

AUSSCHOL INCORPORATED
ABN 83 420 919 581

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2016

SOTHERTONS SYDNEY
CHARTERED ACCOUNTANTS
LEVEL 24, WESTFIELD TOWER 2
101 GRAFTON STREET
BONDI JUNCTION NSW 2022

AUSSCHOL INCORPORATED
ABN 83 420 919 581

CONTENTS

Councillors' Report	1
Income Statement	2
Balance Sheet	3
Cash Flow Statement	4
Notes to the Financial Statements	5
Statement by Members of the Council	10
Auditors' Report	11
Certificate by Members of the Council	13
Profit & Loss Statement	14

AUSSCHOL INCORPORATED
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COUNCILLORS' REPORT

Your Council members submit the financial report of AusSchol Incorporated for the financial year ended 31 December 2016.

Council Members

The names of the council members throughout the year (other than as noted below) and at the date of this report are:

Paul Murnane
Murray Wells
Geoffrey Stirton
Hugh Morrow
John Cox
Deryck Schreuder

Principal Activities

The principal activities of the association during the financial year were to provide scholarships to help Australian citizens and permanent residents enhance their knowledge and skills and to improve the management and accountability of not-for-profit organisations.

The association operates the Australian Scholarships Foundation, a Deductible Gift Recipient (DGR).

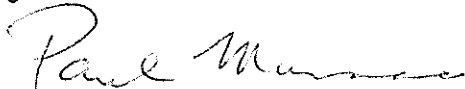
Significant Changes

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

Operating Result

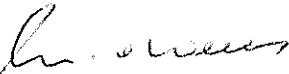
The profit after providing for income tax amounted to \$157,760.

Signed in accordance with a resolution of the Members of the Council.



Paul Murnane

Councillor



Murray Wells

Councillor

Dated this 30 day of May 2017

AUSSCHOL INCORPORATED
ABN 83 420 919 581

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
Note	\$	\$
INCOME		
OTHER INCOME		
Dividends received	256	213
Interest received	806	1,029
Other revenue	23,276	93,965
Donations received	953,252	616,249
	977,590	711,456
EXPENDITURE		
Auditor's remuneration	7,000	8,500
Consulting fees	70,447	90,486
Scholarships	721,978	383,329
Website design	4,880	(7,218)
Other expenses	15,525	3,408
	817,830	478,505
(Loss) Profit before income tax	157,760	232,950
(Loss) Profit for the year	157,760	232,950
Retained profits at the beginning of the financial year	288,136	121,522
Transfers to reserves	(691,184)	(538,000)
Transfers from reserves	723,662	475,045
Retained profits at the end of the financial year	478,374	288,136

The accompanying notes form part of these financial statements.

AUSSCHOL INCORPORATED
ABN 83 420 919 581

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents		803,105	639,746
Trade and other receivables	3	25,718	20,089
TOTAL CURRENT ASSETS		<u>828,823</u>	<u>659,835</u>
NON CURRENT ASSETS			
Financial assets	4	-	4,697
TOTAL NON CURRENT ASSETS		<u>-</u>	<u>4,697</u>
TOTAL ASSETS		<u>828,823</u>	<u>664,532</u>
CURRENT LIABILITIES			
Other creditors and accruals		2,542	15,665
Loan from Councillors'		-	40,000
TOTAL CURRENT LIABILITIES		<u>2,542</u>	<u>55,665</u>
TOTAL LIABILITIES		<u>2,542</u>	<u>55,665</u>
NET ASSETS		<u>826,281</u>	<u>608,867</u>
MEMBERS' FUNDS			
Reserves	5	347,907	320,731
Retained Profits	6	478,374	288,136
TOTAL MEMBERS' FUNDS		<u>826,281</u>	<u>608,867</u>

The accompanying notes form part of these financial statements.

AUSSCHOL INCORPORATED
ABN 83 420 919 581

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Donations and other receipts	982,127	752,338
Payments to suppliers & scholarships	(819,830)	(478,505)
Dividends received	256	213
Interest received	806	1,029
Net cash provided by (used in) operating activities	<u>163,359</u>	<u>271,693</u>
Net increase (decrease) in cash held	163,359	271,693
Cash at beginning of financial year	639,746	368,053
Cash at end of financial year	<u>803,105</u>	<u>639,746</u>

The accompanying notes form part of these financial statements.

AUSSCHOL INCORPORATED
ABN 83 420 919 581

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report and it has been prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act New South Wales. The councillors have determined that the association is not a reporting entity.

The financial report has been prepared on an accrual basis and is based on historic costs does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted the preparation of this financial report.

Income Tax

AusSchol Incorporated is exempt from the payment of income tax under Section 50-5 of the Income Tax Assessment Act 1997.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstance the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cashflow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cashflow.

Financial Assets

Financial assets are brought to account at cost or valuation. Dividends and interests are brought to account when received.

AUSSCHOL INCORPORATED
ABN 83 420 919 581

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
<hr/>		
2 Income Tax Expense		
<p>Australian Scholarships Foundation is exempt from the payment of income tax under Section 50-5 of the Income Tax Assessment Act 1997</p>		
3 Trade and Other Receivables		
Current		
Other Debtors	<u>25,718</u>	<u>20,089</u>
<p>The association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.</p> <p>There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.</p>		
4 Financial Assets		
Non-Current		
Shares in Listed Companies (at Market Value)	<u>-</u>	<u>4,697</u>

AUSSCHOL INCORPORATED
ABN 83 420 919 581

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
<hr/>		
5 Reserves		
Asset Revaluation Reserve		
Opening balance for the year	-	4,792
Revaluation IAG Limited shares to market value	-	(95)
Closing balance for the year	-	4,697
Donations Reserve		
Opening balance for the year	320,731	295,622
Donations received	953,252	616,249
Scholarships paid out	(926,076)	(595,837)
Closing balance for the year	347,907	316,034
	<u>347,907</u>	<u>320,731</u>

Donations Reserve includes funds received for special purposes as specified in the donor arrangements. These amounts may include administration fees payable to the Association on the provision of specific scholarships.

It is the policy of the Association to:

- expense those payments related to specific donations through the Income Statement and transfer the matching donation amount from this Reserve to the Income Statement in accordance with the matching principle; and
- transfer the administration fee revenue to the Income Statement on the successful placement of the relevant scholarships.

AUSSCHOL INCORPORATED
ABN 83 420 919 581

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
6 Retained Profits		
Retained profits at the beginning of the financial year	288,136	121,522
(Net loss) Net profit attributable to the Association	157,760	229,569
Transfers to reserves	(691,184)	(538,000)
Transfers from reserves	723,662	475,045
Retained profits at the end of the financial year	478,374	288,136
<p>Retained profits includes the remainder amount of \$402,390 originally received from the Australian William E Simon Graduate School of Business Administration Trust. An application was lodged with the NSW Attorney General for approval to use the funds for scholarships to improve the administration within not-for-profit organisations in Australia. The Attorney General has advised that it is more appropriate for the application to be dealt with by the Supreme Court. The Association continues to engage with the Attorney General on this matter.</p>		
7 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit (Loss) after income tax	157,760	229,569
Non-cash flows in profit		
Administration fees charged	20,000	93,965
Other non cashflows	(61,895)	(131,716)
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in current receivables	(5,629)	27,678
Increase/(Decrease) in other creditors	53,123	52,197
	163,359	271,693
8 Association Name		
<p>The Association was incorporated under the Associations Incorporation Act 1984 on 17 August 1988 and domiciled in Australia.</p>		

AUSSCHOL INCORPORATED
ABN 83 420 919 581

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2016
\$

2015
\$

The Association was established under the Simon University College Act 1988 and a Trust Deed dated 1 July 1988, as Australian William E Simon Graduate School of Business Administration Incorporated.

The Australian William E Simon Graduate School of Business Administration Incorporated changed its name to AusSchol Incorporated on 30 March 2007.

The Association operates under the registered business name of Australian Scholarships Foundation.

AUSSCHOL INCORPORATED
ABN 83 420 919 581

STATEMENT BY MEMBERS OF THE COUNCIL

The Council has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

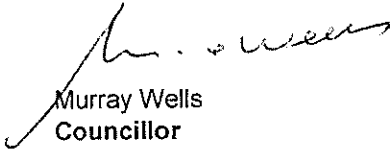
In the opinion of the Council the financial report as set out on pages 1 to 9:

1. Presents a true and fair view of the financial position of AusSchol Incorporated as at 31 December 2016 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that AusSchol Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Council and is signed for and on behalf of the Council by



Paul Murnane
Councillor



Murray Wells
Councillor

Dated this 30 day of May 2017

Level 24, Westfield Tower 2
101 Grafton Street
Bondi Junction
NSW 2022

Correspondence to:
PO Box 102
Bondi Junction
NSW 1355

T +61 2 9389 7777
F +612 9387 4995
W www.sothertons.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSSCHOL INCORPORATED
ABN 83 420 919 581**

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of AusSchol Incorporated (the Association) which comprises the balance sheet as at 31 December 2016, the income statement and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the Council.

Council's responsibility for the financial report

The Council of the Association is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Associations Incorporation Act 2009 and to meet the needs of the members. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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 Association'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 Council, 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 Australian professional ethical requirements.

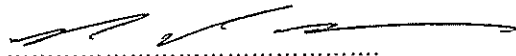
Audit Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of AusSchol Incorporated as at 31 December 2016 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporation Act 2009.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the Council's financial reporting responsibility under the Associations Incorporation Act 2009. As a result, the financial report may not be suitable for another purpose.

SOTHERTONS CHARTERED ACCOUNTANTS



Robert Rochlin
Principal

Dated: 11 6 17

AUSSCHOL INCORPORATED
ABN 83 420 919 581

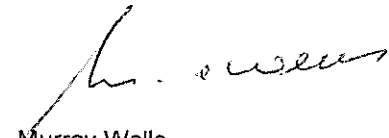
CERTIFICATE BY MEMBERS OF THE COUNCIL

I, Paul Murnane and I, Murray Wells certify that

- (a) We are members of the Council of AusSchol Incorporated.
- (b) We attended the annual general meeting of the association held on *28 June 2017*
- (c) We are authorised by the Council to sign this certificate.
- (d) This annual statement was submitted to the members of the association at its annual general meeting.



Paul Murnane
Councillor



Murray Wells
Councillor

Dated this *26th* day of *June* 2017

AUSSCHOL INCORPORATED
ABN 83 420 919 581

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
INCOME		
Dividends received	256	213
Interest received	806	1,029
Other revenue	23,276	93,965
Donations received	953,252	616,249
	<u>977,590</u>	<u>711,456</u>
EXPENSES		
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Scholarships	721,978	383,329
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Other expenses	15,525	3,408
	<u>819,830</u>	<u>478,505</u>
(Loss) Profit before income tax	<u>157,760</u>	<u>288,136</u>

The accompanying notes form part of these financial statements.