



The Inner City Steiner School P-12

Annual Report 2008

“Steiner education teaches
the heart not just the head”

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About the School

Sophia Mundi is a non-denominational inner city school that offers learning based on the principles of Rudolph Steiner. Steiner was a 20th Century thinker and luminary who challenged many of the teaching principles of the day. The first Steiner School opened in Stuttgart, Germany, in 1919. Today there are some 1000 Steiner schools worldwide.

Rudolf Steiner's thinking was as revolutionary then as it is today. He demonstrated that educational and learning outcomes are dramatically improved if we match the timing and style of teaching to the developmental capabilities of the child. The essence of his approach is that we engender a love of learning.

This love of learning in turn unlocks curiosity, creativity and imagination, all of which we have in abundance throughout our childhood years. The energy and enthusiasm that is released takes the pupil far beyond conventional educational boundaries to help them find who they really are. Supported by their class teacher or guardian, each child's journey is highly individual, fulfilling and enjoyable.

At Sophia Mundi we hold our Steiner curriculum very dear. Art and science work together harmoniously to free the spirit of the child. We teach specific themes at specific stages of child development.

Our themes are rich in context and are interlaced and interwoven across all subject areas from maths to science, from art to literature.

Nordic legends are taught alongside Egyptian hieroglyphics. Spirituality is explored along with the structured. Musical instruments are played to encourage dexterity.

In a wider sense too, we encourage the development within our pupils of a healthy body and soul. We encourage creative play, the use of natural materials and the consumption of organic foods. Ultimately we help our pupils make the most of each day, resisting the external pressures society places upon our children to desert childhood prematurely.

And we are lucky enough to be located within a beautiful and sympathetic environment within which to achieve this. Sophia Mundi is now in the process of locating its whole school within the Abbotsford Convent. Surrounded by a like-minded artistic population, nestled in amongst the treed slopes on the banks of the Yarra, we are truly blessed.

And when you see that confident, articulate, well-rounded year 12 student and you wonder what is it about them that is so missing in many of today's youth, ask the question – where was he or she educated?

Tony Sullivan
School Executive Officer

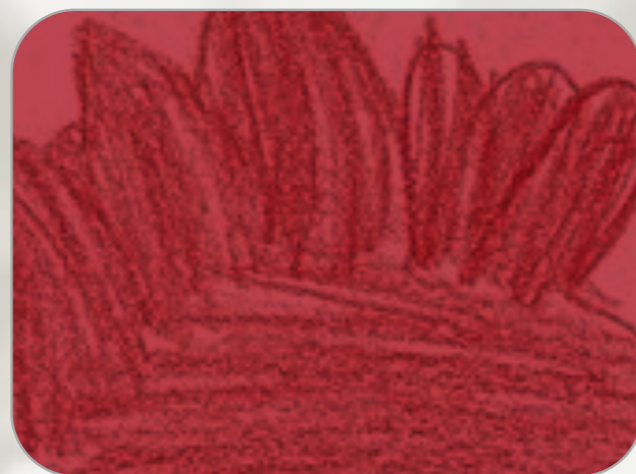
Chairperson's overview

Throughout the year, as always, it is the children that make our school what it is. Sophia Mundi continues to offer a rich and wonderfully diverse education in its inner city setting.

Festivals continue to provide a focus for the school. The mid-year senior school concert showed off our rich music program, and class drama and music performances punctuate the year and help remind us why we have chosen this education approach for our children.

The results speak for themselves. All seven of our year 12 students in 2008 received a first round offer into tertiary education, an enviable record not achieved by many schools. The breadth of the independent projects and their presentation by the students in November were a real highlight.

The year saw a further reorganisation and consolidation of the administration team and the implementation of new administration computer and phone systems. At the start of the year we welcomed Rodney Evans as the new Dean of School. He brought a wealth of experience from his teaching and administration of Steiner schools in Germany and New Zealand. It was disappointing when he unexpectedly resigned at the end of the year to move to northern NSW for family reasons.



Some tough decisions have had to be made to keep expenditure in check while putting in place the building blocks that will allow our growth into the future. It was therefore gratifying to see so many parents and members of the wider school community rally together for the school at meetings held in term 3 and 4.

It is only together and with such support that the school will start to thrive.

As a small school we rely heavily on parents and volunteers. Their input is woven seamlessly into the fabric of our school: as class carers; fair organisers and helpers; on the Parents & Friends Association; helping out at the markets; making cakes and craft; participating in working bees and gardening; building play equipment, gazebos and structures; as directors; as class walkers or helping on camps and excursions; assisting with the cleaning; helping out in the library; helping with after care and in a myriad of other ways. Our thanks go to each and everyone for their input.

It was pleasing to see a fledgling Sustainability Group join with the Parents and Friends Association as key parent groups within the school.

Successful grant applications meant we were able to replace the dangerous, broken concrete basketball court

at Nicholson Street with a suitable playing surface along with a new playing surface and shade sails at St Mary's. We also received a grant from the Commonwealth government's 'computers for schools' program following a visit by local Member of Parliament, Lindsay Tanner.

Fundraising by the Parents' and Friends Association and through the parent run breakfast and cake stall at the Convent monthly slow food markets provided the funding for the materials for a new gazebo, plants and shrubs, and – along with stone donated by Queens College – the curly seat sculpture at St Marys. With lots of parent labour and talented coordination these helped give life to the St Mary's campus.

Many teachers and administration staff also provide freely of their own time to assist the school. Without the work of volunteers there is no way that our school could survive. Thankyou.

I would like to take this opportunity to thank all of our teachers and the administration staff. It was a tough year however there was a great sense of camaraderie present.

Special thanks go to my fellow directors. They all bring a huge passion and drive to move the school forward and to see it prosper. It was pleasing to welcome new members during the year and to have a number of potential new staff and parent representatives willing to join the Board in 2009.

The 2009 year will bring its own challenges as we seek to get the school once more on a sound financial footing. A key initiative will be to take the next steps to consolidate on a single site. It is also a pleasure to welcome Tony Sullivan as the School Executive Officer in March 2009. He brings a wealth of business acumen and a strong financial background augmented by a keen interest in Steiner education.

While 2008 marked fifteen years for our family at the school and the end of my term as chair of the Board of Directors, I have a renewed sense of optimism about the school's future. There remain significant hurdles to overcome however I am confident that with the continued goodwill of our school community we will move forward . . . one step at a time.

Johan Top
Chair, Board of Directors



Performance Measures

From an educational perspective, the school continued to perform well. Our 2008 student attendance performance by class was as follows:

Prep total days 2920 absent 216	92.6%
Class 1	88.2%
Class 2	90.9%
Class 3	90.8%
Class 4	84.7%
Class 5	91.1%
Class 6	89.5%
Class 7	95.6%
Class 8	88.5%
Class 9/10	86.76%
Class 11/12	89.2%

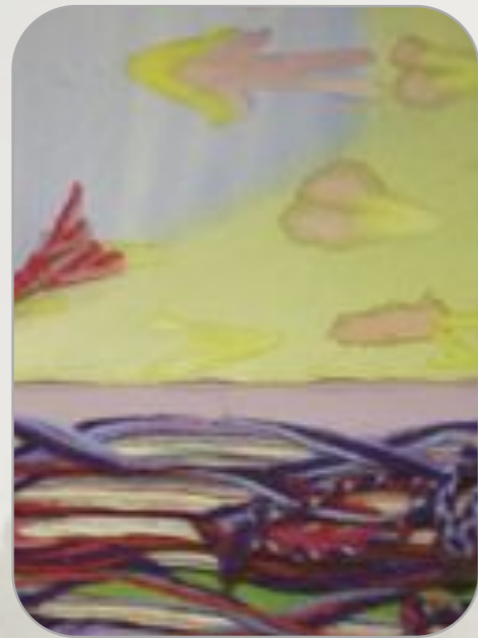
Our **retention** performance of our teaching staff during 2008 was as follows:

Class teachers and class guardians 100%
Specialist support staff 76%

Staff Attendance for teaching staff for 2008 was 96.5%

Qualifications of Primary and Secondary teaching staff and Specialist Music staff as at December 2008 were:

Bachelor of Education	10
Master of Education	1
Graduate Diploma of Education	2
Diploma of Education	12
Steiner Education Qualification	13
Masters Degrees	4
Bachelor of Arts	10
Bachelor of Science	3
Bachelor of Applied Science	1
Bachelor of Music	3
Bachelor of Visual Art/Fine Arts	3
Bachelor of Letters	1
Bachelor of Law	1
Advanced Diplomas	6
Certificates	6
Bachelor of Early Childhood Studies	1
Eurythmy Qualifications	2
MA Counselling	1
Creative Arts Therapy	1
Workplace Training and Assessment	1



Professional Learning

Teacher professional learning in 2008 was focused on "The Generative Impulse", the developmental and spiritual underpinning of each of the class years. This was undertaken in the Whole College Meetings, held weekly throughout the year. At weekly Faculty Meetings, a pedagogical study is undertaken. This adds to the knowledge of the teaching body in terms of the philosophical and practical approaches to Steiner teaching. An additional aspect of the Professional learning is the "Child Study".

This is a process whereby the Faculty selects a student for focused attention, bringing all teachers' (and parents) input into consideration.

Expenditure on Professional Learning was less than \$1000 per head and included reading material and conference attendance.

Assessment and Screening Tests

Under the terms of our funding agreement with the federal government, we offer NAPLAN testing for classes 3, 5, 7 and 9 administered by the Support Education department. Most of our parents exercise their right to withdraw from this testing so the results carry no statistical validity for our school.

Our screening tests, for classes 3, 5, 7 and 9 have yielded the following summaries for Literacy and Numeracy.



Literacy

The Steiner curriculum for literacy begins with the arts of storytelling, speech, poetry and drama – the "oral tradition". This nourishes and builds the child's imagination. Creative Writing is an expression of the child's imagination which we draw on only after the age of 12 when the child can express his / her imagination through this more intellectual medium. Up till then the children draw and act out their stories as a preparation for writing in the high school. Writing then develops rapidly into other areas of analysis and debate as well as narrative. Spelling is part of the "mechanics" of writing and therefore not a major focus in Steiner education until class 6 and upward.

Please note: Some literacy screening tests which would normally have been undertaken in late 2008 were delayed due to illness. The tests were conducted in early February 2009 and some of this data has been used in gathering the following information.

Reading

71% of students in class 3 tested within or above the average range for Australian students of their age

81% of students in class 5 read within or above the average range for Australian students in year 5

This represents a 22% increase on students within or above the average range since 2007

83% of students in class 7 read within or above the average range for Australian students in year 7.

This proportion remained steady from 2007.

57% of students in class 9 read within or above the average range for Australian students in year 9.

This represents a 7% increase on students within or above the average range since 2007.

Spelling

61% of students in class 7 spelt within or above the average range for Australian students in year 7. This represented an 11% increase on students achieving this benchmark since 2007.

57% of students in class 9 spelt within or above the average range for Australian students in year 9.

This represented a 7% increase on students achieving this benchmark since 2007. Re-testing for this group of students is required as our data shows inconsistencies.

Writing

57% of students in class 9 demonstrated written skills which would place them within or above the average range.

Numeracy

53% of students in class 3 demonstrated arithmetic skills within or above the average range for Australian students of their age

86% of students in class 5 demonstrated numeric and arithmetic skills within or above the average range for Australian students of their age

This represents an increase of 41% for these students since 2007.

76% of students in class 7 demonstrated numeracy skills within or above the average range for Australian students of their age

Value Added example:

Two primary level children who both scored critically low in addition, subtraction and multiplication, and below average and average respectively in division, entered the Support Education (Numeracy) program in December 2007. With help from home and independent learning program (ILP) and a strong focus and awareness from the class teacher, these students, earned results of 73% and 91% in 2008.



Senior Secondary Outcomes

Our students achieved 100% VCE pass rate with each student receiving their VCE Certificate. At our school the VCE is ungraded with students receiving a pass or fail, with marks allocated through students sitting the School Assessed Coursework (SACS).

Classes 11 and 12 undertake the senior Steiner curriculum as well as the State VCE curriculum. The VCE is modified such that our students do not sit the end of class 12 exams. Instead they undertake a year-long independent research project and do the 12 Main Lessons for each year.

The research project is of their own choice. They write a thesis ranging in length from 5,000 to 15,000 words and there is a practical component to the project such as making or building an object.

The whole process is documented, from finding a mentor to completion of the object and thesis. Each student at the end of Class 12 presents his or her project, giving a formal talk, perhaps using a power point or video presentation and answering questions from the audience. Examiners from tertiary institutions attend the project presentations and assess the students.

Watching how our students present themselves and their special interest in this challenging situation is a credit to their striving, their parents and teachers, and their whole education. This event is a transition for them from school to young adulthood and stepping out into the world. It is easy for us in the audience to see the "products" of Steiner education at Sophia Mundi. They demonstrate poise and confidence. The examiners have all commented on their authenticity as learners and upon how powerfully the students convey their personal knowledge and insights into learning and living. Overwhelmingly our students show maturity, personal strength and a capacity for commitment that is beyond their years.

University Entrance

In 2008 we had a very successful year with 100% of our students being offered their first choice of course at the institution of choice.

Our students were enrolled in the following courses for 2009:

- Bachelor of Arts, Latrobe University
- Bachelor of Outdoor Education, Latrobe University (Bendigo)
- Bachelor of Creative Writing, RMIT
- Bachelor of Biological Sciences, RMIT
- Advanced Diploma Hospitality Management, William Angliss
- The proportion of year 9 students (2005) who went on to complete Year 12 (2008), was 31%

Parent Survey

No survey was carried out in 2008 to measure parent satisfaction. The last survey was October 2007. Parent feedback was gathered informally through class parent teacher meetings, which are held each term for the primary classes and twice yearly in the senior school. Whole School meetings also took place throughout the year and were an opportunity for reporting to the parent community and receiving feedback.

Five Whole School meetings were held with numbers attending from 20 to 170.



Value Added

Broad Based Curriculum

Our curriculum is 'classical', broad-based curriculum, requiring students in Class 12 not to specialise but to continue to study the whole spectrum of subjects - from Dante's Divine Comedy to Optics and Light, from Conic Sections to Comparative Religion. Current educational thinking requires that an integrated approach be taken to curriculum. This is the approach of Steiner Education; and we have found the implementation of the Victorian Essential Learning Standards (VELS) a further indicator of just how rich is our offering to the students.

Wholistic Approach

A spiritual perspective is the underlying feature of our curriculum and teaching. Our wholistic education acknowledges the unseen world, the world of the spirit. This is an important aspect that permeates all of the interactions of staff with the students. The teacher, who works meditatively with the class, carries the development of the individual child with respect and reverence.

Prep to Class 6 Handwork

There are four main areas in the primary school handwork curriculum, which all begin in class 1 and develop in complexity year by year. The areas are knitting/crochet, weaving, embroidery and toy making. In the Craft Curriculum Course we start with class skills and articles and gradually refine and extend the skills till we complete the year with fair isle knitting, circular crochet, tapestry weaving, fine embroidery with beading, and several knitted or felt animals and dolls. Each session has a theory component that relates the craft to the stages of child development and to the general Steiner integrated curriculum.

The Course teaches observation skills encourage creative and independent learning through discovery. We create most of our own patterns and do not rely on prescribed instructions.

Class 9 Outdoor Education Intensive

Class 9 students are off campus for 61 days during the course of the year. The camps range from 3 days to 2 weeks and cover a diversity of experiences from canoeing to hiking and a fortnight on a working farm. This year is the culmination of the camp programme that began with a sleepover in Class 3. Through these experiences and encounters with nature, students develop an independence in their being and a sense of community as they at times, stretch themselves in facing the difficulties of the terrain to celebrate with each other the awesomeness of nature.

Class 10 City Programme

In 2008 we visited the Immigration Museum, and went on a number of visits to the National Art Gallery of Victoria, the Melbourne Museum, Federation Square, the Ian Potter Centre, ACME, the Bunjalaka Museum, and a number of other places, all connected with the curriculum. The highlight of the year for the students was the aerial view of Melbourne from a Hot Air Balloon, one clear and cold morning. Having walked the streets, discovered the lanes, and street art and many nooks of Melbourne City (such as the Bennett's Lane Jazz Club), the students experienced an overview of the city from a trip to the Rialto Building and finally took a true bird's eye view from the air. It was a dizzying end to their year, as a result of some focussed work on fundraising for the balloon ride.

Faculty Reports

Early Childhood Faculty

Early Childhood at Sophia Mundi Steiner School is represented by the Playgroups and Prep. We also have a close relationship with the independently managed Little Sophia Kindergarten and the extended hours program provided there. Our relationship with Little Sophia is enhanced through faculty meetings that are held regularly throughout the year.

Playgroup has six sessions a week providing a social and informative / supportive environment for parents and children up to three years old. This is an opportunity for parents to learn about Steiner education in general and Sophia Mundi in particular. As this is often the first contact for parents with the school it plays an important role in our growth. Wendy Duff, Mel Shere and Janie Bailey facilitate the playgroups. An average of eight families attend each session with the maximum being ten. Wendy provides workshops and talks for interested parents and others with support from her early Childhood colleagues.

Prep was very peaceful in 2008 with a smaller group than usual. The group size allowed us to engage more freely with our program and to create such things as hobbyhorses for everyone. We worked with the garden – planting new trees and shrubs and the children were delighted with the baby rabbits that arrived on a regular basis. As a result of the smaller numbers we ran a program of four straight days for all students rather than our usual five-day rotating system. This provided continuity for the children and a sense of unity that was beneficial both for the curriculum content and the children's development. The parents were very generous in their support and provided us with a bouncing board and trestles that the children enjoyed immensely. Our year ran smoothly and calmly in our oasis and our garden flourished under the willing hands of many little gardeners.

Mary Howell
Chair, Early Childhood Faculty



Primary Faculty

Classes One to Five were at St. Mary's campus in 2008. This was our second year at this beautiful site. As in 2007, Class Six joined the secondary campus to form part of the important Middle School grouping. This left a leadership vacuum at St. Mary's as Class Five were not yet able to effectively regulate their behaviour in terms of taking responsibility for providing a modelling role for the younger children. We look forward to having them with us again.

Rodney Evans, our Dean in 2008 strongly led our early festivals with the traditional Shrove Tuesday Pancake Day providing his introduction to many parents. Rodney also presided over our Easter Festival, telling a story to all children from Primary and Secondary levels gathered in the St. Mary's Eurythmy Room.

Open Day at Nicholson Street was well-attended by primary classes with a wonderful display of class work and craft in the downstairs hall. Parents provided warm, nutritious meals which were gratefully received as we dodged the heavy rain that graced us that day. Many prospective parents talked to teachers at all levels. Some of the younger children found the electrified rock band rather too noisy and this raised a question about whether two Open Days are necessary.

In a revival of an older tradition, Primary classes held a Lantern walk about ten days before mid-winter. This was preceded by soup and bread in our classrooms and then we all rugged up to walk around the convent grounds with our lanterns. It was a lovely sight to see the lanterns trailing snake-like through the gardens, appearing from behind hedges and buildings and then getting lost from view again.



All classes in the school participated in the Winter Spiral in the lower hall at Nicholson Street on the last day of term, beginning with Class One and proceeding class by class up to Class 12. Parents helped to keep the singing going and the children were hushed by the darkness and the gentle candle light to spread the light from the central candle throughout the spiral.

Our Spring Fair and Open Day were well-attended with all the classrooms open and looking beautiful with colourful displays of the children's work. There was also an Open Day in the Convent on the same day where our music concerts were held. The children performed beautifully.

The teachers adopted the Victorian Education Learning Standards (VELS) framework in describing and reporting on the curriculum this year. This provides standards of accountability that attest to the comprehensiveness of our curriculum.

All in all, the Primary school withstood the challenges presented in the school in 2008 in a cheerful way and came through with flying colours.

High School Faculty

We started the year with Administration moving over to St. Mary's and this proved to be the symbol for the year. There was a pervading sense of being 'on the move'. Our new Dean position had been filled and we were all getting used to the new structure. The beginning of the year also saw us doing curriculum development in response to feedback from students and other teachers.

Students in Class 10 talk of a sense of 'let down' after their big year outdoors in our camping programme. We felt that they would benefit from a contrasting experience which, as we developed it, became the 'City Programme'. In this, we base aspects of the main lessons and the subject lessons on educational programs and exhibitions located in the city. The students go to the city regularly and it is used as an extension of the classroom.

The Senior School, classes 11 and 12 had a very full year. The class 12 went from strength to strength, consolidating and working strongly together during an enormously demanding year, doing a Steiner curriculum, the State VCE curriculum and the Independent Project. They all rose to this challenge and passed with flying colours, each one achieving their desired course at tertiary level for 2009.

Amongst this, one of our star students, Jalen Lyle-Holmes won a significant art prize in a State wide art competition run by NMIT, for his self-portrait. And more good news, our classes 8, 9 & 10 fielded a cricket team in the interschool sports in Victoria, and came 3rd in the State. This was a terrific achievement, led by our maths and science teacher Peter Rathjen.

Specialist Departments

Music

Music teachers at Sophia Mundi value diversity. Musicians from a wide variety of musical streams, value the different experiences that students bring to ensembles and private lessons. Our goal is to cater for each student, whatever his or her previous musical experience may have been. We aim to provide for each student the space to explore the essence of sound, and to use it to his/her own creative purpose. All students should have the opportunity to make music together – singing or playing instruments. In addition they should have the freedom to become discerning listeners and experience cultural diversity through music.

The music program at Sophia Mundi is an integral part of the school curriculum. Music is an important part of the Steiner Education and we endeavour to create as many opportunities as we can for each student.



Primary School

All classes sing and play the recorder with their Class Teacher. In the younger classes, nursery rhymes, songs, counting, circle games, clapping rhythms, and simple percussion are used as part of everyday teaching. Pentatonic and modal elements are freely explored. Students in Class 3 begin to sing rounds, along with their Hebrew melodies, and in Class 3 students first start to learn notation through pictures and stories in their first music Main Lesson. Students in Classes 4, 5 and 6 sing and play music that reflect and support their Main Lessons, and increasingly work on music that is more harmonic and choral. Each student from Class 3 to 6 learns a stringed instrument of his/her choice (violin, viola or cello) in an individual, weekly lesson. Each class plays weekly in a stringed Orchestra, led by an experienced string teacher.

The Class 3 Orchestra first performs at the Spring Fair and then plays the carols at the Christmas Market. Classes 4, 5 and 6 have class concerts where the children perform individually with piano accompaniment and sometimes perform a song or recorder item from the classroom music repertoire. They also perform at different functions throughout the school year, such as Open Days, Fairs, Bush Dances and Markets.



High School

Every student in the senior school continues to learn an instrument on a weekly basis. Students from class 7 can choose the instrument, either continuing with their stringed instrument, or choosing from a greater range of instruments from woodwind, brass, percussion, voice or stringed families. Some students carry on with the stringed instrument and take up a new one as well. Music lessons are offered in most instruments; if we do not have a teacher, it is often possible to find one in order to cater for a student's particular needs.

All students in classes 7 to 11 take part in a weekly ensemble. This allows students the chance to enjoy playing and performing music with younger and/or older students in specific instrumental groups. Senior Ensemble groups in 2008 were – Woodwind, Senior Orchestra, Guitar, Percussion and Voice. All students from Class 6-12 took part in the Mid-Year Senior Music Concert, where all ensembles performed, and individuals were 'showcased'.

All students perform in individual class concerts where they perform solos and group pieces. Students also perform at different functions throughout the school year, such as Open Days, Fairs, Harvest Festival, Bush Dances, Markets, Assemblies, Festivals, and outside venues. Students in Classes 9 and 10 have music lessons, focusing on music theory, aural, composition, listening and historical elements. Students may elect further musical studies working with an experienced music teacher to develop skills in all aspects of musical training, including analysis, and work towards completing VCE music studies and beyond.

The Music Staff

We have an extremely talented and dedicated music staff. All music teachers are trained and experienced musicians on their chosen instrument, and many perform regularly. In 2008 our music staff was comprised of:

Myfanwy Aldersun Music Coordinator, Violin/Viola	3-12
Christine Munro Violin/Viola	7-12
Cherry Eckselman Violin/Viola	3-6
Katya Sellmer Cello	7-12
Rachelle Harvey Cello	3-6
Edward York Percussion	7-12
Alison McKean Recorder	7-12
Shane Rohde Piano, Eurhythm and Accompanist	P-12
Tiago Brissos Guitar	7-12
Caroline Dickason Voice	7-12
Belinda Woods Woodwind	6-12



Musical highlights of 2008

The major music event of the high school in 2008 was held in the Collingwood Town Hall with an audience of approximately 450 parents, family, teachers, past students and friends. The Woodwind, Senior Orchestra, Percussion, Guitar and Voice Ensembles all presented pieces. Thirteen students performed solo or in duos with diverse pieces from Classical, Jazz and contemporary repertoires. The Class 6 Orchestra was invited to perform as an introduction to the high school. The Class 7 Chamber Ensemble played with sombreros for their South American piece and the parents and friends choir Sophie's Voice sang 5 pieces.

Harvest Festival

Each primary school class learnt and performed a dance accompanied by live musicians and high school students to celebrate the Autumn Harvest.

Open Day

Throughout the day two stages presented a full program. One was amplified and catered for high school students with inspiring musicians from the pop and rock & roll genres. Large colourful posters for the stages were made by Class 8 & 9 students, with detailed programs of the bands and their bio's. The other program was non-amplified and catered for junior school students with classical and ambient bands. There were 3 busking areas which rotated students in 30 minute spots throughout the day.

Class Concerts

Class concerts give students an opportunity to focus on a particular piece and prepare it for performing solo, accompanied by piano, with his/her teacher as a duo or in a trio or quartet with fellow players. There were a total of 10 class concerts throughout the year with Classes 4, 5 & 6 having two concerts, one in Semester 1 and one in Semester 2. The end of year concert for Class 6 was a particular highlight with a quartet playing La Cumparsita. Class 3 had their first public performance at the Spring Fair and played Christmas Carols on the last day of school in the Playground as students left for the Summer holidays. High school students performed in the Midyear concert and had Class concerts in Term 3 or 4.

Bush Dance

The Bush Dance was held in the Lower Hall at Nicholson St, it was transformed with streamers, a stage, bales of hay and wonderful scarecrows made by the junior classes. The bush band Sophie's Jig played with members of music staff and students playing jigs, reel and waltz's while children and parents kicked up their heels in a bush dancing frenzy.

Music Camp

The 2008 Music Camp was held at Little Yarra Steiner School in the Term 3 School Holidays. Students from ten or so Steiner schools from around Australia participated, including 15 students from Sophia Mundi. The camp was a great opportunity for Sophia students to meet other young players from Steiner Schools.



Maypole Dance

The Maypole Dance was performed by each Class. This was a beautiful event culminating in all the ribbons being neatly woven around the maypole.

Spring Fair

The Spring Fair held on the same day as The Convent Open Day, attracted a large number of people to the school and gave us a great opportunity to be seen in the broader Convent grounds. Orchestra's from Class 3, 4, 5 and 6 performed in the morning followed by the Senior Ensemble in the afternoon.

Connecting to the Broader Convent Community

Many of our young stringed players have purchased instruments from Paul Davies at Arts Music workshop at the Convent where he makes semi-electric instruments. In September 2008 Paul organized four string players from the Australian Chamber Orchestra, the Melbourne Symphony Orchestra and a student of the Australian National Academy of Music to have an open rehearsal in the Linen Room behind Arts Music with a Shostakovich quartet piece to be played on his hand-made semi-electric instruments. Students from classes 3 - 5 and 7-12 attended. It was a fabulous opportunity for the students to literally sit at the feet of these musicians as they rehearsed and discussed how to play certain passages, each one of them plugged into an amplifier.



The first hour was the open rehearsal where the music was discussed including stories about the piece and Shostakovich's life at the time he wrote it. Questions were asked by students or posed by the musicians for the students to respond. Then the quartet played the piece. Class 3 did a drawing of their experience and wrote a story about the day, which they gave to Paul to thank him and the musicians. It was a very rich experience for all the students.

Myfanwy Aldersun
Music Coordinator

Outdoor Education

"...landscape shapes mindscape"

The Outdoor Education Program at Sophia Mundi is going through an exciting time. The program has been well refined over many years and we are finding that as students are experiencing the full breadth of our 'bush' curriculum, their responses to the Australian landscape are becoming more profound and comprehensive.

In 2008, Sophia Mundi Steiner School took Classes 3-12 into the Australian bush during the course of the year, over 22 camps and 114 days. These camps ranged from the exciting first Class 3 Sleepover at school, through to the Class 9 extensive initiation year, culminating with the Class 12 Astronomy Experience where they were asked to look at the vastness of the Cosmos and the importance of Life and their role and responsibility within it.

While every camp remains special for the Class participating, there were a few highlights from the perspective of the Outdoor Education staff. Classes who are on the threshold of further development always seem to revel in the spirit of the Australian landscape. Class 3 had a very successful camp at Balnarring Beach. Their ability to quickly source the particular 'style' of Sophia Mundi camping will enable them to source much learning and experience from their future camps.

Class 8 said farewell to their Class Teacher Larissa Usensko and were welcomed into the High School with a wonderful coastal experience along the South Coast of NSW. While the trip was a particular highlight, the way the fundraising throughout the year brought together parents, the children and the school community was particularly satisfying. A similar unifying experience is currently happening with the 2009 Class 8 students and we wish them all the best with their fundraising.

At the end of 2008, seven beautiful students left our gates, finishing their Class 12 year as impressive adults, with wonderful experiences. It was the first time that Sophia Mundi conducted a Class 12 Astronomy camp. It was designed to bring the students to understand what is really 'out there' beyond Sophia Mundi's gates.



It's aim was to help the Class 12's understand their own personal role and the role and responsibility of Humanity in the vast Cosmos. Many of the Class 12's were also able to reflect on ten years of the camping programme at Sophia Mundi and it was interesting to see its development throughout that time.

The Class 9 of 2008 had a very successful year in the Australian bush. We slightly altered the program in 2008 as we teamed up with Class 9 from Little Yarra Steiner School and shared 38 days with each other through the course of the year. The inner growth that our students go through in Class 9 is wonderful as they leave their childhood behind and really do become young adults. Class 9 of 2008 had the added bonus of mixing with students from another Steiner School and even though there was an obvious city to bush difference, they shared experiences that were quite similar.

Finally the school, and the Outdoor Education Department would like to acknowledge all the hard work, vibrancy and enthusiasm that Aaron Dalgliesh brought to the program. Whilst Aaron was at the school for only two years, he added much to the curriculum and experiences of the children and we wish him well for the future.

"...mindscape shapes landscape"

Lucas Bester
Outdoor Education Coordinator



Art

September was a very successful month in terms of celebrating the artistic achievements of our primary and secondary students. Art and Craft was entered in various divisions at the 2008 Royal Melbourne Show. Our primary students were awarded accolades for various craft entries. In the secondary sculpture divisions, our senior students (Samantha Bell, Gabby Belfrage-Maher and Elizabeth Stagg) were awarded 1st, 2nd and 3rd placings. Our senior students also had art work displayed at NMIT in Melbourne. A state-wide exhibition was conducted here by the Northern Melbourne Institute of TAFE, Preston. The portrait competition was called, Picture You, Picture Me and was judged by Archibald winner, Lewis Miller. Entering a self-portrait drawing, Jalen Lyle-Homes won the overall competition and received \$150 cash and a \$150 voucher for art supplies for his entry.

Michelle Zuccolo
Art Coordinator



Primary Craft

Craft complements and balances the other activities of school and is very popular with the children. The deep satisfaction that is experienced through creating things has inner workings, as well as what is produced outwardly.

The craft program is designed to introduce skills in Prep and Class one that are built on and refined as the children progress through the classes. Many of the skills learned in Craft, and qualities gained such as perseverance are useful throughout life. In this way, Craft is "educating the will"; it is establishing a life habit of beginning a task and seeing it through to completion.

Many of the projects made in Craft are related to the Main Lessons. For example, Indian elephants are made and richly decorated when Class 5 is studying India. The embroidery on the Treasure Bags in Class one correspond to their first Form Drawings. Many of the projects are practical articles, needed by the children at school, such as woven recorder bags, embroidered music bags and pencil rolls. There is always an emphasis on beauty as well as usefulness.

2009 is my nineteenth year of teaching Craft at Sophia Mundi. The years seem to go quickly by when you are doing something you love.

Kris Ekselman
Primary Craft Coordinator

Sustainable Schools Program

New in 2008 was the impulse to enter our school into the Sustainable Schools program. This is progressing in 2009 with attention to our environment and a focus in our curriculum. It will be reported further, next year.

Support Education

The Support Education program at Sophia Mundi has been developing and extending its range of activities in the school since its inception 11 years ago.

Wherever possible we offer support at every level of the school, from kindergarten interviews to organization and study skills programs for individuals in senior levels of the school.

Supporting the Students

At present we have four teachers who work one to one or with small groups using programs that we develop according to the student or group's particular needs. This is usually in the areas of Literacy, Numeracy, Study Skills or Extra Lesson. Sometimes we work closely with the classroom teacher to support the student with the current classroom work but often we need to go deeply into the fundamentals of an area of learning that the student may have previously missed.

Usually the students appreciate extra help and individual attention away from the classroom but sometimes the Support Education teacher will work as another teacher in the classroom increasing the amount of teacher support each child can receive. This works particularly well in numeracy lessons and is helpful to teachers as well as students.

Each year in addition to NAPLAN we do basic standardized screening tests, from class 3 upwards, some of which are recommended by a consultant at the Association of Independent Schools of Victoria (AISV). These tests complement the classroom assessments that teachers do in their subject areas. Where there is a need, the Support Education teachers will recommend further assessment, small group or one to one work, or perhaps work with other professionals outside the school. This is discussed with the parents as well as class teachers so we can find the best ways to support the child.

Funding

Each Year an application is written for government funding for individual students with special needs and for some aspects of the whole Support Education program at our school. We gratefully receive this grant from the Commonwealth and State Governments through the AISV.

Extra Lesson

The Extra Lesson intervention program is based on the paradigm that learning difficulties are related to developmental difficulties in the first seven year phase of the child's overall development, learning and early experiences. The program includes movement, co-ordination, speech, drawing and painting exercises to work with the developmental difficulties of the student. This is reflected in an improvement in learning capacity in the classroom and a greater sense of confidence and wellbeing. Students enter this program from classes 2 to 6 and sometimes beyond.

There is a class program in Class one, for Extra Lesson in small (or larger) groups to the benefit of all the students. In 2008, a highly trained practitioner in the Extra Lesson Program assisted 28 students.

Margaret Skerry
Support Education

Sophia Mundi Limited

(Company Limited Guarantee) ACN 006 411 016

Financial Report

For the year ended 31 December 2008

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Sophia Mundi Limited Directors' Report

The directors present their report on the company for the year ended 31 December 2008.

Directors

The names of directors in office at any time during or since the end of the year and to the date of this report are:

Cherie Ross - (Chair) Logistics & Event Management, Office Manager, Southport Constructions (appointed 21/01/2009)

Johan Top - BA (Hons), Senior Program Adviser, Department of Justice, Victoria

Tony Martin - Dip Ed Teaching (Primary), former Teacher, Sophia Mundi Limited

Carlo Lacota - B. Bus, CA, Mast. (Marketing)

Cheryl Prigg - B. Ed., Teacher Sophia Mundi Limited

Robin Dexter - B. Eng (Hons), Grad Dip Computer Science (appointed 30/07/2008)

James Yeatman - B Bus (Management), LLB (Hons), Solicitor, Accredited Specialist Workplace Relations Law (appointed 21/01/2009)

Rowan Doyle - B Mech Eng (Hons), CPGS, MBA (Technology Management), Manager HSEC Processes & Systems, BHP Billiton (appointed 11/02/2009)

Marie Meggitt - BA (Politics), MA (Politics), Grad Dip, Certificate of Steiner Education, Teacher, Sophia Mundi Limited (appointed 11/02/2009)

Nancy Lee-James - Marketing & Fundraising (appointed 18/03/2009)

Kristine Ekselman - Cert of STT and Craft, former Teacher, Sophia Mundi Limited (resigned 19/03/2008)

Tim Macpherson - Mining Engineer, Inventor (resigned 24/11/2008)

Larissa Usenko - B. Ed., Dip Art, Teacher, Sophia Mundi Limited (resigned 23/07/2009)

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Johan Top - BA (Hons), Senior Program Adviser, Department of Justice, Victoria (appointed 15/12/2008)

Principal Activity

During the year the principal activity of the company was the provision of education. There was no significant change in the nature of this activity during the year

Operating Results

The operating loss for the year was \$242,343 (2007: loss \$594,631).

Review Of Operations

The operations of the company were carried out on a satisfactory basis during the year.

Changes In State Of Affairs

No significant change in the state of affairs of the company occurred during the year.

Dividends

In accordance with the Constitution of the company, the directors have not recommended the payment of any dividend in respect of the year ended 31 December 2008, or any other year.

Meetings Of Directors

Meetings held during the year and attended during period of appointment:

	Number eligible to attend	Number attended
Johan Top	27	27
Tony Martin	27	27
Carlo Lacota	27	21
Cheryl Prigg	27	24
Robin Dexter (appointed 30/07/2008)	16	14
Kristine Ekselman (resigned 19/03/2008)	5	-
Tim McPherson (resigned 24/11/2008)	25	21
Larissa Usenko (resigned 23/07/2009)	27	21

Subsequent Events

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

Likely Developments

Disclosure of information regarding likely developments in the operation of the company in future years and the expected results of those operations are likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

Environmental Regulations

The operations of the company are not subject to any particular environmental regulations under a Commonwealth, State or Territory Law.

Indemnification of Officers and Auditors

During or since the financial year, the company has paid premiums of \$1,425 to insure the directors and officers against liability for claims made against individual directors and officers personally, alleging loss caused by wrongful acts committed by them in the management of the company and reimbursement to the company of those amounts which it is legally obliged to pay to directors and officers for costs incurred for successfully defending a claim.

The cover is \$20,000,000 for any loss and in the aggregate.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead Auditor's Independence Declaration, required by section 307C of the Corporations Act 2001, is set out on page 4 and forms part of the Directors' report for the year ended 31 December 2008.

Signed, August 2009 in accordance with a resolution of directors.



Cherie Ross (Chair)
Director



Johan Top
Director

Auditor's Independence Declaration

As lead auditor for the audit of Sophia Mundi Limited for the year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



R A Dean
Partner
PKF

August 2009
Melbourne

Income Statement

For the Year Ended 31 December 2008

	Note	2008 \$	2007 \$
Revenue	2	3,024,153	2,597,318
Agency fees		25,849	137,626
Bad and doubtful debt expense		28,972	65,651
Borrowing costs		204,678	149,815
Depreciation and amortisation expenses	3	124,159	136,011
Occupancy expenses		317,986	296,872
Salaries and wages		1,817,694	1,812,272
Salaries and wages overheads		190,293	203,816
Teaching contractors		138,833	-
Teaching materials, faculty expenses and excursions		80,835	108,805
Other operating expenses		337,197	281,081
Total expenses		3,266,496	3,191,949
Loss before income tax expense		(242,343)	(594,631)
Income tax expense	1(c)	-	-
Loss after income tax expense		(242,343)	(594,631)

Balance Sheet
as at 31 December 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	4	60,134	115,657
Trade and other receivables	5	313,886	112,562
Assets held for sale	6	-	1,242,059
Other financial assets	7	12,500	12,500
TOTAL CURRENT ASSETS		386,520	1,482,778
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,712,825	1,722,330
TOTAL ASSETS		2,099,345	3,205,108
CURRENT LIABILITIES			
Trade and other payables	9	836,565	459,682
Borrowings	10	721,847	2,213,335
Provisions	11	97,484	120,551
Other	12	446,990	354,137
TOTAL CURRENT LIABILITIES		2,102,886	3,147,705
NON-CURRENT LIABILITIES			
Borrowings	10	175,438	-
Provisions	11	49,985	44,024
TOTAL NON-CURRENT LIABILITIES		225,423	44,024
TOTAL LIABILITIES		2,328,309	3,191,729
(NET DEFICIENCY) / NET ASSETS		(228,964)	13,379
EQUITY			
(Accumulated losses) / Retained earnings		(228,964)	13,379
(DEFICIENCY IN EQUITY) / TOTAL EQUITY		(228,964)	13,379

Statement of Changes in Equity
For the Year Ended 31 December 2008

	Note	2008 \$	2007 \$
Retained profits at the beginning of the year		13,379	608,010
Loss for the year		(242,343)	(594,631)
(Accumulated Losses) / Retained Profits at the end of the year		(228,964)	13,379

Cash Flow Statement
for the Year Ended 31 December 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from tuition fees		1,692,062	1,742,411
Payments to suppliers and employees		(2,573,549)	(2,465,524)
Proceeds of government funding		659,173	812,569
Other receipts		327,230	119,099
Interest received		4,418	1,410
Interest paid		(204,678)	(149,815)
Net cash (used in) / provided by operating activities	16	(95,344)	60,150
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of assets held for sale		1,459,926	-
Payments for property plant and equipment		(114,679)	(17,421)
Net cash provided by / (used in) investing activities		1,345,247	(17,421)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,458,894)	(60,000)
Proceeds from borrowings		195,840	-
Net cash used in financing activities		(1,263,054)	(60,000)
NET DECREASE IN CASH HELD		(13,151)	(17,271)
Cash and cash equivalents at the beginning of the financial year		(217,678)	(200,407)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4	(230,829)	(217,678)

Notes to and forming part of the Financial Statements
For the Year Ended 31 December 2008

I. Statement of Significant Accounting Policies

The significant accounting policies adopted by the company in the preparation of the financial statements are:

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report is for the entity Sophia Mundi Limited as an individual entity. Sophia Mundi Limited is an unlisted public company limited by guarantee, incorporated and domiciled in Australia with its registered office and principal place of business being St Mary's Abbotsford Convent, 1 St Helliers Street, Abbotsford.

The principal activity of the company was the provision of education and this has remained unchanged. The financial report is presented in Australian dollars. The financial report was authorised for issue by the Board of Directors of Sophia Mundi Limited on the date shown on the Declaration by the Board of Directors attached to the financial statements.

The financial report has been prepared on a going concern and accruals basis and is based on historic costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies are consistent with those of the previous year.

(b) Going Concern

For the year ended 31 December 2008 the Company had a net deficiency of \$228,963 (2007: Equity of \$13,379), incurred a loss of \$242,343 (2007: \$594,631) and had a negative cash flow from operating activities of \$95,344. These conditions give rise to a material uncertainty that may cast significant doubt over the ability of the Company to continue as a going concern.

The financial statements have been prepared on a going concern basis, which assumes continuity of the normal business activities of the Company. If the Company is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. No adjustments have been made as to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

The board is of the opinion that the Company will continue to operate and will be able to pay its debts as and when they become due and payable for the following reasons. Subsequent to balance date the trading conditions of the Company have improved and expense reductions have been achieved. Further cost reductions are anticipated following the consolidation of the school to one site and the Company is forecasting positive net cash inflows into the foreseeable future. The Company however continues to be dependent on the ongoing support from parents of students, the Company's external bankers and major suppliers whilst positive future cash flows are applied to reduce the net deficiency. The directors believe financial support from these or alternative sources, if required, will continue to be available to the company.

(c) Income Tax

The company does not provide for income tax as it is exempt from income tax pursuant to the Income Tax Assessment Act 1997.

(d) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash at bank and cash on deposit with banks or financial institutions maturing within less than two months and net of bank overdrafts.

(e) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost, less where applicable any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the depreciated replacement cost of those assets. The depreciated replacement cost is the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Plant and equipment are depreciated over their estimated useful lives to the entity commencing from the time the asset is held ready for use using the straight line method of depreciation. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease over the premises to which they relate or the estimated useful lives of the improvements.

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

Buildings	2.5%
Furniture and fittings	10 - 33%
Leasehold improvements	5 - 17%

(f) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries and annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

(g) Limitation of Liability

The company is a public company limited by guarantee. In the event of the company being wound up the constitution states that each member of the company undertakes to contribute an amount not exceeding \$20, while he or she is a member or within one year following cessation of membership, for the payment of debts and liabilities of the company contracted before the cessation of that membership, together with costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves.

As at 31 December 2008 there were 7 members (2007: 9).

(h) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(i) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to financial assets. Revenue from the sale of merchandise is recognised upon the delivery of the goods to the customer. Grants are recognised on an accrual basis upon confirmation of grant entitlements.

(j) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of GST, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables in the statement of financial position are shown inclusive of GST.

(k) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case the borrowing costs are capitalised as part of the cost of such a qualifying asset.

(l) Impact of New and Revised Accounting Standards or Interpretations that are not yet effective

There have been a number of amendments made to Accounting Standards issued by the Australian Accounting Standards Board ("AASB") that are not yet effective.

The directors do not believe that the new and revised standards issued by the AASB that are not yet effective will have any material impact on the financial statements.

(m) Significant Judgements and Key Assumptions

There are no significant judgements or key assumptions made by management in the application of accounting policies that are considered to have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year.

Notes to and forming part of the Financial Statements
For the Year Ended 31 December 2008

	2008	2007
	\$	\$
2. REVENUE		
Tuition fees	1,638,374	1,657,734
Government grants		
- Victorian Department of Education	272,460	256,602
- Commonwealth Government	545,006	555,967
Fundraising	1,444	31,857
Donations	42,779	4,729
Donations – Building fund	30,105	8,000
Bad debts recovered	-	13,709
Rental income	101,593	42,871
Capital fees	34,200	19,700
Interest	4,418	1,410
Spring Fair	14,818	3,926
Other Income	121,089	813
Gain on disposal of property	217,867	-
Total revenue	<u>3,024,153</u>	<u>2,597,318</u>

3. (LOSS) BEFORE INCOME TAX

(Loss) before income tax has been arrived at after charging the following expenses:

Amortisation	95,327	94,607
Depreciation – property, plant and equipment	28,832	41,404
	<u>124,159</u>	<u>136,011</u>
Allowance for doubtful debts	12,578	65,651
Employee Benefits	1,855,171	1,891,653
Superannuation	152,816	124,435

4. CASH AND CASH EQUIVALENTS

Cash as disclosed in the Balance Sheet is reconciled to the Cash Flow Statement as follows:

Cash on hand	-	600
Cash at bank	47,972	16,451
Cash on deposit	12,162	98,606
Cash per Balance Sheet	<u>60,134</u>	<u>115,657</u>
Bank overdraft	(290,963)	(333,335)
Cash per Cash Flow Statement	<u>(230,829)</u>	<u>(217,678)</u>

5. TRADE AND OTHER RECEIVABLES

	2008	2007
	\$	\$
Trade receivables	200,702	449,087
Allowance for doubtful debts	(94,176)	(348,746)
	<u>106,526</u>	<u>100,341</u>
Other receivables	31,019	12,221
Prepayments	18,048	-
Grant receivable	158,293	-
	<u>313,886</u>	<u>112,562</u>

Trade debtors are subject to normal terms of trade which provide for settlement within 30 days. The carrying values of receivables approximate fair values. All credit and recovery risk has been provided for in the balance sheet.

As at 31 December 2008 debts that were past due but not doubtful amounted to \$95,898 (2007: \$100,301). These trade receivables comprise trade receivables that have a good debt history and are considered recoverable.

	As at 31 December 2008		As at 31 December 2007	
	Debtor	Allowance	Debtor	Allowance
	\$	\$	\$	\$
Current	12,714	(2,086)	40	-
Overdue term	187,988	(92,090)	449,047	(348,746)
Closing Balance	<u>200,702</u>	<u>(94,176)</u>	<u>449,087</u>	<u>(348,746)</u>

The movement in the allowance for doubtful debts is detailed below:

	2008	2007
	\$	\$
Opening Balance	348,746	367,022
Charge for year	12,578	65,651
Amounts written off	(267,148)	(83,927)
Amounts recovered	-	-
Closing Balance	<u>94,176</u>	<u>348,746</u>

The bad debt provision is based upon a review of the actual debtors outstanding and an assessment of the recoverability of overdue balances.

Notes to and forming part of the Financial Statements
For the Year Ended 31 December 2008 Continued.

	2008 \$	2007 \$
6. ASSETS HELD FOR SALE		
Land & buildings held for sale	-	1,242,059
The property related to the kindergarten at 35-37 Abbotsford Street, Abbotsford. Settlement of the sale of this property occurred on 8 December 2008.		
7. OTHER FINANCIAL ASSETS		
Term deposit	12,500	12,500
The above deposit is held as security by the company's bankers in satisfaction of a Bank Guarantee in favour of a landlord for guarantee of lease payments.		
8. PROPERTY, PLANT AND EQUIPMENT		
Furniture and fittings - at cost	416,252	373,134
Less: accumulated depreciation	(337,841)	(313,036)
	78,411	60,098
Leasehold improvements - at cost	1,962,514	1,895,005
Less: accumulated amortisation	(328,100)	(232,773)
	1,634,414	1,662,232
	1,712,825	1,722,330

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

8. Property, Plant and Equipment Continued.

	Land & Buildings \$	Furniture & Fittings \$	Leasehold Improvements \$	Total \$
Balance at 1 January 2008	-	60,098	1,662,232	1,722,330
Additions	-	47,170	67,509	114,679
Disposals	-	(25)	-	(25)
Depreciation expense	-	(28,832)	(95,327)	(124,159)
Balance at 31 December 2008	-	78,411	1,634,414	1,712,825
Balance at 1 January 2007	1,256,516	79,375	1,747,088	3,082,979
Additions	-	9,595	7,826	17,421
Disposals	-	-	-	-
Depreciation expense	(14,457)	(28,872)	(92,682)	(136,011)
Transfer to held for sale	(1,242,059)	-	-	(1,242,059)
Balance at 31 December 2007	-	60,098	1,662,232	1,722,330

	2008 \$	2007 \$
9. TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors	176,459	303,061
Sundry creditors	443,346	75,652
Accruals	216,760	79,659
Holding deposits	-	1,310
	836,565	459,682
10. BORROWINGS		
CURRENT		
Bank overdraft	290,963	333,335
Commercial bank bills	421,106	1,880,000
Other borrowings	9,778	-
	721,847	2,213,335
NON-CURRENT		
Related party loans - unsecured	139,535	-
Other loans - unsecured	35,903	-
	175,438	-

Security for the bank overdraft and commercial bill facilities consists of:
Registered mortgage debenture over all the assets and uncalled capital of Sophia Mundi Limited.

Notes to and forming part of the Financial Statements
For the Year Ended 31 December 2008 Continued.

II. PROVISIONS

CURRENT

Employee benefits	97,484	120,551
	<hr/>	<hr/>

NON-CURRENT

Employee benefits	49,985	44,024
	<hr/>	<hr/>

12. OTHER CURRENT LIABILITIES

CURRENT

Fees paid in advance	319,857	295,749
Holding bonds	127,133	58,388
	<hr/>	<hr/>
	446,990	354,137

2008	2007
\$	\$

13. COMMITMENTS

(a) Operating lease commitments

Non-cancellable operating leases in respect of premises contracted for but not capitalised in the financial statements:

Payable:

- not later than one year	275,317	275,317
- later than one year and not later than five years	610,357	773,994
- later than five years	1,284,320	1,396,000
	<hr/>	<hr/>
	2,169,994	2,445,311

Details of non-cancellable operating leases entered into are as follows:

Premises at 73-95 Nicholson Street with a lease term of five (5) years, with the option to renew the lease for four (4) further terms of five (5) years each. Rental provisions provide for rent to be payable monthly in advance and for CPI reviews in each year other than in a year a market review applies with market reviews applying every three (3) years;

Premises at 97 Nicholson Street with a lease term of five (5) years, with the option to renew the lease for four (4) further terms of five (5) years each. Rental provisions provide for rent to be payable monthly in advance and for CPI reviews in each year other than in a year a market review applies with market reviews applying every three (3) years; and

The whole of the St Mary's building and part of the Mercator building situated on the grounds of The Abbotsford Convent for a lease term of twenty (20) years. Rental provisions provide for CPI reviews in each year other than in a year a market review applies with market reviews applying every five (5) years with no renewal option(s).

2008	2007
\$	\$

(b) Non-cancellable operating lease receivables

Receivable:

- not later than one year	-	60,000
- later than one year and not later than five years	-	-
- later than five years	-	-
	<hr/>	<hr/>
	-	60,000

In the prior year, the company had a lease for Kindergarten premises at 35-37 Abbotsford Street. Settlement of the sale of this property occurred on 8 December 2008.

2008	2007
\$	\$

14. RELATED PARTY INFORMATION

(a) Directors

The names of directors who held office at any time during the financial year are:

Johan Top
Tony Martin
Carlo Lacota
Cheryl Prigg
Robin Dexter (appointed 30/07/2008)
Kristine Ekselman (resigned 19/03/2008)
Tim Macpherson (resigned 24/11/2008)
Larissa Usenko (resigned 23/07/2009)

(b) Remuneration of directors

The directors did not receive any remuneration for their services as directors (2007: \$Nil).

(c) Key Management Personnel Compensation

Members of the Executive Management team having authority and responsibility for planning, directing and controlling the activities of the Company.

Short-term employee benefits	97,604	137,871
	<hr/>	<hr/>

(d) Other Related Party Transactions

- (i) Children of the directors attend the school on terms no more favourable than those available to other children.
- (ii) Several directors of the company are employed in a teaching capacity at the Sophia Mundi School. The aggregate of their salaries paid during the year was \$155,082 (2007: \$139,379).
- (iii) During the year, donations totalling \$5,000 were made to the Sophia Mundi School by a director, Mr T Martin.
- (iv) During the year loans of \$20,000, \$30,840 and \$100,000 were received from directors, Mr J. Top, Mr C. Lacota and Mr R. Dexter respectively. The loans are unsecured and interest free and are to be set off against future school fees. Loan amounts owing to directors as at 31 December 2008 are disclosed in Note 10.
- (v) In 2007, the spouse of Mr T Andreatta, (a former director who resigned 01/02/2007) was employed in a teaching capacity at the Sophia Mundi School. The aggregate of spouse salaries paid during the year was nil (2007: \$1,477).

15. AUDITOR REMUNERATION

Remuneration of the auditor of the Company

	2008	2007
	\$	\$
- auditing the financial report	21,500	15,500
- prior year audit fees	5,500	-
- other services	3,000	2,500
	30,000	18,000

16. CASH FLOW INFORMATION

(a) Reconciliation of loss for the period to net cash flows from operating activities

Operating loss after tax	(242,343)	(594,631)
Non-cash items:		
Write off of fixed assets	25	-
Non-cash settlement of insurance premiums	9,778	-
Allowance for doubtful debts	12,578	(18,276)
Non-cash settlement of school fees	(20,402)	-
Depreciation and amortisation	124,159	136,011
Gain on disposal of property	(217,867)	-
Reversal of allowance for doubtful debts against trade debtors	(267,148)	-

Changes in assets and liabilities:

Decrease / (Increase) in trade debtors	248,385	(57,770)
(Increase) in grants receivable	(158,293)	-
(Increase) in other receivables	(18,798)	-
Decrease / (Increase) in other current assets	(18,048)	82,787
Increase in trade and other payables	376,883	326,722
Increase in other current liabilities	92,853	160,723
(Decrease) / Increase in employee provisions	(17,106)	24,584
Net cash (used in) / provided by operating activities	(95,344)	60,150

(b) Financing Arrangements

Access was available at balance date to the following facilities with various maturity dates.

	2008		2007	
	Used	Unused	Used	Unused
	\$	\$	\$	\$
Secured commercial bank bill facilities	421,106	-	1,880,000	-

Security for the above facilities is identical to that described in Note 10.

17. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the average interest rates on classes of financial assets and financial liabilities are as follows:

	Average		Interest Bearing		Non-Interest	
	2008	2007	2008	2007	2008	2007
	%	%	\$	\$	\$	\$
Financial Assets						
Cash on hand	-	-	-	-	-	600
Cash at bank	4.40	6.35	60,134	115,057	-	-
Other financial assets	6.76	6.76	12,500	12,500	-	-
Trade and other receivables	-	-	-	-	313,816	112,562
Total Financial Assets			72,634	127,557	313,816	113,162
Financial Liabilities						
Bank Overdraft	12.58	13.20	290,963	333,335	-	-
Trade and other payables	-	-	-	-	836,565	459,682
Bank Loans	5.66	6.89	421,106	1,880,000	-	-
Related party loans	-	-	-	-	139,535	-
Other loans	-	-	-	-	35,903	-
Other loans	6.31	-	9,778	-	-	-
Total Financial Liabilities			721,847	2,213,335	1,012,003	459,682

Interest rate risk arises from changes in interest rates which act to the detriment of:

- (i) the fair values of financial assets and financial liabilities.
- (ii) future cash flows arising from interest-bearing financial assets and liabilities.

At year end the company's interest bearing liabilities comprise \$421,106 in commercial bank bills set at a premium above the bank bill interest rate.

(b) Credit Risk

Financial assets, which potentially subject the company to credit risk, consist of cash and receivables.

The company's cash equivalents are placed with high credit quality financial institutions. Trade receivables at balance date are carried, net of any provisions for doubtful debts. Accordingly, the directors believe the company has no significant exposure to credit risk.

Credit risk is managed through:

- (i) monitoring and follow-up of accounts receivable to ensure collections are being made promptly in accordance with terms and conditions.
- (ii) preparation of aged listings of accounts receivable to assist in monitoring and follow-up.
- (iii) cash deposits only held with major recognised banks.

(c) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is monitored to ensure sufficient monies are available to meet the company's contractual obligations as and when they fall due. This process involves the updating of cash flow forecasts and review by the Board.

(d) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

Directors' Declaration

The directors of Sophia Mundi Limited declare that:

- (a) in the directors' opinion, the financial statements and notes on pages 5 to 20, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
- (a) In the directors' opinion, for the reasons stated at Note 1 to the financial statements, 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 Directors.



Cherie Ross (Chair)
Director



Johan Top
Director

August 2009
Melbourne

Independent Audit Report To the Members of Sophia Mundi Limited

Report on the Financial Report

We have audited the accompanying financial report of Sophia Mundi Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain

audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Qualification

The Spring Fair is an annual event of Sophia Mundi Limited. The company has determined that it is impracticable to establish control over the proceeds of the Spring Fair prior to entry into its financial records. Accordingly, as the evidence available to us regarding the proceeds of the Spring Fair was limited, our audit procedures with respect to the Spring Fair event had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the proceeds from the annual Spring Fair obtained are complete.

Qualified Audit Opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures, referred to in the qualification paragraph not existed, the financial report of Sophia Mundi Limited is in accordance with:

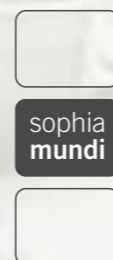
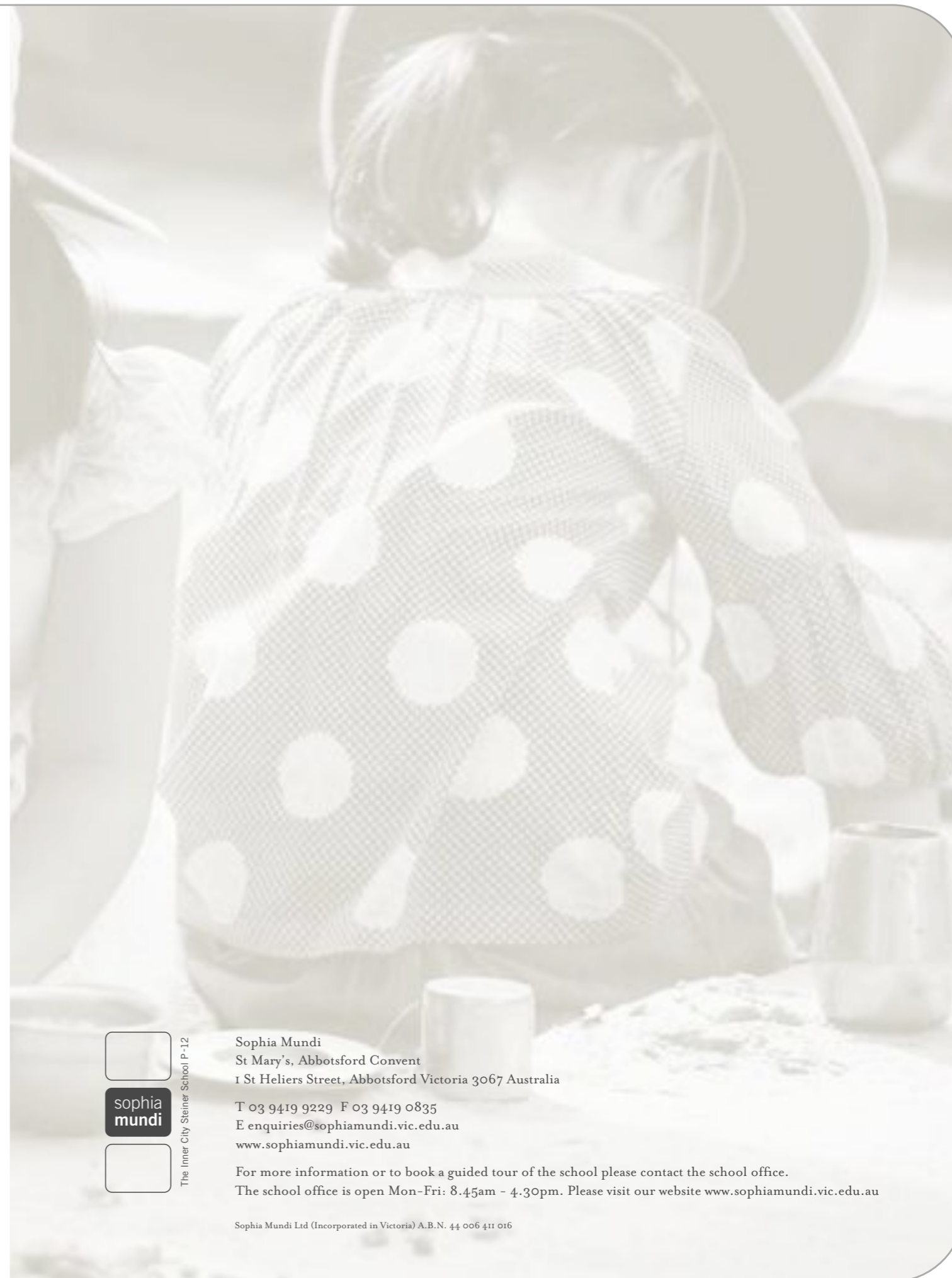
- (a) the Corporations Act 2001, including:
 - (ii) giving a true and fair view of the Sophia Mundi Limited's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
 - (iii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without further qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1(b), there is significant uncertainty whether Sophia Mundi Limited will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



R A Dean
Partner
PKF
August 2009
Melbourne



The Inner City Steiner School P-12

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For more information or to book a guided tour of the school please contact the school office.
The school office is open Mon-Fri: 8.45am - 4.30pm. Please visit our website www.sophiamundi.vic.edu.au

Sophia Mundi Ltd (Incorporated in Victoria) A.B.N. 44 006 411 016

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