

Public Education Foundation Ltd

ABN 12 129 228 413

Financial report - 30 June 2015

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The Directors present their report together with the financial statements on Public Education Foundation Ltd (the Foundation) for the year ended 30 June 2015.

Directors

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

Jennifer Neary AM– Chairperson (Term as director expired as at October 2015)

Jane Caro

Dianne Giblin- (Term expired December 2014)

Libby Gleeson (Acting Chair as at October 2015)

Robin Low

David Friedlander

Patrick Regan

Judyth Sachs (since December 2014)

James Arvanitakis (since April 2015)

Chris Ryan

Adam Smith (resigned effective November 2014)

In addition to our directors, the Foundation enjoys the ex-officio membership of the General Manager of Learning and Development from the Department of Education and Communities, Ms Cheryl Best.

Nathan Rees was appointed CEO of the Foundation in October 2014.

Objectives

The short and long term objectives of the Foundation are to work collaboratively with schools, communities, business and Government to support students to achieve their full potential in public education, while enhancing the value and reputation of public school education.

Strategies for achieving the objectives

The Foundation has four main strategies for achieving its objectives. These are:

1. Providing life-changing scholarships and educational programs for students with particular education needs, as well as teachers and parents;
2. Demonstrating the benefits of public education to society through showcasing the leaders of many fields in society who were educated in the public system and facilitating public comment in the media;
3. Helping to improve public education by supporting research and piloting innovative programs in schools that can be taken to scale if shown to be efficacious; and
4. Building the capacity of the organisation so it can deliver evidence-based, effective and sustainable programs on a national basis.

Principal activities

The principle activities of the Foundation during the year were to provide scholarships for students and teachers in both NSW, and Australian, public schools.

Performance Measures

The Foundation measures its performance in both the amount of funds raised and the number of scholarships provided. In addition, individual scholarship programs are evaluated for process, impact for recipient, teacher and donor satisfaction.

The scholarship programs are constantly evolving and theoretically only limited by the donations received. As examples, programs include:

- Talented musicians to attend the Conservatorium High School;
- Refugee children to finish years 11 and 12 or early tertiary study;
- Increase attendance and graduation rates for young Aboriginal and Torres Strait Islander students with the aim of improving attendance and graduation rates.

It should be noted that each program has an administrative requirement that is carried out by the Foundation, even if the program is relatively small. This is an operational risk that requires ongoing monitoring.

Information on directors

Jennifer Neary AM, BA, Dip Ed, and FAICD. Director and Chairperson, re-appointed 14/01/2011

Experience and expertise

Director of the NSW Institute of Teachers and member of the NSW Board of Studies until December 2013 then member of the Board of Studies, Teaching and Educational Standards.

Teaching in NSW and ACT secondary schools, 30 years' experience in senior management in the public and private sectors, public policy experience at State, Federal and international levels, and Board experience in the public and private sectors.

Special responsibilities

Leadership of the Foundation, Chair of the Board, Chair of the Nominations Committee

Jane Caro. Director, re-appointed 12/03/2012

Experience and expertise

Principal Jara Consulting; Director Bell Shakespeare Company; Chair, Bell Shakespeare Advisory Panel, Lecturer, Advertising Creative, School of Communications and Arts, University of Western Sydney.

Co-author of "The Stupid Country; How Australia is Dismantling Public Education" (New South 07); co-author of "The F Word – How we Learned to Swear by feminism" (New South 09); Author of "Just a Girl" young adult novel (University of Queensland Press, 2011); public school advocate and parent; advertising executive for over thirty years.

Special responsibilities

Judge, Stellar Scholarships; member Scholarships Advisory Committee Public Education Foundation Ltd

Dianne Giblin AM, B.Edu (Adult); Dip. Management. Director, re-appointed 14/01/2011

Experience and Expertise

CEO Australian Council of State School Organisations (National Parent organisation for Government schools). Volunteer in education since 1988; employed by Department of Education and Training NSW 14 years (community development); President NSW P and C Federation March 2006 – July 2011 (officer for 9 years, Council for 14 years).

Special responsibilities

Membership Scholarships Advisory committee

Libby Gleeson AM, BA (Hons); Dip Ed. Director, re-appointed 1/07/2011

Experience and expertise

Writer; director, Copyright Agency Ltd; Chair WestWords (Western Sydney Children's and Youth Literature Centre); Adj Associate Professor University of Sydney. Teaching in secondary and tertiary sector. Former Chair, Australian Society of Authors. Advocate for literature and literacy for all.

Special responsibilities

'Friends of Zainab' scholarship.

Robin Low; B.Comm. FCA Director, reappointed 01/07/2013

Experience and expertise

Director and Audit Committee Chair of Austbrokers Limited, CSG Limited and IPH Limited. Member of the Auditing and Assurance Standards Board. Director, Primary Ethics and Treasurer, Sydney Medical School Foundation.

Robin was a partner at PricewaterhouseCoopers and left the firm after 28 years to embark on a non-executive director career. Robin brings financial, risk and governance skills and is a great supporter of opportunity through public education. She also chaired the Harvard Club of Australia and the First Seeds Scholarship.

Special responsibilities

Treasurer

David Friedlander LLB B.Comm LLM. Director, appointed January 2013.

Experience and expertise

Partner and lawyer with King and Wood Malesons, specialising in mergers and acquisitions and securities. Member of the ASX Capital Markets Advisory Panel, the Corporations Committee of the Law Council of Australia.

Special responsibilities

Management of scholarships, including scholarships held in trust by the Foundation on behalf of the Conservatorium High School .

Adam Smith. Director, appointed 14/8/2014, resigned November 2014.

Experience and expertise

Adam is an expert commentator and consultant specializing in partnership development and network building in and around schools. Adam is a Board Member of the Australian Council for Educational Research (ACER), and regular Education Analyst for Channel 10's The Project. As former CEO of the Foundation for Young Australians and Education Foundation Australia, Adam has a background in non-profit leadership and has personally generated significant philanthropic and corporate investment in public schools.

Chris Ryan, PSM BA, Dip Ed MA. Director

Experience and expertise

Chris Ryan's career in education includes roles as a teacher, school executive member, manager of state equity programs, researcher, policy adviser and an education leader with more than 10 Years' experience as a member of the state's senior executive service.

In 2012 he acted as Chief Executive of the Public Education Foundation. In 2013 he became a board member of the Foundation and a trustee of the Arts Education Foundation Trust. In 2013 he also served as an advisor to the Chief Executive of the Australian Curriculum, Assessment and Reporting Authority (ACARA).

Prof James Arvanitakis, PhD, B Sc (Hons). Director

Experience and expertise

Professor Arvanitakis is Head of The Academy at Western Sydney University. He holds a doctorate from UNSW as well as a Bachelor of Science with Honours. He has received multiple awards for his teaching and research and in 2012 was the Prime Minister's University Teacher of the Year winner. He is a passionate believer in a strong, well- resourced and vibrant public educations sector.

Professor Judyth Sachs

Experience and expertise

Emeritus Professor Judyth Sachs has had a long career as an educator and change agent. She has held academic appointments at the University of Queensland, Griffith University, The University of Sydney, where she was Professor of Education, Chair of the Academic Board and Pro-vice Chancellor (Learning and Teaching) and Macquarie University, where from 2006 until April 2013 she was Deputy Vice Chancellor and Provost.

She is currently working as a special advisor in higher education at KPMG and is director at Judyth Sachs Consulting. Judyth holds a BA and a PhD from the University of Queensland and an MA from Western Michigan University. She still maintains an active academic life publishing in the areas of community engagement, higher education policy and teacher professionalism.

Chief Executive Officer

The Hon Nathan Rees was appointed as CEO in October 2014. Nathan is a former NSW Premier with a strong history of commitment to both public education and social justice. He has a BA (Hons) from the University of Sydney.

Meetings of directors

The number of Foundation meetings, and the number of meetings attended by each director were:

Directors	Number of meetings eligible to attend	Number attended
Jennifer Neary	6	5
Jane Caro	6	5
Robin Low	6	6
Dianne Giblin	5	4
Libby Gleeson	6	5
Chris Ryan	6	6
David Friedlander	6	6
Patrick Reagan	6	4
James Arvanitakis	2	1
Judyth Sachs	3	2

Events occurring after the reporting date

Jennifer Neary's period as a board director and Chair was completed in October 2015. Ms Neary has been a powerful force in the establishment of the Foundation and subsequent growth. For her efforts, Ms Neary was awarded an AM in 2015.

The Board and the Foundation offers its sincere thanks and congratulations to Ms Neary for her outstanding service to public education.

Ms Libby Gleeson is Acting Chair until the Annual General Meeting in December 2015. Otherwise, there have been no significant events that have occurred after the reporting date which may significantly affect either the Foundation's operation or results of those operations or the Foundation's state of affairs in future years.

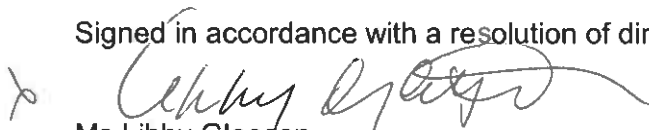
Contributions on winding up

The Foundation is a company limited by guarantee. If the Foundation is wound up, the constitution states that each member undertakes to contribute an amount limited to \$20 per member while a member, or within one year after ceasing to be member, for payment of the debts and liabilities of the Foundation contracted before he/she ceases to be member and of the costs, charges and expenses of winding up, and for the adjustment of rights of the contributories among themselves.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under ACNC Act 2012 is set out on page 7.

Signed in accordance with a resolution of directors.



Ms Libby Gleeson
Director & Acting Chairperson
Sydney
November 30, 2015

DECLARATION OF INDEPENDENCE BY PAUL BULL TO THE DIRECTORS OF PUBLIC EDUCATION FOUNDATION LTD

As lead auditor of Public Education Foundation Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *ACNC Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Paul Bull

Partner

BDO East Coast Partnership

Sydney, 30 November 2015

Public Education Foundation Ltd
Statement of profit or loss and other comprehensive income
As at 30 June 2015

	Notes	2015 \$	2014 \$
Revenue	2	1,039,107	782,320
Other income		-	(7,721)
Expenses			
Scholarship expenses		(448,821)	(357,971)
Employee benefits expense		(276,377)	(203,738)
Auditors remuneration	3	(9,000)	(9,500)
Finance costs		(793)	(2,211)
Website development expense		(776)	(108)
Other expenses		<u>(114,638)</u>	<u>(91,885)</u>
Surplus before income tax expense		188,702	109,186
Income tax expense	1(b)	<u>-</u>	<u>-</u>
Surplus after income tax expense for the year attributable to members of the Foundation		188,702	109,186
Other comprehensive (loss)/ income for the year			
Available-for-sale financial assets	11(d)	<u>(61,284)</u>	<u>73,551</u>
Total comprehensive income for the year attributable to members of the Foundation		<u>127,418</u>	<u>182,737</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Public Education Foundation Ltd
Statement of financial position
As at 30 June 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	310,963	214,230
Trade and other receivables	5	84,274	32,786
Total current assets		<u>395,237</u>	<u>247,016</u>
Non-current assets			
Intangible Assets	6	7,962	17,150
Available-for-sale financial assets	7	1,730,004	1,769,561
Total non-current assets		<u>1,737,966</u>	<u>1,786,711</u>
Total assets		<u>2,133,203</u>	<u>2,033,727</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	141,392	173,788
Employee benefits	9	9,245	4,792
Total current liabilities		<u>150,637</u>	<u>178,579</u>
Non-current liabilities			
Other payables	10	30,204	30,204
Total non-current liabilities		<u>30,204</u>	<u>30,204</u>
Total liabilities		<u>180,841</u>	<u>208,783</u>
Net assets		<u>1,952,362</u>	<u>1,824,944</u>
Equity			
Retained earnings	11	250,541	255,390
Scholarship reserve	11	1,695,607	1,502,056
Available-for-sale financial assets reserve	11	6,214	67,498
Total equity		<u>1,952,362</u>	<u>1,824,944</u>

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

Public Education Foundation Ltd
Statement of changes in equity
For the year ended 30 June 2015

	Retained earnings \$	Scholarship reserve \$	Available-for- sale financial assets reserve \$	Total equity \$
Balance at 30 June 2013	204,512	1,443,748	(6,053)	1,642,207
Total comprehensive income for the year	109,186	-	73,551	182,737
Transfer from retained earnings to scholarship reserve for scholarship income received but unexpended during the year	(58,308)	58,308	-	-
Balance at 30 June 2014	255,390	1,502,056	67,498	1,824,944
Total comprehensive income for the year	188,702	-	(61,284)	127,418
Transfer from retained earnings to scholarship reserve for scholarship income received but unexpended during the year	(193,551)	193,551	-	-
Balance at 30 June 2015	250,541	1,695,607	6,214	1,952,362

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

Public Education Foundation Ltd
Statement of cash flows
For the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from donations and grants		849,406	717,930
Payments to suppliers and employees		(384,408)	(309,476)
Payments to scholarship recipients		(452,421)	(339,596)
Interest received		-	666
Interest paid		(793)	(2,211)
Net cash inflow from operating activities	13	<u>11,784</u>	<u>67,313</u>
Cash flows from investing activities			
Dividend, interest and distribution income received		106,676	90,753
Payment to purchase of available-for-sale financial assets			(523,094)
Payment to purchase of intangibles		-	(18,375)
(loss)/ proceeds from sales of available-for-sale financial assets		(21,729)	211,489
Net cash inflow/(outflow) from investing activities		<u>84,949</u>	<u>(239,227)</u>
Net increase/(decrease) in cash and cash equivalents		96,733	(171,915)
Cash and cash equivalents at the beginning of the year		<u>214,230</u>	<u>386,145</u>
Cash and cash equivalents at the end of the year	4	<u>310,963</u>	<u>214,230</u>

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

Note 1. Summary of significant accounting policies

Reporting basis and conventions

The financial report covers Public Education Foundation Ltd (the foundation) as an individual entity for the year ended 30 June 2015. The foundation is a company limited by guarantee, incorporated and domiciled in Australia.

The directors have prepared the financial statements on the basis that the foundation is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *ACNC Act 2012*. The directors have determined that the company is not a reporting entity.

The report has been prepared in accordance with the requirements of the *ACNC Act 2012* and the following Australian Accounting Standards:

AASB 101: *Preparation of Financial Statements*
AASB 107: *Cash Flow Statements*
AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*
AASB 110: *Events after Balance Sheet Date*
AASB 1031: *Materiality*
AASB 1048: *Interpretation and Application of Standards*

The financial report has been prepared on an accrual basis and is based on historical costs.

The following is a summary of the material accounting policies adopted by the foundation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Accounting policies

(a) Going concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(b) Income tax

The foundation is exempt from the payment of income tax under section 50-35 of the *Income Tax Assessment Act 1997*.

The foundation is endorsed as a deductible gift recipient for its Scholarship Fund.

Note 1. Summary of significant accounting policies (continued)

(c) Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable. The foundation recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the foundation and specific criteria have been met for each of the foundation's activities.

Revenue is recognised for the major business activities as follows:

(i) Grants

The foundation receives grants to undertake certain activities and to provide scholarships. When the grant is non-reciprocal, it is recognised as revenue of the foundation upon receipt. Associated expenditure for the completion of the grant is recorded as incurred.

Where the grant is subject to a reciprocal transfer (specific conditions attached to the grant are to be satisfied) a liability (deferred revenue) associated with the reciprocal transfer is recorded upon receipt of the grant. Revenue is not recognised for reciprocal transfers until the conditions associated with the grant are satisfied.

(ii) Donations

Donations are recognised when received by the foundation.

(iii) Interest

Interest income is recognised as interest accrues using the effective interest method.

(iv) Investment income

Investment distributions from managed funds are recognised as income in the period that entitlement is established. Dividend income from investments is recognised when received.

(v) Sponsorship income

The foundation undertakes a fundraising activity and receives support in the form of money. In return, the foundation provides such things as advertising, signage or naming rights or some other type of benefit of value.

Sponsorship fees relate to either (a) a one-time event, or (b) a period of time.

Revenue from a one-time event is recognized when: (i) pervasive evidence of an arrangement exists; (ii) the event has occurred; (iii) the price is fixed or determinable; and (iv) collectability is reasonably assured.

Non-refundable advance payments associated with sponsorships over a period of time are recognized on a straight line basis over the term of the contract from the later of the point at which: (a) pervasive evidence of an arrangement exists; (b) delivery has occurred or services have been rendered; (c) the price is fixed or determinable; and (d) collectability is reasonably assured, or, the beginning of the license period. Sponsorship advances are deferred until earned pursuant to the sponsorship agreement

(d) Cash and cash equivalents

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

Note 1. Summary of significant accounting policies (continued)

(e) Investments and other financial assets

The foundation classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of every year.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting year which are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the foundation's management has the positive intention and ability to hold to maturity. If the foundation were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting year, which are classified as current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting year. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the foundation commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the foundation has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Note 1. Summary of significant accounting policies (continued)
Investments and other financial assets (continued)

(e)

Measurement

At initial recognition, the foundation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or expenses in the year in which they arise.

The foundation invests in wholesale managed investments which are designated as available-for-sale financial assets. These investments are carried at the unit redemption price as at the reporting date and changes in the value of these investments are recorded in the available-for-sale financial asset reserve in equity. Purchases and sales of financial assets are recognised on settlement date which is the date that an asset is delivered to or by an entity.

When investments classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are transferred to surplus or deficit as gains and losses from sale of managed funds and equity investments.

Impairment

The foundation assesses at the end of each reporting year whether there is objective evidence that a financial asset or group of assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in fair value of the security below its cost is considered an indicator that the assets are impaired.

(i) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised as an impairment loss in profit or loss. If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in profit or loss.

(ii) Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less an impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent year.

Note 1. Summary of significant accounting policies (continued)

(f) Trade and other payables

These amounts represent liabilities for goods and services provided to the foundation prior to the end of the year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(g) Deferred revenue

The liability for deferred revenue is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date, or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted.

(h) Employee benefits

Provision is made for the Foundation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year, together with benefits arising from wages, salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In the case it is recognised as part of the cost of 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 taxation authority is included in receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(j) New accounting standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the foundation for the reporting year ended 30 June 2014. The foundation has not yet assessed the impact of these new or amended accounting standards and interpretations.

Note 2. Revenue

	2015	2014
	\$	\$
Grants - Department of Education and Training	229,463	128,500
Donations and other grants	642,651	449,428
Interest income	-	666
Investment income	114,617	101,775
Sponsorship income	52,376	101,951
	<u>1,039,107</u>	<u>782,320</u>

Note 3. Remuneration of auditors

The following fees were paid or payable for services provided by the auditor:

	2015	2014
	\$	\$
Audit of the financial report	8,000	8,500
Other services:		
Assistance with the preparation of the financial report	1,000	1,000
Audit of an annual grant acquittal		-
	<u>9,000</u>	<u>9,500</u>

Note 4. Current assets - Cash and cash equivalents

	2015	2014
	\$	\$
Cash at bank and on hand	<u>310,963</u>	<u>214,230</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Note 5. Current assets - Trade and other receivables

	2015	2014
	\$	\$
Trade and other receivables	<u>84,274</u>	<u>32,784</u>

Note 6: Intangible Assets

	2015	2014
	\$	\$
Cost	18,375	18,375
Accumulated amortisation	<u>(10,413)</u>	<u>(1,225)</u>
Net Carrying amount	<u>7,962</u>	<u>17,150</u>

Movement in intangible assets

Balance at 30 June 2014		17,150
Additions		-
Amortisation		<u>(9,188)</u>
Balance at 30 June 2015		<u>7,962</u>

Note 7. Non-current assets - Available-for-sale financial assets

	2015	2014
	\$	\$
Investments in equities and fixed interest securities	<u>1,730,004</u>	<u>1,769,561</u>

Note 8. Current liabilities - Trade and other payables

	2015	2014
	\$	\$
Trade payables and accruals	40,429	40,027
Deferred revenue	<u>100,963</u>	<u>133,761</u>
	<u>141,392</u>	<u>173,788</u>

Note 9. Current liabilities – Employee benefits

	2015	2014
	\$	\$
Provision for annual leave	<u>9,245</u>	<u>4,792</u>

Note 10. Non-current liabilities - Other payables

	2015	2014
	\$	\$
Deferred revenue	<u>30,204</u>	<u>30,204</u>

Note 11. Retained earnings and reserves

	2015	2014
	\$	\$
(a) Retained earnings		
Opening balance	255,390	204,512
Net surplus for the year	188,702	109,186
Transfer from retained earnings to scholarship reserve for scholarship income received but unexpended during the year	(193,551)	(58,308)
Transfer from grant reserve to retained earnings to cover expenses incurred during the year	-	-
Closing balance	<u>250,541</u>	<u>255,390</u>
(b) Scholarship reserve		
Opening balance	1,502,056	1,443,748
Transfer from retained earnings to scholarship reserve for scholarship income received but unexpended during the year	193,551	58,308
Closing balance	<u>1,695,607</u>	<u>1,502,056</u>

Purpose of scholarship reserve

The scholarship reserve represents donations received during the current and previous years over which the foundation is deemed to have control, but for which the funds have been set aside for a particular purpose. The related expenditure the grants are intended to compensate will not occur until a future year.

(d) Available-for-sale financial assets reserve

Opening balance	67,498	(6,053)
Net revaluation of available-for-sale financial assets at year end	(61,284)	73,551
Closing balance	<u>6,214</u>	<u>67,498</u>

Purpose of available-for-sale financial assets reserve

Changes in the fair value arising from the revaluation of investments are accumulated in the available-for-sale financial asset reserve. Amounts are transferred as a surplus or deficit to the Statement of Comprehensive Income when the assets are sold or impaired.

Note 12. Reconciliation of net cash inflow from operating activities to surplus/(deficit) after income tax

	2015	2014
	\$	\$
Net surplus for the year	188,702	109,186
Loss/(Gain) on realised profit on disposal of investment	-	7,721
Amortisation	9,188	1,225
Dividend, interest and distribution income received	(114,617)	(100,825)
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in trade receivables	(43,550)	16,264
Increase in trade payables	(415)	3,716
Increase in employee benefits	4,453	612
(Decrease)/ Increase in deferred revenue	(31,977)	29,414
Net cash inflows/(outflows) from operating activities	11,784	67,313

Note 13. Contingent assets and liabilities

There are no contingent assets or contingent liabilities as at 30 June 2015 and 30 June 2014.

Note 14. Commitments for expenditure

Apart for commitments for expenditure in relation to grants received for scholarships where specified services are to be delivered or conditions fulfilled, the foundation has no further commitments for expenditure as at 30 June 2015.

Note 15. Events occurring after the reporting date

There have been no significant events that have occurred after the reporting date which may significantly affect either the foundation's operations or results of those operations or the foundation's state of affairs in future years.

Note 16. Contributions on winding up

The foundation is a company limited by guarantee. If the foundation is wound up, the constitution states that each member undertakes to contribute an amount limited to \$20 per member while a member, or within one year after ceasing to be member, for payment of the debts and liabilities of the foundation contracted before he/she ceases to be member and of the costs, charges and expenses of winding up, and for the adjustment of rights of the contributories among themselves.

At 30 June 2015 the number of members was 8 (2014: 8).

Note 17. Foundation details

The registered office and principal place of business of the Foundation is:

Level 9
1 Oxford Street
Darlinghurst NSW 2011

In the directors' opinion:

The directors have determined that Public Education Foundation Ltd 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 Public Education Foundation Ltd declare that:

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 *ACNC Act 2012* and:
 - a. comply with Accounting Standards as described in Note 1 to the financial statements and the *ACNC Regulations 2013*; and
 - b. give a true and fair view of the entity's financial position as at 30 June 2015 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. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.



Ms Libby Gleeson
Director & Acting Chairperson

Sydney
30 November 2015

INDEPENDENT AUDITOR'S REPORT

To the members of Public Education Foundation Ltd

Report on the Financial Report

We have audited the accompanying financial report of Public Education Foundation Ltd (the Foundation), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Foundation are responsible for the preparation of the financial report 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 2012* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *ACNC Act 2012*. We confirm that the independence declaration required by the *ACNC Act 2012*, which has been given to the directors of Public Education Foundation Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Public Education Foundation Ltd is in accordance with the *ACNC Act 2012*, including:

- (a) giving a true and fair view of the Foundation's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *ACNC Regulations 2013*.

Basis of Accounting

Without modifying our opinion, 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 directors' financial reporting responsibilities under the *ACNC Act 2012*. As a result, the financial report may not be suitable for another purpose.

BDO East Coast Partnership

Paul Bull
Partner

Sydney, 30 November 2015