



**AUSTRALIAN INDIGENOUS EDUCATION
FOUNDATION**
ABN 13 127 908 187

Financial Report - 31 March 2020

Australian Indigenous Education Foundation

Directors' report

31 March 2020

The directors present their report, together with the financial statements, on the Australian Indigenous Education Foundation ("the Foundation") for the financial year ended 31 March 2020.

Directors

The following persons were directors of the Foundation during the whole of the financial year and up to the date of this report, unless otherwise stated:

Carlie-Ann Bender
Robert Coombe
Gregory Cooper
Michelle Gray
Emily Hill (Appointed 30 April 2019)
Helen McCabe
Nyunggai Warren Mundine AO (Appointed 22 January 2020)
Andrew Penfold AM

Objectives

The short-term objective of the Foundation is to provide scholarships to Indigenous secondary school and university students to attend boarding schools and universities around Australia and to support such students to successfully transition into employment.

The long-term objective of the Foundation is to provide scholarships for up to 7,000 Indigenous students and to support such students to successfully transition into employment.

Strategy for achieving the objectives

The Foundation entered into a contract with the Australian Government in May 2009 whereby the Australian Government committed to investing \$20 million over three years and this was subsequently increased to \$22 million in 2012, \$32 million in 2013, \$38 million in 2015, \$53 million in 2016, \$83 million in 2017 and \$116.2 million in 2020. The Foundation committed to using its best endeavours to match this with an additional \$116.2 million from the private sector.

AIEF will continue to seek donations from corporate, individuals and philanthropic supporters to fund the students who will receive scholarships and to support such students to successfully transition into employment.

Principal activities

During the financial year the principal continuing activities of the Foundation involved the funding and managing a program for education scholarships to Indigenous students to attend high performing boarding schools and universities and to support such students to successfully transition into employment.

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

Performance measures

The Foundation measures its performance each year through the number of Indigenous students staying at school or university and completing their studies and making a successful transition to productive engagement, and other measures relating to stakeholder engagement.

Australian Indigenous Education Foundation
Directors' report
31 March 2020

Information on directors

Name: Carlie-Ann Bender
 Title: Non-Executive Director
 Qualifications: Bachelor of Arts (Criminology) and Bachelor of Laws
 Experience and expertise: Carlie-Ann is a Solicitor of the Supreme Court of NSW, a past recipient of an AIEF scholarship and a proud Gumbaynggirr woman from Bowraville on the north coast of NSW. She completed her secondary education at St Vincent's College, Potts Point and in 2014 she graduated from the University of New South Wales with degrees in Law and Criminology. Carlie-Ann worked throughout her time at university, undertaking roles at AIEF, Allens Linklaters, SBS and the UNSW Faculty of Law. She is employed as a Solicitor at SBS, focussing on pre-publication advice, contracts and legal research.
 Special responsibilities: None

Name: Robert Coombe
 Title: Non-Executive Director
 Qualifications: LLB (Hons)
 Experience and expertise: Rob is currently Executive Chairman of Generation Development Group ("GDG") an ASX listed financial services company which owns Generation Life, Ascalon Capital and operates a Pooled Development Fund licence. Rob is also Chairman of Tibra Capital a privately owned global multi strategy hedge fund business. In addition to the above Chairmanships, Rob is a main board Director of CIMB Group, one of the largest universal banks in the ASEAN region with operations in each of the 10 ASEAN countries. He Chairs CIMB's Global Risk and Compliance Committee and is the Board's sustainability sponsor and Chair. Rob is also a member of the Advisory Board of 5V Capital Investors, a leading Australian private equity manager focused on investing in established growth companies across a range of industries. On top of Rob's commercial interests he is the Deputy Chairman of Surfing Australia and Chairs the Investment Committee for the AIEF. Between 2013 and 2019, Rob was firstly CEO (2013-2017) then Chairman of Craveable Brands, the largest Australian owned Quick Service Restaurant business. Rob's tenure with this business was during its ownership by Archer Capital and culminated in a successful exit to PAG in August 2019. Before joining Craveable Brands, Rob was responsible for all of Westpac's Retail, Business and Agri banking operations. Prior to this role, Rob spent 6 years as the CEO of BT Financial Group, responsible for all of Westpac's funds management, financial planning, insurance, private banking, broking, platform and superannuation businesses in Australia. In total, he has over 35 years' corporate experience in both Australia and Asia, primarily in financial services. He has had extensive experience on the boards of both listed and private companies. In 2011 Rob was awarded the prestigious UTS Alumni of the Year for Excellence in recognition of his achievements in the business community and social sector.
 Special responsibilities: Investment Committee and Remuneration Committee

Name: Gregory Cooper
 Title: Non-Executive Director
 Qualifications: BEc (Actuarial Studies), Fellow of the Institute of Actuaries of Australia and the UK
 Experience and expertise: Greg is currently a Director of NSW Treasury Corporation, Colonial First State Investments Limited, Perpetual Limited and a number of small technology and investment related firms. Until December 2018 he was Chief Executive Officer of Schroder Investment Management Australia Limited, a position he held since September 2006. Greg was also responsible for Schrodgers Institutional Business Globally. Prior to joining Schrodgers in 2000 he was the Head of the actuarial and asset consulting practice for Towers Perrin in Asia, he has also worked in the UK, Hong Kong and Singapore. Greg commenced his investment career in 1992. He was a Board Member of the Financial Services Council for 10 years until December 2018 and its Chair for 3 years.
 Special responsibilities: Investment Committee.

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31 March 2020**

Information on directors (continued)

Name:	Michelle Gray
Title:	Executive Director
Qualifications:	BA (Communications)
Experience and expertise:	Michelle is a Director of AIEF having co-founded the organisation in 2007 following the successful establishment of the St Joseph's College Indigenous Fund. Michelle was the former CEO (1995-2003) of the Australian Chamber of Commerce in Hong Kong (AustCham), the largest Australian business organisation outside of Australia, representing over 1,400 corporate members, more than 500 Australian and local companies and a community of about 100,000. Prior to that Michelle spent eight years working in hospitality management in Sydney, London and Hong Kong. Michelle is responsible for all stakeholder relationships and engagement, as well as internal and external communications including media and marketing and events.
Special responsibilities:	None
Name:	Emily Hill
Title:	Non-Executive Director
Experience and Expertise:	Emily is a proud Dunghutti/Yuin woman, who completed her secondary education at St Catherine's School, Waverley, (an AIEF Partner School). She holds a combined Bachelor of International Studies/ Bachelor of Law from the University of Sydney. Emily is currently a Director at the Department of Foreign Affairs and Trade (DFAT), and until recently worked in the Office of the Foreign Minister. From 2013-16 Emily was posted as an Australian diplomat to the United Nations in Geneva, Switzerland. Since returning to Australia, Emily has worked in various roles including as DFAT's Indigenous Human Resources Adviser and at the Department of Prime Minister and Cabinet.
Special responsibilities:	None
Name:	Helen McCabe
Title:	Non-Executive Director
Experience and Expertise:	Helen is the Founder and Managing Director of Future Women. Helen was formerly the Digital Content Director at Nine Entertainment Co and the editor-in-chief of The Australian Women's Weekly which she joined after 12 years in newspapers working as the Deputy Editor of The Sunday Telegraph, Night Editor of The Australian and a number of roles on The Daily Telegraph. She has also reported from London where she was the European Correspondent for News Ltd. Helen began her career in Adelaide television before moving to Canberra Press Gallery with the Seven Network. She is also on the board of the Garvan Research Foundation and is an Ambassador for Adopt Change.
Special responsibilities:	None
Name:	Nyunggai Warren Mundine AO
Title:	Non-Executive Chairman (appointed 22 January 2020)
Qualifications:	DUniv FAIM MAICD
Experience and expertise:	Warren is from the First Australian Nations of the Bundjalung, Gumbaynggirr and Yuin people of coastal New South Wales. For his entire life, Warren has been fighting racism, discrimination and for an economic foundation for his people. He is one of Australia's most recognised, respected and revered activists and agents for improving his people's standing. Arguably, no other Aboriginal leader has risen as high in public esteem. Warren is an author and has been an advisor to Prime Ministers and senior business figures, even billionaires, an opinion writer for Australia's top broadsheets and opinion magazines and a highly sought-after public speaker and media identity. Warren has been recognised for his community, government and business achievements with an Honorary Doctorate from Southern Cross University, a Centenary Medal and made an officer of the Order of Australia. Warren has more than 40 years' experience working in the public, private and community sectors and is currently Managing Director of Nyungga Black Group.

Special responsibilities: Remuneration Committee

**Australian Indigenous Education Foundation
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31 March 2020**

Information on directors (continued)

Name:	Andrew Penfold AM, FAICD
Title:	Executive Director
Qualifications:	Bachelor of Laws (Hons) and Fellow of the Australian Institute of Company Directors
Experience and expertise:	Andrew is the Executive Director of AIEF and sits on the National Apology Foundation for Indigenous Australians (NAFIA) Board and in 2014 he was appointed a Member of the Order of Australia for significant service to the Indigenous community. Andrew participated in the Indigenous Australia stream of the Australia 2020 Summit in Canberra in April 2008 and received a Leadership Award from the Prime Minister at the Australian Davos Connection in 2008. He was also one of the 2009 True Leaders in the annual Australian Financial Review Boss Magazine award, was a finalist for Australian of the Year in 2010 and was nominated by <i>The Australian</i> for its Australian of the Year award in 2012. In 2013 Andrew received the inaugural NSW Human Rights Award, assuming the role of NSW Human Rights Ambassador, and an Order of Merit from the Australian Institute of Company Directors, the highest award issued by the organisation. In the same year he received the 2013 Community Alumni Award and the 2013 Chancellor's Award for Excellence from the University of Technology, Sydney. As the winner of the 2013 Chancellor's Award for Excellence, Andrew became a member of the UTS Luminaries, a select group of UTS graduates with a sustained record of outstanding achievements. He is a former finance lawyer and investment banker with 20 years' experience working in leading international firms in Sydney, London and Hong Kong. In 2004, Andrew left the business world and spent five years working on a fulltime but voluntary basis as Founder and Chairman of the St Joseph's College Indigenous Fund and a range of other non-profit and charitable organisations before establishing AIEF in 2007.
Special responsibilities:	Remuneration Committee and Investment Committee.

Australian Indigenous Education Foundation
Directors' report
31 March 2020

Meetings of directors

The number of meetings of the Foundation's Board of Directors and of each board committee held during the financial year ended 31 March 2020, and the number of meetings attended by each director were:

	Full Board		Investment Committee		Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
Carlie-Ann Bender	2	3	-	-	-	-
Robert Coombe	3	3	4	4	1	1
Gregory Cooper	2	3	3	4	-	-
Michelle Gray	3	3	-	-	-	-
Helen McCabe	2	3	-	-	-	-
Emily Hill	3	3	-	-	-	-
Andrew Penfold	3	3	4	4	1	1
Warren Mundine	-	-	-	-	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Contributions on winding up

In the event of the Foundation being wound up, members are required to contribute a maximum of \$10 each.

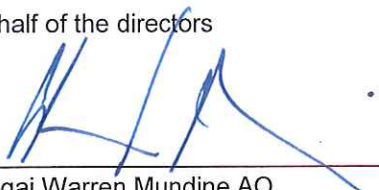
The total amount that members of the Foundation are liable to contribute if the Foundation is wound up is \$40, based on 4 current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and part 2M.4- Division 3 of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with subsection 60.15(2) of the ACNC Regulation 2013.

On behalf of the directors



Nyunggai Warren Mundine AO
Non-Executive Chairman



Andrew Penfold AM, FAICD
Executive Director

29 April 2020

DECLARATION OF INDEPENDENCE BY KIERAN GOULD TO THE DIRECTORS OF AUSTRALIAN INDIGENOUS EDUCATION FOUNDATION

As lead auditor for the audit of Australian Indigenous Education Foundation for the year ended 31 March 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Kieran Gould
Partner

Sydney, 29 April 2020

Australian Indigenous Education Foundation
Financial report
For the financial year ended 31 March 2020

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General information

The financial report covers Australian Indigenous Education Foundation as an individual entity. The financial report is presented in Australian dollars, which is Australian Indigenous Education Foundation's functional and presentation currency.

The financial report covers the financial year ended 31 March 2020.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Australian Indigenous Education Foundation is a not-for-profit unlisted company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, Suite 2A
2-12 Foveaux Street
Surry Hills NSW 2010

A description of the nature of the Foundation's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 29 April 2020.

Australian Indigenous Education Foundation
Statement of profit or loss and other comprehensive income
For the financial year ended 31 March 2020

	Note	2020 \$	2019 \$
Revenue			
Government funding of scholarships		12,000,000	-
Government establishment grant		3,000,000	-
Donations for scholarships		5,157,033	4,527,276
Investment earnings	3	1,083,409	2,665,120
Other revenue	3	978,531	730,782
Total revenue		<u>22,218,973</u>	<u>7,923,178</u>
Expenses			
Scholarship distributions	4	(10,418,191)	(10,800,460)
Operating and other expenses		<u>(2,669,804)</u>	<u>(2,304,493)</u>
Total expenses	4	<u>(13,087,995)</u>	<u>(13,104,953)</u>
Surplus (Deficit) before income tax expense		9,130,978	(5,181,775)
Income tax expense		<u>-</u>	<u>-</u>
Surplus (Deficit) after income tax expense for the year		<u>9,130,978</u>	<u>(5,181,775)</u>
Other comprehensive income			
Gain on the revaluation of fair value through other comprehensive income financial assets, net of tax		<u>289,000</u>	<u>278,000</u>
Total other comprehensive income for the year		<u>289,000</u>	<u>278,000</u>
Total comprehensive income for the year		<u><u>9,419,978</u></u>	<u><u>(4,903,775)</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Australian Indigenous Education Foundation
Statement of financial position
As at 31 March 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	5	44,693,733	17,517,098
Other financial assets	6	32,300,000	42,100,000
Trade and other receivables	7	548,992	818,974
Financial assets at fair value through profit or loss	8	11,080,977	18,599,364
Total current assets		88,623,702	79,035,436
Non-current assets			
Property, plant and equipment	9	99,979	144,382
Intangible Assets	10	244,139	311,664
Right-of-use Asset	11	434,282	-
Financial assets at fair value through other comprehensive income	12	1,000,000	711,000
Total non-current assets		1,778,400	1,167,046
Total assets		90,402,102	80,202,482
Liabilities			
Current liabilities			
Trade and other payables	13	2,128,193	1,866,472
Employee Liabilities	14	304,530	287,339
Lease Liability	15	176,852	-
Total current liabilities		2,609,575	2,153,811
Non-current liabilities			
Employee benefits	14	143,509	90,876
Lease Liability	15	271,244	-
Total non-current liabilities		414,753	90,876
Total liabilities		3,024,328	2,244,687
Net assets		87,377,774	77,957,795
Equity			
Retained surplus		86,573,774	77,442,795
Reserves	20	804,000	515,000
Total equity		87,377,774	77,957,795

The above statement of financial position should be read in conjunction with the accompanying notes.

Australian Indigenous Education Foundation
Statement of changes in equity
For the financial year ended 31 March 2020

	Reserves \$	Retained Surpluses \$	Total Equity \$
Balance at 1 April 2018	237,000	82,624,571	82,861,571
Deficit after income tax expense for the year	-	(5,181,775)	(5,181,775)
Other comprehensive income for the period, net of tax	278,000	-	278,000
Total comprehensive income for the year	<u>278,000</u>	<u>(5,181,775)</u>	<u>(4,903,775)</u>
Balance at 31 March 2019	<u>515,000</u>	<u>77,442,795</u>	<u>77,957,796</u>
Balance at 1 April 2019	515,000	77,442,795	77,957,796
Surplus after income tax expense for the year	-	9,130,978	9,130,978
Other comprehensive income for the period, net of tax	289,000	-	289,000
Total comprehensive income for the year	<u>289,000</u>	<u>9,130,978</u>	<u>9,419,978</u>
Balance at 31 March 2020	<u>804,000</u>	<u>86,573,774</u>	<u>88,377,774</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Australian Indigenous Education Foundation
Statement of cash flows
For the financial year ended 31 March 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from donations and contributions		5,325,493	4,726,985
Receipts from government grants		16,500,000	-
Scholarship distributions		(10,443,120)	(10,840,617)
Receipts from other activities		982,588	722,944
Payments to suppliers and employees		(3,424,088)	(2,089,824)
Investment earnings		2,535,519	1,756,485
Finance Costs Paid		(19,955)	-
Net cash from (used in) operating activities	18	<u>10,451,409</u>	<u>(5,724,027)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(3,018)	(39,491)
Payments for intangible assets		(83,958)	(388,755)
Cash received from term deposits		9,800,000	8,300,000
Payments for investments		-	(7,000,000)
Redemptions of Investments		<u>7,178,091</u>	<u>-</u>
Net cash from investing activities		<u>16,891,115</u>	<u>871,754</u>
Cash flows from financing activities			
Lease principal repayments		<u>(165,889)</u>	<u>-</u>
Net cash used in financing activities		<u>(165,889)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents		27,176,635	(4,852,273)
Cash and cash equivalents at the beginning of the financial year		<u>17,517,098</u>	<u>22,369,371</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>44,693,733</u></u>	<u><u>17,517,098</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the Foundation:

AASB 16 Leases

The Foundation has adopted AASB 16 from 1 April 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position.

Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AASB 1058 Income of Not-for-Profit Entities

The Foundation has adopted AASB 1058 from 1 April 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt.

Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

AASB 15 Revenue from Contracts with Customers

The Foundation has adopted AASB 15 from 1 April 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 1. Significant accounting policies (continued)

Impact of adoption

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 April 2019.

Basis of preparation

In the directors' opinion, the Foundation is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared in order to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and various state legislation including the Charitable Fundraising Act 1991 requirements to prepare and distribute financial statements to the members of Australian Indigenous Education Foundation. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Australian Indigenous Education Foundation. For the purposes of preparing the financial report, the Foundation is a not-for-profit oriented entity.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures'.

Historical cost convention

The financial statements have been prepared on the accrual basis of accounting under the historical cost convention, except for, where applicable, the revaluation of fair value through other comprehensive income financial assets and financial assets at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Foundation is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Foundation: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Donations

Donations are recognised at the time the donation is made.

Grants

Grant revenue is recognised in profit or loss when the Foundation satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Foundation is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 1. Significant accounting policies (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services

The Foundation has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Income tax

As the Foundation is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Scholarship distributions

Scholarship distributions include the Annual Pathways Support Amount (APSA), incorporating the costs of that part of the scholarship provided to support completion of students' studies and transition to employment, determined on a per head basis.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

The Foundation has receivables at year end and under the standard there are new impairment requirements which use an 'expected credit loss' ('ECL') model to recognise an allowance.

Trade and other receivables are recognised at amortised cost, less any allowance for impairment under an 'expected credit loss' ('ECL') model. Impairment is measured using a 12-month ECL method unless the credit risk on a financial asset has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office equipment	3-5 years
Leasehold Improvements	Lease term

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Foundation. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 1. Significant accounting policies (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Foundation expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Foundation has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible Assets

Software

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 1. Significant accounting policies (continued)

Financial instruments

Recognition and initial measurement

The Foundation classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Other than trade and other receivables and trade and other payables, the Foundation's accounting policy for each category is as follows:.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of profit or loss and other comprehensive income. The Foundation does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

The Foundation has strategic investments in listed securities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Foundation has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Foundation considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Impairment

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset. Where it is not possible to estimate the recoverable amount of an asset class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Foundation's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 1. Significant accounting policies (continued)

Fundraising activities

As a charitable institution, Australian Indigenous Education Foundation has requirements under the following state legislation:

ACT – Charitable Collections Act 2003
NSW – Charitable Fundraising Act 1991
SA – Charitable Purposes Act 1939
QLD – Collections Act 1966

VIC – Fundraising Act 1998
SA – Collections for Charitable Purposes Act 1939
WA – Charitable Collections Act 1946
TAS – Collections for Charities Act 2001

These acts prescribe the manner in which fundraising raising appeals are conducted, controlled and reported. During the current and previous financial periods, Australian Indigenous Education Foundation did not incur any direct expenditure whilst undertaking fundraising activities that require further financial disclosure.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

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

Long service leave provision

As discussed in note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 3. Revenue	2020	2019
	\$	\$
<i>Investment earnings</i>		
Investment earnings in corporate account	409,694	185,541
Investment in government corporate account	1,282	-
Investment earnings in private reserve fund	124,175	129,691
Investment earnings in government scholarship fund	132,760	452,042
Investment earnings in scholarship fund	415,498	1,897,846
	<u>1,083,409</u>	<u>2,665,120</u>
<i>Other revenue - revenue from contracts with customers</i>		
Fees received	937,275	698,914
Other income	41,256	31,868
	<u>978,531</u>	<u>730,782</u>

Note 4. Expenses

	2020	2019
	\$	\$
<i>Scholarship distributions</i>		
Education fees and related costs	8,325,874	8,719,435
Annual Pathways Support Amount	2,092,317	2,081,025
	<u>10,418,191</u>	<u>10,800,460</u>
<i>Expenses</i>		
Education fees and related costs	8,325,874	8,719,435
Employee benefits expense	3,334,828	3,053,330
Superannuation expense	244,898	238,911
Office expenses	758,345	932,659
Accounting, audit and legal	45,443	34,396
Depreciation	378,607	126,222
	<u>13,807,995</u>	<u>13,104,953</u>

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 5. Cash and cash equivalents

	2020	2019
	\$	\$
Cash on hand	500	500
Scholarship fund cheque account	15,753,784	784,305
Scholarship fund savings account	538,864	3,381,834
AIEF corporate cheque account	9,068,855	111,454
AIEF corporate savings account	2,763,457	5,198,560
AIEF corporate government savings account	241,825	10
AIEF scholarship fund segregated account	5,364,798	5,851,786
AIEF term deposit cheque account	88	88
AIEF Reserve Savings Account	163,095	-
Government scholarship fund cheque account	10,708,838	95
Government scholarship fund savings account	89,629	2,188,466
	<u>44,693,733</u>	<u>17,517,098</u>

Note 6. Other financial assets

	2020	2019
	\$	\$
Government scholarship fund term deposit	-	6,000,000
Scholarship fund term deposit	19,300,000	19,800,000
AIEF corporate term deposit	13,000,000	16,300,000
	<u>32,300,000</u>	<u>42,100,000</u>

Note 7. Trade and other receivables

	2020	2019
	\$	\$
Donations receivable	-	49,500
Fees receivable	-	166,906
Interest and other receivables	548,992	591,872
FBT and net goods and services tax receivable	-	10,696
	<u>548,992</u>	<u>818,974</u>

Note 8. Financial assets at fair value through profit or loss

	2020	2019
	\$	\$
Managed investments at fair value through profit or loss	<u>11,080,977</u>	<u>18,599,364</u>

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 9. Property, plant and equipment

	2020	2019
	\$	\$
Plant and equipment - at cost	361,239	358,221
Less: Accumulated depreciation	(261,260)	(213,838)
	<u>99,979</u>	<u>144,383</u>

Note 10. Intangible Assets

	2020	2019
	\$	\$
Computer software - at cost	472,713	388,755
Less: Accumulated depreciation	(228,574)	(77,091)
	<u>244,139</u>	<u>311,664</u>

Note 11. Right-of-use asset

	2020	2019
	\$	\$
Right-of-use asset - at cost	613,985	-
Less: Accumulated depreciation	(179,703)	-
	<u>434,282</u>	<u>-</u>

Note 12. Financial assets at fair value through other comprehensive income

	2020	2019
	\$	\$
Investment – listed companies	<u>1,000,000</u>	<u>711,000</u>

Note 13. Trade and other payables

	2020	2019
	\$	\$
Trade creditors, accruals and deferrals	105,563	100,207
Education fees and related costs	1,595,166	1,709,492
GST payable	409,023	-
FBT and PAYG payable	18,441	56,773
	<u>2,128,193</u>	<u>1,866,472</u>

Note 14. Employee benefits

	2020	2019
	\$	\$
Employee benefits - current	304,530	287,339
Employee benefits - non-current	143,509	90,876
	<u>448,039</u>	<u>378,215</u>

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 15. Lease liability

	2020	2019
	\$	\$
Lease liability - current	176,852	-
Lease liability - non-current	271,244	-
	<u>448,096</u>	<u>-</u>

Note 16. Remuneration of auditors

	2020	2019
	\$	\$
<i>Remuneration of BDO</i>		
Audit of the financial report	22,500	21,500
Additional review of first time adoption of new accounting standards	1,000	-
	<u>23,500</u>	<u>21,500</u>

Note 17. Contingent liabilities

The Foundation had no contingent liabilities as at 31 March 2020

Note 18. Reconciliation of surplus after income tax to net cash from operating activities

	2020	2019
	\$	\$
Surplus (Deficit) after income tax expense for the year	9,130,978	(5,181,775)
<i>Adjustments for:</i>		
Depreciation and amortisation	378,607	126,222
Investment income not received in cash	340,296	(1,057,967)
<i>Change in operating assets and liabilities:</i>		
Decrease (increase) in trade and other receivables	269,983	335,348
Increase (decrease) in trade and other payables	261,721	(59,925)
Increase (decrease) in employee benefits	69,824	114,070
Net cash from (used in) operating activities	<u>10,451,409</u>	<u>(5,724,027)</u>

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 19. Commitments

Under the contracts the Foundation enters into with its educational partners, the Foundation will continue to provide funding for an agreed number of scholarship places on an ongoing basis. However, this is dependent upon having sufficient funds, as determined by the Foundation, and a mechanism for the Foundation to be able to reduce the number of places.

The amount payable each year this is dependent upon several variables including changes in the number of scholarship places, the projected annual increase in school fees, the amount of ABSTUDY received by the schools, the amount of parental contributions and the students' incidental expenses. Based on the level of scholarship distributions in the current year, the Foundation estimates that its total commitment to maintain the Foundation's scholarship program over the next five years is approximately \$44,500,000, and in addition, the Foundation also needs to have sufficient funding in place to ensure it can fund all new students coming into the program over that five year period to be able to complete their full secondary education (up to six years) or university studies (up to four years).

Note 20. Reserves

Fair value through other comprehensive income reserve

The reserve recognises increments and decrements in the fair value of fair value through other comprehensive income financial assets. At the reporting date, it was determined that a gain in the fair value of the equity investment existed due to an increase in the market price of the shares. At the reporting date the balance of reserves is \$804,000 (2019: \$515,000).

Note 21. Events occurring after the reporting date

No matter or circumstance has arisen since 31 March 2020 that has significantly affected, or may significantly affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 22. Departmental trading statement of profit or loss and other comprehensive income for the financial year ended 31 March 2020

	Government Scholarship Fund \$	Private Scholarship Fund \$	Private Reserve Fund \$	Corporate Account \$	Departmental Eliminations \$	Total Foundation \$
Revenue						
Government funding of scholarships	15,000,000	-	-	-	(3,000,000)	12,000,000
Government establishment grant	-	-	-	3,000,000	-	3,000,000
Investment earnings	132,760	415,498	124,175	558,409	(147,433)	1,083,410
Donations	-	4,582,874	500,000	74,159	-	5,157,033
Annual Pathways Support Amount	-	-	-	2,092,317	(2,092,317)	-
Other revenue	-	-	-	1,840,999	(862,468)	978,531
Total revenue	15,132,760	4,998,372	624,175	7,565,885	(6,102,218)	22,218,973
Expenses						
Cost contribution	(3,026,552)	(756,976)	(136,976)	-	3,920,505	-
Scholarship distributions	(9,423,859)	(994,332)	-	(89,396)	89,396	(10,418,191)
Operating and other expenses	-	-	-	(4,762,122)	2,092,317	(2,669,805)
Total expenses	(12,450,411)	(1,751,308)	(136,976)	(4,851,518)	6,102,218	(13,087,995)
Deficit before income tax expense	2,682,349	3,247,064	487,199	2,714,367	-	9,130,978
Income tax expense	-	-	-	-	-	-
Other comprehensive income						
Gain on the revaluation of fair value through other comprehensive income financial assets	-	-	-	-	-	-
Total comprehensive income for the year	2,682,349	3,247,064	487,199	2,714,367	-	9,130,978

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 22. Departmental trading statement of profit or loss and other comprehensive income for the period ended 31 March 2019

	Government Scholarship Fund \$	Private Scholarship Fund \$	Private Reserve Fund \$	Corporate Account \$	Departmental Eliminations \$	Total Foundation \$
Revenue						
Government funding of scholarships	-	-	-	-	-	-
Government establishment grant	-	-	-	-	-	-
Investment earnings	452,042	1,829,274	68,572	593,923	(278,691)	2,665,120
Donations	-	4,353,028	-	174,248	-	4,527,276
Annual Pathways Support Amount	-	-	-	2,081,025	(2,081,025)	-
Other revenue	-	-	-	1,414,299	(683,517)	730,782
Total revenue	452,042	6,182,302	68,572	4,263,495	(3,043,233)	7,923,178
Expenses						
Cost contribution	(67,806)	(884,116)	(10,286)	-	962,208	-
Scholarship distributions	(9,789,215)	(1,011,245)	-	-	-	(10,800,460)
Operating and other expenses	-	-	-	(4,385,518)	2,081,025	(2,304,493)
Total expenses	(9,857,021)	(1,895,361)	(10,286)	(4,385,518)	3,043,233	(13,104,953)
Deficit before income tax expense	(9,404,979)	4,286,941	58,286	(122,023)	-	(5,181,775)
Income tax expense	-	-	-	-	-	-
Other comprehensive income						
Gain on the revaluation of fair value through other comprehensive income financial assets	-	-	-	-	-	-
Total comprehensive income for the year	(9,404,979)	4,286,941	336,286	(122,023)	-	(4,903,775)

Australian Indigenous Education Foundation
Notes to the financial statements

31 March 2020

Note 22. Departmental trading statement of financial position as at 31 March 2020

	Scholarship Fund \$	Government Scholarship Fund \$	Private Reserve \$	Corporate Account \$	Departmental Eliminations \$	Total Foundation \$
Assets						
Current assets						
Cash and cash equivalents	10,798,466	21,657,447	163,095	12,074,725	-	44,693,733
Other financial assets	-	18,800,000	500,000	13,000,000	-	32,300,000
Trade and other receivables	-	216,854	12,318	267,830	-	497,002
Financial assets at fair value through profit or loss	-	11,080,977	-	-	-	11,080,977
Total current assets	10,798,466	51,755,277	675,414	25,342,555	-	88,571,712
Non-current assets						
Property, plant and equipment	-	-	-	99,979	-	99,979
Intangible Assets	-	-	-	311,664	-	311,664
Other	-	-	-	486,271	-	486,271
Fair Value through other comprehensive income financial assets	-	-	1,000,000	-	-	1,000,000
Total non-current assets	-	-	1,000,000	845,925	-	1,830,390
Total assets	10,798,466	51,755,277	1,675,414	26,172,945	-	90,402,102
Liabilities						
Current liabilities						
Trade and other payables	1,595,166	-	-	623,383	-	2,218,549
Employee benefits	-	-	-	391,026	-	391,026
Total current liabilities	1,595,166	-	-	1,014,026	-	2,609,575
Non-current liabilities						
Employee benefits	-	-	-	143,509	-	143,509
Other Non-current Liabilities	-	-	-	271,244	-	271,244
Total non-current liabilities	-	-	-	414,753	-	414,753
Total liabilities	1,595,166	-	-	1,429,162	-	3,024,329
Net assets	9,203,300	51,755,277	1,675,414	24,743,783	-	87,377,774
Equity						
Retained surpluses	6,520,951	48,508,214	384,215	22,029,415	-	77,442,795
Current Year Earnings Reserve	2,682,349	3,247,064	487,199	2,714,367	-	9,130,979
	-	-	804,000	-	-	804,000
Total equity	9,203,300	51,755,277	1,675,414	24,743,783	-	87,377,774

Australian Indigenous Education Foundation
Notes to the financial statements
31 March 2020

Note 22. Departmental trading statement of financial position as at 31 March 2019

	Government Scholarship Fund \$	Scholarship Fund \$	Reserve \$	Corporate Account \$	Departmental Eliminations \$	Total Foundation \$
Assets						
Current assets						
Cash and cash equivalents	2,188,561	10,017,924	-	5,310,613	-	17,517,098
Other financial assets	6,000,000	19,800,000	-	16,300,000	-	42,100,000
Trade and other receivables	41,883	263,283	188,215	497,951	(172,358)	818,974
Financial assets at fair value through profit or loss	-	18,599,364	-	-	-	18,599,364
Total current assets	8,230,444	48,680,571	188,215	22,108,564	(172,358)	79,035,436
Non-current assets						
Property, plant and equipment	-	-	-	144,382	-	144,382
Intangible Assets	-	-	-	311,664	-	311,664
Fair Value through other comprehensive income financial assets	-	-	711,000	-	-	711,000
Total non-current assets	-	-	711,000	456,046	-	1,167,046
Total assets	8,230,444	48,680,571	899,215	22,564,610	(172,358)	80,202,482
Liabilities						
Current liabilities						
Trade and other payables	1,709,492	172,358	-	156,980	(172,358)	1,866,472
Employee benefits	-	-	-	287,339	-	287,339
Total current liabilities	1,709,492	172,358	-	444,319	(172,358)	2,153,811
Non-current liabilities						
Employee benefits	-	-	-	90,876	-	90,876
Total non-current liabilities	-	-	-	90,876	-	90,876
Total liabilities	1,709,492	172,358	-	535,195	(172,358)	2,244,687
Net assets	6,520,952	48,508,214	899,215	22,029,415	-	77,957,795
Equity						
Retained surpluses	6,520,951	48,508,214	384,215	22,029,416	-	77,442,795
Reserve	-	-	515,000	-	-	515,000
Total equity	6,520,951	48,508,214	899,215	22,029,416	-	77,957,795

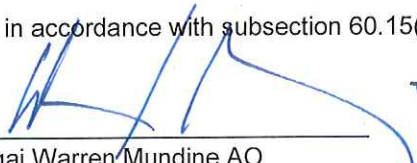
Australian Indigenous Education Foundation Directors' declaration

The directors have determined that Australian Indigenous Education Foundation is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of Australian Indigenous Education Foundation declare that in the directors/responsible entities' opinion:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - comply with Accounting Standards as described in Note 1 to the financial statements and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation 2013); and
 - give a true and fair view of the entity's financial position as at 31 March 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. There are reasonable grounds to believe that the entity will be able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the ACNC Regulation 2013 on behalf of the directors by:



Nyunggai Warren Mundine AO
Non-Executive Chairman

Andrew Penfold AM, FAICD
Executive Director

29 April 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Australian Indigenous Education Foundation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Indigenous Education Foundation (the Foundation), which comprises the statement of financial position as at 31 March 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Australian Indigenous Education Foundation, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the Foundation's financial position as at 31 March 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of 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 entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and 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.

Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Foundation's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Foundation's annual report, 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 materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Directors' responsibilities for the Financial Report

The directors of the Foundation are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 entity is responsible for assessing the Foundation'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 entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

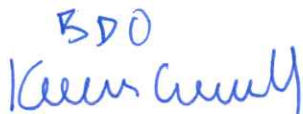
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO East Coast Partnership



Kieran Gould
Partner

Sydney, 29 April 2020