

**AUSSCHOL INCORPORATED**  
**ABN 83 420 919 581**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2015**

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

**AUSSCHOL INCORPORATED**  
**ABN 83 420 919 581**

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**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 2015.

**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  
Allan Gillespie (resigned 18 June 2015)  
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).

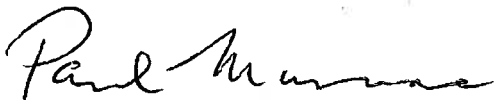
**Significant Changes**

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

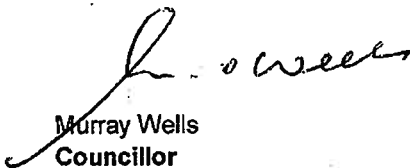
**Operating Result**

The profit after providing for income tax amounted to \$232,950.

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



Paul Murnane  
Councillor



Murray Wells  
Councillor

Dated this 23rd day of February 2016

**AUSSCHOL INCORPORATED**  
**ABN 83 420 919 581**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>INCOME</b>			
<b>OTHER INCOME</b>			
Dividends received		213	286
Interest received		1,029	2,591
Other revenue		93,965	106,370
Donations received		616,249	201,830
		711,456	311,077
<b>EXPENDITURE</b>			
Auditor's remuneration		8,500	5,000
Consulting fees		90,486	142,122
Scholarships		383,329	305,219
Website design		(7,218)	2,256
Other expenses		3,408	15,009
		478,505	469,606
(Loss) Profit before income tax		232,950	(158,529)
<b>(Loss) Profit for the year</b>		232,950	(158,529)
Retained profits at the beginning of the financial year		121,522	117,846
Transfers to reserves		(538,000)	(151,830)
Transfers from reserves		475,045	314,035
<b>Retained profits at the end of the financial year</b>		288,136	121,522

The accompanying notes form part of these financial statements.

**AUSSCHOL INCORPORATED**  
**ABN 83 420 919 581**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		639,746	368,053
Trade and other receivables	3	20,089	47,767
<b>TOTAL CURRENT ASSETS</b>		659,835	415,820
<b>NON CURRENT ASSETS</b>			
Financial assets	4	4,697	4,792
<b>TOTAL NON CURRENT ASSETS</b>		4,697	4,792
<b>TOTAL ASSETS</b>		664,532	420,612
<b>CURRENT LIABILITIES</b>			
Other creditors and accruals		15,665	3,468
Loans from Councillors		40,000	0
<b>TOTAL CURRENT LIABILITIES</b>		55,665	3,468
<b>TOTAL LIABILITIES</b>		55,665	3,468
<b>NET ASSETS</b>		608,867	417,144
<b>MEMBERS' FUNDS</b>			
Reserves	5	320,731	295,622
Retained Profits	6	288,136	121,522
<b>TOTAL MEMBERS' FUNDS</b>		608,867	417,144

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 2015**

	2015	2014
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Donations and other receipts	748,956	471,874
Payments to suppliers & scholarships	(478,505)	(467,404)
Dividends received	213	286
Interest received	1,029	2,591
<b>Net cash provided by (used in) operating activities</b>	<u>271,693</u>	<u>7,347</u>
Net increase (decrease) in cash held	271,693	7,347
Cash at beginning of financial year	<u>368,053</u>	<u>360,706</u>
Cash at end of financial year	<u>639,746</u>	<u>368,053</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 2015**

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**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 2015**

	2015	2014
	\$	\$
<b>2 Income Tax Expense</b>		
<p>Australian Scholarships Foundation is exempt from the payment of income tax under Section 50-5 of the Income Tax Assessment Act 1997</p>		
<b>3 Trade and Other Receivables</b>		
<b>Current</b>		
Other Debtors	<u>20,089</u>	<u>47,767</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 impaired and are past due. It is expected that these balances will be received when due.</p>		
<b>4 Financial Assets</b>		
<b>Non-Current</b>		
Shares in Listed Companies (at Market Value)	<u>4,697</u>	<u>4,792</u>



**AUSSCHOL INCORPORATED**  
**ABN 83 420 919 581**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>5 Reserves</b>		
<b>Asset Revaluation Reserve</b>		
Opening balance for the year	4,792	2,444
Revaluation IAG Limited shares to market value	(95)	2,348
Closing balance for the year	4,697	4,792
<b>Donations Reserve</b>		
Opening balance for the year	295,622	284,490
Donations received	616,249	201,830
Scholarships paid out	(595,837)	(195,586)
Closing balance for the year	316,034	290,734
	320,731	295,622

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 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>6 Retained Profits</b>		
Retained profits at the beginning of the financial year	121,522	117,846
(Net loss) Net profit attributable to the Association	229,569	(158,529)
Transfers to reserves	(538,000)	(151,830)
Transfers from reserves	475,045	314,035
Retained profits at the end of the financial year	288,136	121,522
<p>In 2008, \$402,390 was received from the Australian William E Simon Graduate School of Business Administration Trust. With the agreement of the original donor, the Association is in the process of applying to the Court for approval to transfer those funds to a special trust for scholarships to improve the administration within not-for-profit organisations in Australia. Herbert Smith Freehills are assisting with that application.</p>		
<b>7 Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit (Loss) after income tax	229,569	(158,529)
<b>Non-cash flows in profit</b>		
Administration fees charged	93,965	106,370
Other non cashflows	(131,716)	66,438
<b>Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries</b>		
(Increase) Decrease in current receivables	27,678	17,934
Increase/(Decrease) in other creditors	52,197	(24,866)
	271,693	7,347

**AUSSCHOL INCORPORATED**  
**ABN 83 420 919 581**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

2015	2014
\$	\$

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**8 Association Name**

The Association was incorporated under the Associations Incorporation Act 1984 on 17 August 1988 and domiciled in Australia.

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.

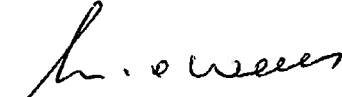
In the opinion of the Council the financial report as set out on pages 1 to 9:

1. Presents a true and fair view of the financial position of AusSchol Incorporated as at 31 December 2015 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 *23rd* day of *February* 2016

**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 2015, 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 2015 and of 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



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Robert A Rochlin  
**Principal**

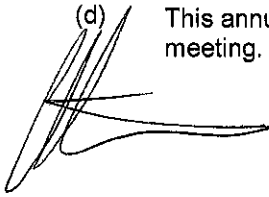
Dated this 23<sup>rd</sup> day of February 2016

**AUSSCHOL INCORPORATED**  
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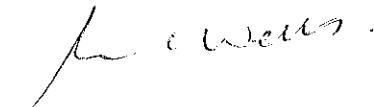
**CERTIFICATE BY MEMBERS OF THE COUNCIL**

I, Geoffrey Stirton 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 *8 March 2016*.
- (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.



Geoffrey Stirton  
Councillor



Murray Wells  
Councillor

Dated this *10th* day of *March* 2016

**AUSSCHOL INCORPORATED**  
**ABN 83 420 919 581**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
<b>INCOME</b>		
Dividends received	213	286
Interest received	1,029	2,591
Other revenue	93,965	106,370
Donations received	616,249	201,830
	<u>711,456</u>	<u>311,077</u>
<b>EXPENSES</b>		
Auditor's remuneration	8,500	5,000
Consulting fees	90,486	142,122
Scholarships	383,329	305,219
Website design	(7,218)	2,256
Other expenses	3,408	15,009
	<u>478,505</u>	<u>469,606</u>
<b>(Loss) Profit before income tax</b>	<u>288,136</u>	<u>(158,529)</u>

The accompanying notes form part of these financial statements.