, UFE Charity (fundraising events / sponsorship) Past Regional Director Aircalin Australia and New Zealand Past Director and member of executive committee Sofrana Unilines (New Caledonia) Past Managing Director GSA for Thai Airways (New Caledonia and France) Past Managing Director Sofragence Travel (New Caledonia)
Special responsibilities	Member of the Marketing and Events Subcommittee
Original appointment	15/04/2014
Last subsequent appointment	02/05/2017
Ms Dominique Barbeau	Director
Qualifications	MA (French), University of New South Wales BA (Hons), Grad. Dip. Ed., University of New South Wales Diplôme Supérieur du Français des Affaires, (Chambre de Commerce et d'Industrie, Paris)
Experience	IB French Teacher, SCECGS Redlands, Cremorne Past French Teacher, Pymble Ladies College (Sydney) Past International Baccalaureate (IB) Spanish ab initio and past French Teacher, Kambala (Sydney) Past HSC French & Spanish Teacher, Hornsby Girls High School Past Relieving Head Teacher – Languages, and past French Teacher, Killara High School Past Acting Head Teacher – Languages, and past French & Spanish Teacher, Balgowlah Boys High School Past member of BOSTES HSC French Examination Committee and Senior Examiner Past President of NAFT (Sydney) Past Vice-President of the Federation of Associations of Teachers of French in Australia (FATFA) Past Spanish Convener, MLTA of NSW (Sydney)
Special responsibilities	Member of the Business Improvement Subcommittee
Original appointment	09/05/2018

Last subsequent appointment -

DIRECTORS REPORT

2 - Information on Directors continued

Mr Allan Woodley Director

Qualifications BA/LLB University of Sydney
Solicitor (NSW)
Registered Australian Trade Marks Attorney

Experience Legal Practitioner (Solicitor) at AF Woodley, Sydney
30 years of experience as an IP Lawyer and Trade Marks Attorney in Sydney and Hong Kong
Member Law Society of NSW
Member INTA (International Trade Mark Association)
Member LES (Licensing Executives Society)
Member LESANZ (Licensing Executives Society AUS & NZ)
Member APRA / AMCOS

Special responsibilities Member of the Business Improvement Subcommittee

Original appointment 09/05/2018

Last subsequent appointment -

Mr Dominique Giovanangeli Secretary

Qualifications Certified Practising Accountant (CPA Australia)
Graduate Conversion Course in Accounting (UTS Sydney)
Master in IT applied to Management (University of Paris IX)
Master in Biology (University of Paris VI)
Justice of the Peace for the State of New South Wales

Experience Finance Manager at Alliance Francaise de Sydney
Past Finance and Administration Officer at Atout France (Sydney)
Past Assistant Accountant and Stock Controller at Sydney City Motorcycles (Sydney)

Special responsibilities Secretary of the Board of Directors

Original appointment 21/05/2007

Last subsequent appointment 05/06/2019

DIRECTORS REPORT

3 - Directors' Meetings

During the financial year, 9 meetings of Directors were held. Attendance by each Director was as follows:

	Meetings held whilst a Director	Number attended
Lyn Tuit, President	9	9
Frederic Veniere, Vice-President	9	8
Christophe Hoareau, Honorary Treasurer	9	6
Gareth Dando	9	3
Marie Varnier-Gitard	9	5
Marie Chretien	9	8
Rose Guerin	9	6
Dominique Barbeau	9	6
Allan Woodley	9	9
Dominique Giovanangeli, Secretary	9	9

4 - The Entity

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution of the entity states that each member is required to contribute a maximum of \$5.00 (Five Australian Dollars) each towards meeting any outstanding obligations of the entity. At 31 December 2019, the number of members of the Company is 488 and the total amount that members are liable to contribute if the entity is wound up is \$2,440 (2018: \$2,440).

5 - Principal activities

The principal activities of the entity during the financial year were to provide French tuition, in classes or individually, and to organise cultural events to enhance the knowledge of the French language and culture for the Australian public in the Sydney Metropolitan Area.

The Company's operations will continue to advance these activities.

6 - The entity's short-term and medium-term objectives

Since the redevelopment of the historic site 11 years ago, the financial priority is to focus on major repairs and ongoing maintenance of the building in addition to the loan reimbursement.

7 - Strategies adopted to achieve objectives

To achieve the objectives described above, the entity has adopted the following strategies:

- to consolidate the business at the present level which allows for the servicing of the debt and repayment of the bank debt on an ongoing basis.
- Opportunities will be taken when possible to expand, with minimum investment outlays, new market segments.
- The financial performance of the Company is measured against the budget set by management and includes review of membership numbers, student teaching hours, revenue and expense analysis and cash flows.
- To continue to provide first class teaching activities, including maintaining a 11 year-old building in a competitive teaching environment and in compliance with New South Wales building regulations
- Continue to work closely with key stakeholders such as but not limited to the NSW Department of Education and the Association of Independent Schools (A.I.S.)

DIRECTORS REPORT

8 - Additional disclosures

- The net loss of the Company for the financial year ended 31 December 2019 was \$(366,240) - (2018: \$139,312 loss). The net result for the year excluding depreciation expense of \$252,992 (2018: \$261,352) was a loss of \$(113,248) - (2018: \$122,040 profit).
- In the opinion of the Directors, there were no significant changes in the state of affairs of the Company which occurred during the financial year under review not otherwise disclosed in this report or the Financial Statements.
- No matter or circumstances has arisen since 31 December 2019 that has significantly affected, or may subsequently affect:
 - a) The operations of the Company in future financial years, or
 - b) The results of those operations in future financial years, or
 - c) The state of affairs of the Company in future financial years.
- The Company is not subject to any significant environmental regulation.

8 - Subsequent events

The COVID-19 pandemic has had significant adverse impacts on the operations of the Company since mid-March 2020: The Alliance Francaise French Film Festival has had to be put on hold a week after its official opening, all adult courses have moved on line since 23 March 2020 and all kids courses have been cancelled sine die. The magnitude of the impacts beyond May 2020 (end of current courses session) are not known at this stage, but there are likely to put significant pressure on the Company's cash flows.

A copy of the lead Auditor's Independence Declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 (*ACNC Act*) is attached to this Directors' report.

Signed in accordance with a resolution of the Directors.

LYN TUIT)
) Director &
) President

CHRISTOPHE HOAREAU)
) Director &
) Honorary
) Treasurer

Sydney,

30 March 2020



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AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS
COMMISSION ACT 2012 (ACNC Act)

ALLIANCE FRANCAISE DE SYDNEY
A.C.N. 000 783 139

For the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Act 2012 (ACNC Act) in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

THOMAS DAVIS & CO.

J.G. RYAN

PARTNER

Chartered Accountants

SYDNEY,
30 March 2020

A member of



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ALLIANCE FRANCAISE DE SYDNEY
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STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2019

2018		Notes	2019
\$			\$
	CURRENT ASSETS		
489,428	Cash and Cash Equivalents	4	636,610
65,225	Trade and Other Receivables	5	56,059
13,695	Inventories	6	41,402
128,286	Other	7	122,190
<u>696,634</u>	TOTAL CURRENT ASSETS		<u>856,261</u>
	NON-CURRENT ASSETS		
5,560,106	Property, Plant & Equipment	8	5,327,285
<u>5,560,106</u>	TOTAL NON-CURRENT ASSETS		<u>5,327,285</u>
<u>6,256,740</u>	TOTAL ASSETS		<u>6,183,546</u>
	CURRENT LIABILITIES		
765,006	Trade and Other Payables	9	1,058,754
29,557	Provisions	10	28,605
-	Borrowings	11	-
<u>794,563</u>	TOTAL CURRENT LIABILITIES		<u>1,087,359</u>
	NON-CURRENT LIABILITIES		
16,868	Provisions	12	17,118
350,000	Borrowings	13	350,000
<u>366,868</u>	TOTAL NON-CURRENT LIABILITIES		<u>367,118</u>
<u>1,161,431</u>	TOTAL LIABILITIES		<u>1,454,477</u>
<u>5,095,309</u>	NET ASSETS		<u>4,729,069</u>
	MEMBERS' FUNDS		
5,095,309	Retained Profits	14	4,729,069
<u>5,095,309</u>	TOTAL MEMBERS' FUNDS		<u>4,729,069</u>

The accompanying notes form part of these Financial Statements.

ALLIANCE FRANCAISE DE SYDNEY
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2019

2018		Notes	2019
\$			\$
2,381,276	Revenue from Ordinary Activities	2	2,634,152
1,300	Other Revenue	2	1,147
(1,470,268)	Employee Benefits Expense		(1,659,103)
(261,352)	Depreciation	3	(252,992)
<u>(790,268)</u>	Other Expenses from Ordinary Activities		<u>(1,089,444)</u>
(139,312)	Profit/(loss) for the year		(366,240)
<u>-</u>	Other comprehensive income		<u>-</u>
<u>(139,312)</u>	Total comprehensive loss attributable to members of the entity		<u>(366,240)</u>

The accompanying notes form part of these Financial Statements.

ALLIANCE FRANCAISE DE SYDNEY
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STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

	Retained profits	Total \$
Balance 1st January 2018	5,234,621	5,234,621
Profit/(loss) for the year	(139,312)	(139,312)
Total other comprehensive income for the year	-	-
Transfer (to) /from reserves	-	-
Transfer (to) /from retained earnings	-	-
Balance 31st December 2018	5,095,309	5,095,309
Profit/(loss) for the year	(366,240)	(366,240)
Total other comprehensive income for the year	-	-
Transfer (to) /from reserves	-	-
Transfer (to) /from retained earnings	-	-
Balance 31st December 2019	4,729,069	4,729,069

ALLIANCE FRANCAISE DE SYDNEY
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

2018 \$ Inflows (Outflows)	Notes	2019 \$ Inflows (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES		
2,499,008		2,813,078
72,978		84,902
25,351		38,295
(2,333,296)		(2,750,649)
1,300		1,147
(20,181)		(19,420)
245,160	2	167,353
CASH FLOWS FROM INVESTING ACTIVITIES		
(75,491)		(20,171)
(75,491)		(20,171)
CASH FLOWS FROM FINANCING ACTIVITIES		
(300,000)		-
-		-
(300,000)		-
(130,331)		147,182
619,759		489,428
489,428	1	636,610

ALLIANCE FRANCAISE DE SYDNEY
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NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

NOTE 1 - RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, Cash includes Cash in Banks, Deposits and Cash on Hand. Cash at the end of the Financial Year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

2018		2019
\$		\$
1,374	Cash on Hand	3,378
488,054	Cash at Bank	633,232
489,428		636,610

NOTE 2 - RECONCILIATION OF NET CASH PROVIDED BY/(USED IN)OPERATING ACTIVITIES TO PROFIT FROM ORDINARY ACTIVITIES

2018		2019
\$		\$
(139,312)	Profit/(Loss) after Income Tax from Ordinary Activities	(366,240)
261,352	Depreciation	252,992
-	(Profit) / Loss on Sale of Fixed Assets	-
(13,975)	Increase/ (Decrease) in Provision for Long Service Leave	(702)
	Change in Assets & Liabilities	
1,723	(Increase)/Decrease in Inventories	(27,707)
148,929	(Increase)/Decrease in Trade & Other Receivables	9,166
(5,566)	(Increase)/Decrease in Prepayments & Deposits	6,096
(185,787)	Increase/(Decrease) in Income Received in Advance	40,038
177,796	Increase/(Decrease) in Trade & Other Payables	253,710
245,160		167,353

ALLIANCE FRANCAISE DE SYDNEY
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Alliance Francaise de Sydney applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards and any other relevant disclosures arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act). The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on the historical cost convention. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue by the Directors on 30 March 2020.

Revenue Recognition

The company has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions.

On the application of these standards there were no adjustments required to be made to the opening balance of equity.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of taxes paid. Revenue is recognised for the major business activities as follows:

Tuition Fees

Revenue is recognised upon the performance of tuition to students.

Other Revenue

Other revenue is recognised when the right to receive the revenue has been established or if there are conditions or obligations in place in respect of the contract income is recognised when or as the company satisfies any obligations.

Inventories

Stock is valued at the lower of cost and net realisable value.

Leases

Leases are recognised under Accounting Standard AASB 16: Leases. Applicable leases whether finance or operating in nature are to be recognised on the statement of financial position as liabilities with corresponding right-of-use assets. These leases are measured at their net present values and include future lease payments under an option where that option is reasonably expected to be taken up. The leases are amortised on a straight-line basis over the term of the lease. For operating leases that do not need to meet the requirements under this standard being leases that are less than 12 months or of minor values, and where substantially all the risks and benefits remain with the lessor, these are recognised as expenses over the term of the lease. On the application of this standard at 1 January 2019 there were no adjustments required to be made.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of an asset less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and cash held with financial institutions with short-term maturities and are subject to an insignificant risk of changes in value and bank overdrafts.

Trade receivables

Trade receivables are recognised at fair value less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of invoice.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount of the asset and the total of estimated future cash flows. The amount of the provision is recognised in the statement of comprehensive income.

The application of AASB 9 has resulted in the need to review the lifetime expected credit loss when assessing any provision for doubtful debts, which is not considered to have any material effect.

Property, plant & equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of assets. If the carrying amount of property, plant and equipment is greater than its estimated recoverable amount, the carrying value is written down immediately to its estimated recoverable amount and impairment losses are recognised in profit and loss.

The Company charges depreciation at rates that have been calculated to write off assets over their useful lives.

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

Strata Title Premises	2.50%
Strata Fit-out	5 - 10.00%
Building Improvements	10.00%
Office Machines	12 - 14.00%
Furniture, Fittings and Teaching Equipment	9 - 30.00%

The Directors are satisfied that in the event of disposal of the company's real estate in the normal course of business, the net amount expected to be recovered would not be less than present carrying value shown in the financial statements.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself either purchase or sell the asset (trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at transaction price if the trade receivables do not contain significant financing components.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between the initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

As per AASB 9 an expected credit loss model is applied, and not an incurred credit loss model as per the previous applicable standard (AASB 139). To reflect changes in credit risk, this expected credit loss model requires the company to account for expected credit losses since initial recognition.

AASB 9 also determines that a loss allowance for expected credit loss be recognised on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets, loan commitments and financial guarantee contracts as the impairment provision would apply to them.

If the credit risk on a financial instrument did not show significant change since initial recognition, an expected credit loss amount equal to the 12 month expected credit loss is used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the instrument is an acquired credit-impaired financial asset.

The company has adopted the simple approach under AASB 9 in relation to trade receivables, as the loss allowance is measured at the lifetime expected credit loss.

The company reviewed and assessed the existing financial assets on 1 July 2018. It was determined that there was no significant change in credit risk from the date they were initially recognised and no adjustment to credit loss was required.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year and other amounts which are unpaid. The amounts are unsecured.

Borrowings

Borrowings are recognised at fair value, net of transaction costs incurred.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs

Borrowing costs are expensed through the statement of comprehensive income.

Provisions

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

Income Tax

No provision has been made in the Financial Statements for income tax as the Company is exempt from income tax

Goods and Services Tax (GST)

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

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

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Employee Benefits

(i) Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits that are expected to be settled wholly before 12 months after the end of the reporting period. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the obligation is settled. The company's obligations for short-term benefits which constitute annual leave are recognised as part of current trade and other payables in the statement of financial position.

(ii) Long-term employee benefits

The company classifies employees' long service leave as other long-term benefits as these entitlements have not yet vested in relation to those employees who have not yet completed the required period of service. These benefits are shown as non-current liabilities in the statement of financial position.

The amount expected to be paid to employees for their pro-rata entitlement to long service leave has been measured at the present value of expected future payments to be made to employees. This incorporates anticipated future wage levels, duration of service and historical information in regarding probability of leave being taken.

(iii) Retirement benefit obligations

The company pays the fixed superannuation guarantee contribution (currently 9.50% of the employee's ordinary earnings) to the employee's superannuation fund of choice. All contributions paid by the company on behalf of employees are recognised as an expense when they become payable. All obligations for unpaid superannuation contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are shown as current liabilities in the statement of financial position.

Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with figures in the current year.

Critical accounting estimates and judgements

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

New and amended accounting standards

The company has considered all new and amended accounting standards effective from 1 January, 2019. These have been disclosed in Note 1 and none were considered to have any material impact on the company.

2018		2019
\$		\$
	NOTE 2 - REVENUE	
	<i>Operating Activities</i>	
2,245,024	Teaching Activities & Functions	2,476,790
66,344	Sales - Bookshop	78,268
23,046	Membership Subscriptions	35,990
46,862	Sundry Income	43,104
2,381,276		2,634,152
	<i>Non-Operating Activities</i>	
1,300	Interest Received	1,147
2,382,576		2,635,299

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

2018		2019
\$		\$
NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax has been determined after charging as expense the following items:		
<i>Movements in Provisions:</i>		
(13,975)	- Long Service Leave	(702)
<u>4,267</u>	- Annual Leave	<u>(3,184)</u>
<u><u>(9,708)</u></u>		<u><u>(3,886)</u></u>
<i>Depreciation of Non-Current Assets</i>		
28,395	- Plant & Equipment	24,591
<u>232,957</u>	- Buildings & Improvements	<u>228,401</u>
<u><u>261,352</u></u>		<u><u>252,992</u></u>
<i>Remuneration of the Auditors For:</i>		
10,000	- Auditing Accounts	10,300
<u>3,400</u>	- Other Services	<u>3,841</u>
<u><u>13,400</u></u>		<u><u>14,141</u></u>
NOTE 4 - CURRENT ASSETS - CASH & CASH EQUIVALENTS		
1,374	Cash on Hand	3,378
110,334	ANZ - Cheque Account	154,366
<u>377,720</u>	ANZ - Savings Account	<u>478,866</u>
<u><u>489,428</u></u>		<u><u>636,610</u></u>
NOTE 5 - CURRENT ASSETS - TRADE & OTHER RECEIVABLES		
<u>65,225</u>	Trade Debtors	<u>56,059</u>
<u><u>65,225</u></u>		<u><u>56,059</u></u>
NOTE 6 - CURRENT ASSETS - INVENTORIES		
<u>13,695</u>	Stock On Hand	<u>41,402</u>
<u><u>13,695</u></u>		<u><u>41,402</u></u>
NOTE 7 - CURRENT ASSETS - OTHER		
128,263	Prepayments and deposits	122,167
<u>23</u>	Alliance Francaise Paris	<u>23</u>
<u><u>128,286</u></u>		<u><u>122,190</u></u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

2018		2019
\$		\$
NOTE 8 - NON-CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT		
6,118,760	Strata Title Premises - At Cost	6,118,760
<u>(1,386,070)</u>	Less Accumulated Depreciation	<u>(1,539,037)</u>
4,732,690		4,579,723
1,073,828	Strata Fitout - At Cost	1,073,828
<u>(483,219)</u>	Less Accumulated Depreciation	<u>(536,910)</u>
590,609		536,918
266,760	Improvements - At Cost	266,760
<u>(171,589)</u>	Less Accumulated Depreciation	<u>(193,332)</u>
95,171		73,428
198,691	Furniture, Fittings & Teaching Equip - At Cost	206,055
<u>(122,772)</u>	Less Accumulated Depreciation	<u>(129,897)</u>
75,919		76,158
140,566	Office Machines - At Cost	153,373
<u>(109,077)</u>	Less Accumulated Depreciation	<u>(121,022)</u>
31,489		32,351
70,654	Database - At Cost	70,654
<u>(56,643)</u>	Less Accumulated Depreciation	<u>(60,146)</u>
14,011		10,508
10	Library - At Valuation	10
36,804	Library - At Cost	36,804
<u>(16,597)</u>	Less Accumulated Depreciation	<u>(18,615)</u>
20,217		18,199
<u>5,560,106</u>		<u>5,327,285</u>
NOTE 9 - CURRENT LIABILITIES - TRADE & OTHER PAYABLES		
212,914	Teaching Activities - Fees Received In Advance	216,816
116,990	Income Received in Advance	153,126
417,736	Trade Creditors & Sundry Accruals	674,630
<u>17,366</u>	Annual Leave	<u>14,182</u>
765,006		1,058,754
NOTE 10 - CURRENT LIABILITIES - PROVISIONS		
<u>29,557</u>	Long Service Leave	<u>28,605</u>
29,557		28,605

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

2018		2019
\$		\$
	NOTE 11 - CURRENT LIABILITIES - BORROWINGS	
-	ANZ Loan - Fixed (Secured)	-
-	ANZ Loan - Variable (Secured)	-
<u>-</u>		<u>-</u>
	NOTE 12 - NON-CURRENT LIABILITIES - PROVISIONS	
16,868	Long Service Leave	17,118
<u>16,868</u>		<u>17,118</u>
	NOTE 13 - NON-CURRENT LIABILITIES - BORROWINGS	
-	ANZ Loan - Fixed (Secured)	-
350,000	ANZ Loan - Variable (Secured)	350,000
<u>350,000</u>		<u>350,000</u>

At 31 December 2019, the unused portion of the ANZ Loan - Variable amounted to \$Nil (2018: \$Nil).

NOTE 14 - RETAINED PROFITS		
5,234,621	Retained Profits at the Beginning of the Financial Year	5,095,309
(139,312)	Net Profit/(Loss) for the Year	(366,240)
<u>5,095,309</u>	Retained Profits at the End of the Financial Year	<u>4,729,069</u>

NOTE 15 - MOVEMENTS IN CARRYING AMOUNTS OF PROPERTY, PLANT & EQUIPMENT (REFER NOTE 8)			
	<i>Land & Buildings</i>	<i>Plant & Equipment</i>	<i>Total</i>
Balance at the beginning of the year	5,418,470	141,636	5,560,106
Additions	-	20,171	20,171
Depreciation	(228,401)	(24,591)	(252,992)
Disposals	-	-	-
Carrying amount at the end of the year	<u>5,190,069</u>	<u>137,216</u>	<u>5,327,285</u>

NOTE 16 - FINANCIAL REPORTING BY SEGMENTS

The principal activities of the Company were to teach the French language, encourage the study of French civilisation and promote French thought, ideas, art and culture in conjunction with the Alliance Francaise in Paris.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

NOTE 17 - EVENTS SUBSEQUENT TO REPORTING DATE

The COVID-19 pandemic has had significant adverse impacts on the operations of the Company since mid-March 2020: The Alliance Francaise French Film Festival has had to be put on hold a week after its official opening, all adult courses have moved on line since 23 March 2020 and all kids courses have been cancelled sine die. The magnitude of the impacts beyond May 2020 (end of current courses session) are not known at this stage, but they are likely to put significant pressure on the Company's cash flows.

NOTE 18 - LEASE COMMITMENTS

	2018	2019
	\$	\$
Commitments in relation to leases contracted :		
Within one year	5,524	5,524
Later than one year but not later than five years	14,731	9,207
Later than five years	-	-
	<u>20,255</u>	<u>14,731</u>
Representing:		
Non-cancellable operating leases	<u>20,255</u>	<u>14,731</u>

NOTE 19 - RELATED PARTY TRANSACTIONS

(a) The names of each person holding the position of Director of Alliance Francaise de Sydney at anytime during the financial year were:

Lyn Tuit, President
 Frederic Veniere, Vice President
 Christophe Hoareau, Honorary Treasurer
 Marie Chretien, Vice President
 Gareth Dando
 Rose Guerin
 Marie Varnier-Gitard
 Dominique Barbeau
 Allan Woodley

Payments totalling \$22,290, including disbursements, were made to AF Woodley, Solicitors and Trademark Attorney whose principal is Allan Woodley, one of the Directors, during the financial year for legal services provided to the company. Those payments were properly pre-approved by the board of directors

NOTE 20 - CAPITAL COMMITMENTS

Contracted expenditure on Capital Works as at 31st December 2019 is \$Nil (2018: \$Nil).

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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NOTE 21 - FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018	2019
		\$	\$
Financial Assets			
Cash and Cash equivalents	4	489,428	636,610
Trade and Other Receivables	5	65,225	56,059
Total Financial Assets		<u>554,653</u>	<u>692,669</u>
Financial Liabilities			
Trade and Other Payables	9	765,006	1,058,754
Borrowings	11,13	350,000	350,000
Total Financial Liabilities		<u>1,115,006</u>	<u>1,408,754</u>

NOTE 22 - BORROWING FACILITIES

The Company's borrowings at the reporting date amount to \$350,000. The total facility available amounts to \$350,000 being a variable interest facility commencing on 18/1/2018 for 3 years at current rate of 4.80%.

NOTE 23 - GOING CONCERN

The Directors believe that the Company is a going concern because the Company will be able to meet its financial obligations as and when they fall due.

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DIRECTORS' DECLARATION

The directors of Alliance Francaise de Sydney declare that :

- (1) The Financial Statements and Notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the year ended on that date.
- (2) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors and is signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.



For and on behalf of the Board

LYN TUIT

)
) Director &
) President



CHRISTOPHE HOAREAU

)
) Director &
) Honorary Treasurer

SYDNEY,
30 March 2020



THOMAS DAVIS & CO
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ALLIANCE FRANCAISE DE SYDNEY
A.C.N. 000 783 139
(A Company Limited by Guarantee)

Opinion

We have audited the financial report of Alliance Francaise de Sydney, which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors declaration.

In our opinion, the financial report of Alliance Francaise De Sydney has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December, 2019 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 17 of the financial statements which describes subsequent events after the reporting period in regards the COVID-19 pandemic. As stated in the note these events indicate that a material uncertainty exists and may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in reference to this matter.

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

The directors are responsible for the other information. The other information comprises the information included in the company annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 relating 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.

A member of



Independent legal & accounting firms

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CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Thomas Davis & Co.

THOMAS DAVIS & CO.

J.G. Ryan

J.G. RYAN

PARTNER

Chartered Accountants

SYDNEY,
30 March 2020

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