

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

FINANCIAL REPORT

for the year ended

31st December 2021



THOMAS DAVIS & CO
CHARTERED ACCOUNTANTS
ESTABLISHED 1894

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30th March, 2022

The President and the Board of Directors,
Alliance Francaise de Sydney
257 Clarence Street,
Sydney, NSW 2000

Dear Sirs,

We report the completion of our examination of the books of accounts and records of your Group for the year ended 31st December, 2021 and have pleasure in furnishing herewith the following Statements:-

- (1) Consolidated Statement of Financial Position as at 31st December, 2021.
- (2) Consolidated Statement of Comprehensive Income for the year ended 31st December, 2021.
- (3) Consolidated Statement of Changes in Members' Funds for the year ended 31st December, 2021.
- (4) Consolidated Statement of Cash Flows for the year ended 31st December, 2021.
- (5) Notes to and Forming part of the Financial Statements for the year ended 31st December, 2021.
- (6) Directors' Declaration, and Auditor's Report in respect to the Financial Report for the year ended 31st December, 2021.

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 pleasure in submitting the Financial Statements as at 31 December 2021.

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, Former Vice President (resigned 31/05/2021)
Christophe Hoareau, Former Honorary Treasurer (resigned 31/05/2021)
Marie Chretien, Vice President
Gareth Dando, Honorary Treasurer
Mr Anthony Kierann (appointed 31/05/2011)
Marie Varnier-Gitard
Dominique Barbeau
Patrick Cocquerel, Vice President (appointed 31/05/2021)
Hannah Cooper (appointed 8/02/2021)
Amaury Treguer (appointed 31/05/2021)

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 Treasurer and Board Director, Sydney Salon Vice-President Association Nationale des Membres de l'Ordre National du Merite for Australia Past First Secretary, Australian Embassy, Paris, France Past Director, South Australian Tourism Commission board of directors Past South Australian Regional Director, France and Italy, based in Paris
Special responsibilities	Member of the Finance and Risk Committee Member of the Marketing Committee Member of the Membership and Events Committee Member of the Film Committee Chair of the Building Management Subcommittee
Original appointment	14/05/2008
Last subsequent appointment	31/05/2021

DIRECTORS REPORT

2 - Information on Directors continued

Mr Frederic Veniere	Former Vice President (resigned in 2021)
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, NSW), Sydney Representative in Australia of the French Law Firm DS Avocats 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
Resignation	31/05/2021
Mr Christophe Hoareau	Former Honorary Treasurer (resigned in 2021)
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	Former Chair of the Finance and Risk Committee
Original appointment	20/05/2009
Last subsequent appointment	09/05/2018
Resignation	31/05/2021
Ms Marie Chretien	Vice President
Qualifications	Australian Institute of Company Directors diploma GAICD MA, University of Sydney MBA, Macquarie University, Sydney Engineering degree, EFREI, Paris France
Experience	CEO, Culture Plus Council Member, The Power Institute (University of Sydney) Past Commercial & Contract Manager, APA Group, Australia Past National Key Account Manager, RTE-EDF, France
Special responsibilities	Chair of the Membership and Events Committee Member of the Finance and Risk Committee Member of the Annual Leave Ad Hoc Committee
Original appointment	02/05/2017
Last subsequent appointment	31/05/2021

DIRECTORS REPORT

2 - Information on Directors continued

Mr Gareth Dando	Honorary Treasurer
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, Ambiata, 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 Committee Chair of the Finance and Risk Committee
Original appointment	15/04/2014
Last subsequent appointment	31/05/2021
Mr Anthony Kierann	Director
Qualifications	BA
Experience	Chief Operating Officer at Actors Centre Australia Former General Manager of Film Festivals, Australian Cinema and programs with Event Cinemas Past General Manager of Hotels within Sydney Film Festival Advisor, Wild Earth Oceania Film Festival 2021 Member AACTA Short Film Jury 2017, 2018, 2019 Gold Coast Film Festival – SIP Festival Jury Member 2018 Ambassador / Jury Member SF3 Film Festival – current Monster Fest Jury Member - 2017 Member Sydney City Of Sydney Advisory Panel 2015 – 2018 Haymarket Chamber Of Commerce Senior Executive Committee member 2015 – 2018 Film Program Curator - In The House, Niche 505, Outta The Box, The Artists Room, General Manager - GU Film House 2017 - 2019 Film Festival GM Event Cinemas - Sydney Film Festival, Adelaide Film Festival, Japanese Film Festival, Mardi Gras Film Festival, Russian Film Festival, Jewish Film Festival, Brisbane International Film Festival, Winda International Film Festival
Special responsibilities	Member of the Film Committee
Original appointment	31/05/2021

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	Councillor 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 Membership and Events Committee Member of the Staff Benefits Ad Hoc Committee
Original appointment	15/04/2014
Last subsequent appointment	31/05/2021
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 now NESAS HSC French Examination Committee and Senior Examiner Past President of the NSW Association of French Language Teachers (NAFT) Past Vice-President of the Federation of Associations of Teachers of French in Australia (FATFA) Past Spanish Convener, Modern Language Teachers Association of NSW (MLTA)
Special responsibilities	Member of the Membership and Events Committee Member of the Employee Benefits Committee
Original appointment	09/05/2018
Last subsequent appointment	31/05/2021

DIRECTORS REPORT

2 - Information on Directors continued

Mr Patrick Cocquereel	Vice President
Qualifications	Graduate Diploma SKEMA Business School (Lille, France) Diplôme d'Etudes Comptables Supérieures (France)
Experience	Former Global Head of Natural Resources, Westpac Institutional Bank (Sydney) Former Head of Energy and Resources / Industrials and Materials, Westpac Institutional Bank (Sydney) Former Managing Director, Head of Houston Representative Office, Credit Agricole CIB (Houston TX, USA) Former Deputy to Head of International Department, Credit Agricole CIB (Paris, France) Former Executive Vice President, Head of Origination, Banque Indosuez Asset Finance (Los Angeles CA, USA) Former CEO, Banque Indosuez Asset Finance (Madrid, Spain) Former Head of Asset Finance, Indosuez Australia Limited (Sydney) Former Foreign Trade Advisor for France in Australia and in the USA (Conseiller du Commerce Extérieur de la France)
Special responsibilities	Member of the Finance and Risk Committee Member of the Marketing Committee Chair of the Film Committee Member of the Annual Leave Ad Hoc Committee
Original appointment	31/05/2021
Ms Hannah Cooper	Director
Qualifications	ARITA, Advanced Certificate in Insolvency (UTS Sydney) Bachelor of Laws (Hons.) (Macquarie University, Sydney) Bachelor of Liberal Studies (University of Sydney) Admitted as a Solicitor of the Supreme Court of NSW (2014) Admitted as a Solicitor of the High Court of Australia (2016)
Experience	Lawyer at Gilbert + Tobin (Restructuring and Insolvency), Sydney Former lawyer (Restructuring) at Cadwalader, Wickersham and Taft LLP, London, UK Former lawyer (Restructuring) at Milbank, Tweed, Hadley and McCloy LLP, London, UK Former lawyer (Corporate Advisory) at Corrs Chambers Westgarth, Sydney
Special responsibilities	Member of the Marketing Committee Member of the Building Management Committee Member of the Annual Leave Ad Hoc Committee Chair of the Staff Benefits Ad Hoc Committee
Original appointment	8/02/2021
Last subsequent appointment	31/05/2021

DIRECTORS REPORT

2 - Information on Directors continued

Mr Amaury Treguer	Director
Qualifications	M Comm, B Bus
Experience	Executive Director Social at Red Havas (Sydney) Former Head Social and Content, The Haus (Sydney) Former Senior Strategist at We are Social Digital Agency (Sydney)
Special responsibilities	Member of the Marketing Committee
Original appointment	31/05/2021
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

3 - Directors' Meetings

During the financial year, 10 meetings of Directors were held. Attendance by each Director was as follows:

	Meetings held whilst a Director	Number attended
Lyn Tuit, President	11	11
Frederic Veniere, Former Vice President (resigned 31/05/2021)	4	4
Christophe Hoareau, Former Honorary Treasurer (resigned 31/05/2021)	4	4
Marie Chretien, Vice President	11	11
Gareth Dando, Honorary Treasurer	11	9
Mr Anthony Kierann (appointed 31/05/2021)	7	6
Marie Varnier-Gitard	11	7
Dominique Barbeau	11	11
Patrick Cocquerel, Vice President (appointed 31/05/2021)	7	7
Hannah Cooper (appointed 8/02/2021)	10	10
Amaury Treguer (appointed 31/05/2021)	7	6
Dominique Giovanangeli, Secretary	11	10

DIRECTORS REPORT

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 \$10.00 (Ten Australian Dollars) each towards meeting any outstanding obligations of the entity. At 31 December 2021, the number of members of the Company is 420 and the total amount that members are liable to contribute if the entity is wound up is \$4,200 (2020: \$3,390).

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 via its subsidiary Alliance Francaise de Sydney Cultural Foundation (ABN 14630718937) which is controlled 100% by Alliance Francaise de Sydney (ABN 23151008606) to enhance the knowledge of the French language and culture for the Australian public in the Sydney Metropolitan Area.

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

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

Having resolved all outstanding issues with the cladding of the building, the Board and management of the Alliance are now focused on the twin objectives of returning both our language school and the Alliance Francaise French Film Festival to pre-Covid levels of profitability and beyond.

7 - Strategies adopted to achieve objectives

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

- Rebuild face-to-face classes while simultaneously retaining a significant on-line offering, resulting in greater choice and more flexible ways to learn for all our students
- Restore the occupancy rate of our classes, while ensuring the highest pedagogical standards in on-line and in-
- Continue to build on our success in driving loyalty and re-enrolment of our existing students
- Increase marketing efforts with greater focus on a range of modern social-media driven campaigns to stimulate new student enrolments
- Expand our range of specialty classes, and aim to re-invigorate our travel-related classes as Australia's borders re-open
- Continue to work closely with key stakeholders including, but not limited to, the NSW Department of Education and the Association of Independent Schools (A.I.S.)
- Continue our successful investment to grow sponsorship nationally and locally for the AFFFF
- Increase the quality and breadth of activities to boost Festival audiences, including the recruitment of an exceptional suite of Festival Ambassadors
- Increase the use of sophisticated digital marketing approaches to boost audience engagement around the Festival

DIRECTORS REPORT

8 - Additional disclosures

- The net loss of the Consolidated Group for the financial year ended 31 December 2021 was \$20,050 - (2020: profit of \$25,138). The net result for the year excluding depreciation expense of \$247,667 (2020: \$241,881) was a profit of \$ 227,617 (2020: \$267,019).
- The company refinanced its core loan of \$350,000 with the Commonwealth Bank of Australia. This loan provides working capital to guarantee day-to-day liquidity for the Alliance's operations. We were also able to secure two further loan facilities for \$330,000 and \$150,000, which are able to be drawn down in the future if required. Although we are no longer facing the anticipated major outlay for cladding replacement, the Board considers that, in an environment of low interest rates and continuing high economic uncertainty, it is prudent to maintain available sources of liquidity
- The Company received significant financial support from the NSW Government (JobSaver and Small Business COVID-19 Recovery Grant).
- No matter or circumstances have arisen since 31 December 2021 that has significantly affected, or may subsequently affect:
 - a) The operations of the Consolidated Group in future financial years, or
 - b) The results of those operations in future financial years, or
 - c) The state of affairs of the Consolidated Group in future financial years.
- The Consolidated Group is not subject to any significant environmental regulation.

9 - Subsequent events

There are no subsequent events to be disclosed.

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



GARETH DANDO)
) Director &
) Honorary
 Treasurer

Sydney,

30/03/2022

**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 2021, 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.

THOMAS DAVIS & CO.

J.G. Ryan

J.G. RYAN

PARTNER

Chartered Accountants

SYDNEY,
30th March, 2022

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2021

2020		2021
\$	Notes	\$
	CURRENT ASSETS	
818,009	Cash and Cash Equivalents	754,940
78,804	Trade and Other Receivables	45,965
23,457	Inventories	26,114
151,986	Other	144,192
<u>1,072,256</u>	TOTAL CURRENT ASSETS	<u>971,211</u>
	NON-CURRENT ASSETS	
5,106,395	Property, Plant & Equipment	4,898,709
<u>5,106,395</u>	TOTAL NON-CURRENT ASSETS	<u>4,898,709</u>
<u>6,178,651</u>	TOTAL ASSETS	<u>5,869,920</u>
	CURRENT LIABILITIES	
1,012,536	Trade and Other Payables	700,425
24,965	Provisions	40,614
350,000	Borrowings	-
<u>1,387,501</u>	TOTAL CURRENT LIABILITIES	<u>741,039</u>
	NON-CURRENT LIABILITIES	
36,943	Provisions	44,724
-	Borrowings	350,000
<u>36,943</u>	TOTAL NON-CURRENT LIABILITIES	<u>394,724</u>
<u>1,424,444</u>	TOTAL LIABILITIES	<u>1,135,763</u>
<u>4,754,207</u>	NET ASSETS	<u>4,734,157</u>
	MEMBERS' FUNDS	
4,754,207	Retained Profits	4,734,157
<u>4,754,207</u>	TOTAL MEMBERS' FUNDS	<u>4,734,157</u>

The accompanying notes form part of these Financial Statements.

ALLIANCE FRANCAISE DE SYDNEY
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2021

2020			2021
\$		Notes	\$
2,091,418	Revenue from Ordinary Activities	2	2,486,774
100,417	Other Revenue	2	130,664
(1,254,109)	Employee Benefits Expense		(1,909,918)
(241,881)	Depreciation	3	(247,667)
<u>(670,707)</u>	Other Expenses from Ordinary Activities		<u>(479,903)</u>
25,138	Profit/(loss) for the year		(20,050)
<u>-</u>	Other comprehensive income		<u>-</u>
<u>25,138</u>	Total comprehensive loss attributable to members of the entity		<u>(20,050)</u>

The accompanying notes form part of these Financial Statements.

ALLIANCE FRANCAISE DE SYDNEY
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CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

	Retained profits	Total \$
Balance 1st January 2020	4,729,069	4,729,069
Profit/(loss) for the year	25,138	25,138
Total other comprehensive income for the year	-	-
Transfer (to) /from reserves	-	-
Transfer (to) /from retained earnings	-	-
Balance 31st December 2020	4,754,207	4,754,207
Profit/(loss) for the year	(20,050)	(20,050)
Total other comprehensive income for the year	-	-
Transfer (to) /from reserves	-	-
Transfer (to) /from retained earnings	-	-
Balance 31st December 2021	4,734,157	4,734,157

ALLIANCE FRANCAISE DE SYDNEY
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

2020 \$ Inflows (Outflows)		Notes	2021 \$ Inflows (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES			
1,885,799	Sales		2,792,839
26,393	Teaching Activities, Functions and Other Income		7,127
20,293	Members' Subscriptions		31,832
(2,611,985)	Payments to Suppliers of Services and employees		(2,981,589)
417	Interest Received		164
909,739	Other Income Received		138,332
(17,382)	Interest Paid		(11,793)
<u>213,274</u>	NET CASH PROVIDED BY OPERATING ACTIVITIES	2	<u>(23,088)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(31,875)	Purchase of Property, Plant & Equipment		(39,981)
<u>(31,875)</u>	NET CASH USED IN INVESTING ACTIVITIES		<u>(39,981)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
-	Repayment of Borrowings		-
-	Proceeds from Borrowings		-
<u>-</u>	NET CASH PROVIDED BY/(USED) IN FINANCING ACTIVITIES		<u>-</u>
181,399	NET INCREASE / (DECREASE) IN CASH HELD		(63,069)
636,610	Cash at the beginning of the Financial Year		818,009
<u>818,009</u>	CASH AT THE END OF THE FINANCIAL YEAR	1	<u>754,940</u>

ALLIANCE FRANCAISE DE SYDNEY
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NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

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:

2020		2021
\$		\$
2,187	Cash on Hand	1,543
815,822	Cash at Bank	753,397
<u>818,009</u>		<u>754,940</u>

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

2020		2021
\$		\$
25,138	Profit/(Loss) after Income Tax from Ordinary Activities	(20,050)
241,881	Depreciation	247,667
10,884	(Profit) / Loss on Sale of Fixed Assets	-
16,185	Increase/ (Decrease) in Provision for Long Service Leave	23,430
	Change in Assets & Liabilities	
17,945	(Increase)/Decrease in Inventories	(2,657)
(22,745)	(Increase)/Decrease in Trade & Other Receivables	32,839
(29,796)	(Increase)/Decrease in Prepayments & Deposits	7,794
(128,709)	Increase/(Decrease) in Income Received in Advance	51,173
82,491	Increase/(Decrease) in Trade & Other Payables	(363,284)
<u>213,274</u>		<u>(23,088)</u>

ALLIANCE FRANCAISE DE SYDNEY
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

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 and group are not-for-profit entities 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 30/03/2022.

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent entity, Alliance Francaise de Sydney and its subsidiary Alliance Francaise de Sydney Cultural Foundation. The parent entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns via its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which the control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions and balances between Group entities are fully eliminated on consolidation. Accounting policies are adjusted for subsidiaries and adjustments made if necessary to ensure uniformity of accounting policies adopted by the Group.

Revenue Recognition

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 which is recognised when or as the Group satisfies any obligations.

Operating Grants, Donations and Bequests

When the Group receives operating grant revenue, donations or bequests, it assesses whether a contract is enforceable and has sufficient specific performance obligations in accordance with AASB 15. When both these conditions are satisfied the Group identifies each performance obligation, recognises a contract liability for its obligations under the agreement and recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations the Group recognises income immediately in profit and loss as the difference between the initial carrying amount of the asset and the related amount.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Inventories

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

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.

Collectability 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 Group 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.

Trade receivables are reviewed for the lifetime expected credit loss when assessing any provision for doubtful debts.

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 Group 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 group'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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

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 Group commits itself to 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

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

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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

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.

Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If a lease is present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the entity is a lessee. 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. However all contracts that are classified as short-term leases (less than 12 months) and leases of low value assets are recognised as operating expenses over the term of the lease.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group 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 Group 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 Group 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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Employee Benefits

(i) Short-term employee benefits

Provision is made for the Group'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 Group'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 Group 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 the probability of leave being taken.

(iii) Retirement benefit obligations

The Group pays the fixed superannuation guarantee contribution (currently 10% of the employee's ordinary earnings) to the employee's superannuation fund of choice. All contributions paid by the Group 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 Group.

New and amended accounting standards

The Group has considered all new and amended accounting standards effective from 1 January, 2021 none of which are expected to have any material impact.

2020		2021
\$		\$
	NOTE 2 - REVENUE	
	<i>Operating Activities</i>	
1,992,920	Teaching Activities & Functions	2,398,009
26,393	Sales - Bookshop	7,127
20,293	Membership Subscriptions	28,938
51,812	Sundry Income	52,700
<u>2,091,418</u>		<u>2,486,774</u>
	<i>Non-Operating Activities</i>	
417	Interest Received	164
100,000	Other Income - Government COVID-19 Stimulus	130,500
<u>2,091,835</u>		<u>2,486,938</u>

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

2020		2021
\$		\$
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>		
16,185	- Long Service Leave	23,430
33,730	- Annual Leave	15,063
<u>49,915</u>		<u>38,493</u>
<i>Depreciation of Non-Current Assets</i>		
21,431	- Plant & Equipment	26,601
220,450	- Buildings & Improvements	221,066
<u>241,881</u>		<u>247,667</u>
<i>Remuneration of the Auditors For:</i>		
10,500	- Auditing Accounts	10,500
3,958	- Other Services	4,000
<u>14,458</u>		<u>14,500</u>
NOTE 4 - CURRENT ASSETS - CASH & CASH EQUIVALENTS		
2,187	Cash on Hand	1,543
176,538	ANZ - Cheque Account	261
639,284	ANZ - Savings Account	2
-	CBA - Cheque Account	203,111
-	CBA - Savings Account	550,023
<u>818,009</u>		<u>754,940</u>
NOTE 5 - CURRENT ASSETS - TRADE & OTHER RECEIVABLES		
3,204	Trade Debtors	45,965
75,600	Sundry Debtors	-
<u>78,804</u>		<u>45,965</u>
NOTE 6 - CURRENT ASSETS - INVENTORIES		
23,457	Stock On Hand	26,114
<u>23,457</u>		<u>26,114</u>
NOTE 7 - CURRENT ASSETS - OTHER		
151,963	Prepayments and deposits	144,169
23	Alliance Francaise Paris	23
<u>151,986</u>		<u>144,192</u>

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

2020		2021
\$		\$
NOTE 8 - NON-CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT		
6,118,760	Strata Title Premises - At Cost	6,118,760
<u>(1,692,004)</u>	Less Accumulated Depreciation	<u>(1,844,971)</u>
4,426,756		4,273,789
1,073,828	Strata Fitout - At Cost	1,073,828
<u>(590,601)</u>	Less Accumulated Depreciation	<u>(644,292)</u>
483,227		429,536
295,610	Improvements - At Cost	295,610
<u>(207,124)</u>	Less Accumulated Depreciation	<u>(221,532)</u>
88,486		74,078
175,535	Furniture, Fittings & Teaching Equip - At Cost	175,535
<u>(116,230)</u>	Less Accumulated Depreciation	<u>(121,687)</u>
59,305		53,848
152,452	Office Machines - At Cost	192,433
<u>(128,093)</u>	Less Accumulated Depreciation	<u>(145,631)</u>
24,359		46,802
70,654	Database - At Cost	70,654
<u>(62,773)</u>	Less Accumulated Depreciation	<u>(64,744)</u>
7,881		5,910
10	Library - At Valuation	10
36,804	Library - At Cost	36,804
<u>(20,433)</u>	Less Accumulated Depreciation	<u>(22,068)</u>
16,381		14,746
<u>5,106,395</u>		<u>4,898,709</u>
NOTE 9 - CURRENT LIABILITIES - TRADE & OTHER PAYABLES		
185,743	Teaching Activities - Fees Received In Advance	210,891
55,490	Income Received in Advance	81,515
723,391	Trade Creditors & Sundry Accruals	345,044
47,912	Annual Leave	62,975
<u>1,012,536</u>		<u>700,425</u>
NOTE 10 - CURRENT LIABILITIES - PROVISIONS		
24,965	Long Service Leave	40,614
<u>24,965</u>		<u>40,614</u>

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

2020		2021
\$		\$
NOTE 11 - CURRENT LIABILITIES - BORROWINGS		
-	CDA Loan - Variable (Secured)	-
350,000	ANZ Loan - Variable (Secured)	-
<u>350,000</u>		<u>-</u>
NOTE 12 - NON-CURRENT LIABILITIES - PROVISIONS		
36,943	Long Service Leave	44,724
<u>36,943</u>		<u>44,724</u>
NOTE 13 - NON-CURRENT LIABILITIES - BORROWINGS		
-	CBA Loan - Variable (Secured)	350,000
-	ANZ Loan - Variable (Secured)	-
<u>-</u>		<u>350,000</u>

At 31 December 2021, the unused portion of the CBA Loan - Variable amounted to \$Nil (2020: ANZ Loan \$Nil). During the year the Company refinanced its \$350,000 facility with Commonwealth Bank on a 5 year- interest only basis

NOTE 14 - RETAINED PROFITS		
4,729,069	Retained Profits at the Beginning of the Financial Year	4,754,207
25,138	Net Profit/(Loss) for the Year	<u>(20,050)</u>
<u>4,754,207</u>	Retained Profits at the End of the Financial Year	<u>4,734,157</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	4,998,469	107,926	5,106,395
Additions	-	39,981	39,981
Depreciation	(221,066)	(26,601)	(247,667)
Disposals	-	-	-
Carrying amount at the end of the year	<u>4,777,403</u>	<u>121,306</u>	<u>4,898,709</u>

NOTE 16 - FINANCIAL REPORTING BY SEGMENTS

The principal activities of the Group 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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

NOTE 17 - EVENTS SUBSEQUENT TO REPORTING DATE

There are no subsequent events to reporting date.

NOTE 18 - LEASE COMMITMENTS

	2020	2021
	\$	\$
Commitments in relation to leases contracted :		
Within one year	5,524	3,683
Later than one year but not later than five years	3,683	-
Later than five years	-	-
	<u>9,207</u>	<u>3,683</u>
Representing:		
Non-cancellable operating leases	<u>9,207</u>	<u>3,683</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, Former Vice President (resigned 31/05/2021)
Christophe Hoareau, Former Honorary Treasurer (resigned 31/05/2021)
Marie Chretien, Vice President
Gareth Dando, Honorary Treasurer
Mr Anthony Kierann
Marie Varnier-Gitard
Dominique Barbeau
Patrick Cocquerel, Vice President (appointed 31/05/2021)
Hannah Cooper (appointed 8/02/2021)
Amaury Treguer (appointed 31/05/2021)

No payments were made to related parties during the year.

NOTE 20 - CAPITAL COMMITMENTS

Contracted expenditure on Capital Works as at 31st December 2021 is \$ (2020: \$Nil).

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

NOTE 21 - FINANCIAL RISK MANAGEMENT

The Group'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 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 \$	2021 \$
Financial Assets			
Cash and Cash equivalents	4	818,009	754,940
Trade and Other Receivables	5	78,804	45,965
Total Financial Assets		896,813	800,905
Financial Liabilities			
Trade and Other Payables	9	1,012,536	700,425
Borrowings	11,13	350,000	350,000
Total Financial Liabilities		1,362,536	1,050,425

NOTE 22 - BORROWING FACILITIES

The Group's borrowings at the reporting date amount to \$350,000. The total facility available amounts to \$350,000 being a variable interest facility with CBA commencing on 19/1/2021 for 5 years at a current rate of 3%.

NOTE 23 - GOING CONCERN

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

NOTE 24 - SUBSIDIARY FINANCIAL INFORMATION

Alliance Francaise de Sydney is the parent entity of Alliance Francaise de Sydney Cultural Foundation. Set out below is the information about the subsidiary entity.

	2020 \$	2021 \$
Statement of profit or loss and other comprehensive income		
Profit/(Loss) after income tax	(172,543)	(39,539)
Statement of financial position		
Total current assets	110,246	185,902
Total assets	110,246	185,902
Total current liabilities	282,789	397,985
Total liabilities	282,789	397,985
Equity		
Retained earnings	(172,543)	(212,083)
Total equity	(172,543)	(212,083)

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

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 group's financial position as at 31 December 2021 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



GARETH DANDO

)
) Director &
) Honorary Treasurer

SYDNEY,
30/03/2022

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 and its controlled entity (the Group), which comprises the statement of financial position as at 31 December 2021, 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 the Group 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 Group's financial position as at 31 December, 2021 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 Group 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.

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 Group annual report for the year ended 31 December 2021, 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 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 Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Group'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 Group'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 Group 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.



J.G.RYAN

PARTNER

Chartered Accountants

SYDNEY
30th March 2022

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