

Public Education Foundation Ltd

ABN 12 129 228 413

Financial Report - 30 JUNE 2021

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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 2021.

Directors

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

David Friedlander – Chairperson

Jane Caro

Robin Low – Resigned from 19 August 2021

Judyth Sachs

Carol Taylor

David Wynne

Cheryl Kennedy

Liliana Mularczyk

In addition to our directors, The Foundation enjoys the ex-officio attendance of Sally Webster, Director of Business Systems and Daniel Otto, Senior Manager of Communications, both from the NSW Department of Education.

David Hetherington is the Executive Director of The Foundation.

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 principal activities of The Foundation during the year were to provide scholarships for students and teachers in 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 students to finish years 11 and 12 or early tertiary study; and
- Increase attendance and graduation rates for young Aboriginal and Torres Strait Islander students.

It should be noted that each additional scholarship has an incremental administrative requirement. The Foundation levies a small administrative fee on scholarship donations to cover the costs of these additional requirements.

Information on directors

David Friedlander, LLB, BComm, LLM

Chair

David Friedlander is the Australian Chairman of King & Wood Mallesons. He is consistently ranked as one of Australia's top M&A and equity capital markets lawyers.

David attended Vaucluse Boys High School. He holds a Bachelor of Commerce and Law degrees from the University of New South Wales and a Master of Laws degree from the University of Sydney. He is a former member of the Australian Takeovers Panel, the ASX Capital Markets Panel and its Disciplinary Tribunal. He is currently on the Adara Panel, the Corporations Committee of the Law Council of Australia and the board of The Sydney Dance Company.

Special responsibilities: *Leadership of the Foundation, Chair of the Board, Management of scholarships, including scholarships held in trust by the Foundation on behalf of the Conservatorium High School.*

Professor Judyth Sachs, BA MA PhD Dip Teach

Deputy Chair

Professor Judyth Sachs has an eminent career as an educator working in schools, education bureaucracies and universities. She is currently Director of Judyth Sachs Consulting, Chief Academic Officer at Studiosity and the Australian co-Director of the ANZ Top Management Program offered by Advance HE UK. . She has held senior management positions at Macquarie University, where she was Provost and Deputy Vice Chancellor from December 2006–March 2014, and at The University of Sydney, where she was Pro Vice Chancellor Learning and Teaching, Chair of the Academic Board and the first woman Professor of Education. Her academic work has focussed on the teaching profession, teacher professional development, women in leadership and higher education.

Special responsibilities: Deputy Chair of the Board, Scholarship and Awards Committees

Robin Low, BComm, FCA
Director & Treasurer (resigned August 2021)

Robin is a non-executive director serving on the boards of listed companies: Appen Limited, AUB Group Limited, IPH Limited and Marley Spoon AG.

Robin is on the board of a number of not for profit organisations: Guide Dogs NSW/ACT, Primary Ethics and Public Education Foundation

In the Government sector, she is on the board of Australian Reinsurance Pool Corporation and was previously deputy chairman of Auditing and Assurance Standards Board.

Robin is a chartered accountant and former audit and risk partner with PricewaterhouseCoopers where she worked for 28 years.

Special responsibilities: Treasurer, Scholarships and Awards Committees

Jane Caro, BA
Director

Jane Caro is a Walkley Award winning writer, author, lecturer, mentor, social commentator, columnist, workshop facilitator, speaker and award winning advertising writer. She has a BA in English Literature from Macquarie University and has published 12 books.

Jane regularly contributes articles and opinion pieces to a number of publications and appears as panellist and an expert commentator on commercial and public broadcasters.

Carol Taylor, BA Dip ED MEd
Director

Carol Taylor is a former education consultant to the NSW Education Minister. She was formerly the Chief Executive of the Board of Studies, focusing on teaching and educational standards, and acting chief executive of the NSW Institute of Teachers. In 2014 Carol was awarded the Professional Teachers Council Award of NSW for Exceptional Service.

David Wynne, B.Ed MAICD
Director

David has worked as a teacher and administrator in public education for more than 40 years, teaching in rural and urban schools as well as delivering adult education and training. A former advisor for education programs targeting disadvantaged students he has been active in brokering philanthropic support for public education. He has been a member of the University of Sydney Professional Development Advisory Board for Education. His not-for-profit experience includes a long-term directorship of the Teachers Health Fund, more recently being appointed Deputy Chair. He is also a Director of the Nurses and Midwives Health Fund.

Special responsibilities: Scholarship and Awards Committees

Cheryl Kennedy, BComm, PGDip Acc, CA
Director

Cheryl is a Chartered Accountant and has been working in the accounting profession for over 15 years. She is currently an audit partner with Deloitte.

Special responsibilities: Treasurer

Liliana Mularczyk, JP OAM
Director

Liliana Mularczyk has been recognized for her commitment to public education, being honoured with the Order of Australia Medal (OAM), in 2017. Lila currently has a portfolio of primarily voluntary work including roles for the NSW Department of Education, manager Learning for UNSW Gonski Institute for Education, National Vice Chair ACE, lecturing at university, and supervising professional experience (UTS and UNSW). She mentors and coaches colleagues in school including first year teachers. Lila is also a member and/or chair of multiple education advisory boards (State and National), coaches school leaders, provides Professional Learning TF CPL, collaborates on Tertiary research projects and works freelance on special projects across professional associations, Department of Education and the education community.

Lila was Director of NSW Secondary Education, previously a School Principal (for 15 years) and President of NSW Secondary Principal's Council. Lila worked in schools for 34 years and has received numerous esteemed awards through her career

Special responsibilities: Scholarship and Awards Committees

Management Team during Reporting Period

David Hetherington, BA (Hons) MPA (Distinction)
Executive Director

David Hetherington has spent 15 years as a founder and leader of successful non-profit organisations focused on social change, and is a recognised contributor to the Australian public policy debate. Prior to this, David worked as a management consulting for a global strategy consulting firm.

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
Jane Caro	5	5
David Friedlander	5	5
Robin Low	5	4
Judyth Sachs	5	4
Carol Taylor	5	4
David Wynne	5	5
Cheryl Kennedy	5	4
Liliana Mularczyk	5	5

Review of operations

The decrease in donation and other grant revenue was due to a significant bequest recognised during the period ended 30 June 2020. Total surplus before income tax for the year was \$529,426 (2020: \$1,236,705) including a \$430,267 gain (2020: \$37,087 loss) on financial assets at fair value through profit or loss at year end.

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 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.

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 Australian Charities and Not-for profit Commission Act 2012 is set out on page 6.

Signed in accordance with a resolution of directors.

Mr David Friedlander
Director & Chair

Sydney
25 November 2021

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Public Education Foundation Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$(Restated)
Revenue and other income	2(a) & 2(b)	1,529,835	2,401,187
Gain/(Loss) on financial assets at fair value through profit or loss	3	430,267	(37,087)
Other income		102,479	97,657
Expenses			
Scholarship expenses	2(b)	(888,377)	(594,838)
Employee benefits expense		(439,724)	(399,830)
Auditors remuneration	4	(12,000)	(8,500)
Finance costs		(4,577)	(10,908)
Software expense		(51,273)	(40,117)
Depreciation and amortisation expense		(1,727)	(3,368)
Other expenses		(135,477)	(165,491)
Surplus/(Loss) before income tax expense		<u>529,426</u>	<u>1,236,705</u>
Income tax expense	1(b)	-	-
Surplus after income tax expense for the year attributable to members of The Foundation		<u>529,426</u>	<u>1,236,705</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to members of the Foundation		<u><u>529,426</u></u>	<u><u>1,236,705</u></u>

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

Public Education Foundation Ltd
Statement of profit or loss and other comprehensive income
As at 30 June 2021

	Note	2021 \$	2020 \$(Restated)
ASSETS			
Current assets			
Cash and cash equivalents	5	413,071	880,062
Trade and other receivables	6	51,407	1,077,809
Total current assets		<u>464,478</u>	<u>1,957,871</u>
Non-current assets			
Intangible assets	7	1,203	2,807
Property and equipment		-	123
Financial assets at fair value through profit or loss	8	3,949,937	1,876,631
Total non-current assets		<u>3,951,140</u>	<u>1,879,561</u>
Total assets		<u>4,415,618</u>	<u>3,837,432</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	70,977	14,733
Employee benefits	10	55,910	25,463
Scholarship liabilities	11	412,303	450,234
Total current liabilities		<u>539,190</u>	<u>490,430</u>
Total liabilities		<u>539,190</u>	<u>490,430</u>
Net assets		<u>3,876,428</u>	<u>3,347,002</u>
EQUITY			
Retained earnings	12	824,434	1,335,101
Scholarship reserve	12	3,051,994	2,011,901
Total equity		<u>3,876,428</u>	<u>3,347,002</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 2021

	Note	Retained Earnings \$	Scholarship reserve \$	Total Equity \$
Balance at 30 June 2019		<u>198,530</u>	<u>1,770,983</u>	<u>1,969,513</u>
Impact of restatement	11	140,784	-	140,784
Adjusted balance at 1 July 2019 (Restated)		<u>339,314</u>	<u>1,770,983</u>	<u>2,110,297</u>
Transfer to retained earnings from scholarship reserve for scholarship income received but unexpended during the year		(240,918)	240,918	-
Total comprehensive income for the year		<u>1,236,705</u>	<u>-</u>	<u>1,236,705</u>
Balance at 30 June 2020		<u>1,335,101</u>	<u>2,011,901</u>	<u>3,347,002</u>
Balance at 1 July 2020		<u>1,335,101</u>	<u>2,011,901</u>	<u>3,347,002</u>
Transfer to retained earnings from scholarship reserve for scholarship income received but unexpended during the year		(1,040,093)	1,040,093	-
Total comprehensive income for the year		<u>529,426</u>	<u>-</u>	<u>529,426</u>
Balance at 30 June 2021		<u>824,434</u>	<u>3,051,994</u>	<u>3,876,428</u>

The accompanying notes form an integral part of the financial statements.

Public Education Foundation Ltd
Statement of cash flows
For the year ended 30 June 2021

	2021	2020
	\$	\$
<hr/>		
Cash flows from operating activities		
Receipts from donations and grants	2,816,563	1,884,879
Payments to suppliers and employees	(551,783)	(696,321)
Payments to scholarship recipients	(1,170,372)	(1,029,840)
Interest paid	(4,577)	(10,908)
Net cash inflow from operating activities	<u>1,089,831</u>	<u>147,810</u>
Cash flows from investing activities		
Dividend, interest and distribution income received	86,218	82,719
Proceeds from sale of financial assets through profit or loss	-	820,891
Payments for financial assets through profit or loss	(1,643,040)	(797,773)
Net cash inflow from investing activities	<u>(1,556,822)</u>	<u>105,837</u>
Cash flows from financing activities		
Net cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	(466,991)	253,647
Cash and cash equivalents at the beginning of the year	<u>880,062</u>	<u>626,415</u>
Cash and cash equivalents at the end of the year	<u><u>413,071</u></u>	<u><u>880,062</u></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 2021. The Foundation is a company limited by guarantee, incorporated and domiciled in Australia. The Foundation is a not-for-profit entity.

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 associated regulations and the Corporations Act 2012, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of 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 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. The Foundation has applied the measurement and recognition criteria of all the accounting standards.

Where necessary, comparative information has been restated to conform to changes in presentation in the current year.

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

Under the revenue recognition model applicable to not-for-profit entities, the Foundation shall first determine whether an enforceable agreement exists and, whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Foundation applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Foundation shall consider whether AASB 1058 applies.

(i) Grants

The Foundation receives grants to undertake certain activities and to provide scholarships. Where the promise to transfer goods or services to the customer are 'sufficiently specific' and an enforceable agreement exists, grants revenue are recognised over time as the grant funds are expended. Where the promises are not specific, revenue is recognised at the point in time that the revenue is either received or the right to receive payment is established. Where the promise by the Foundation is to apply the grant towards funding specific cash scholarships, the Foundation considers that it has incurred a financial liability and is recognised under AASB 9, *Financial Instruments*.

(ii) Donations

Revenue from fundraising is recognised at the point in time that the revenue is either received or the right to receive payment is established. If performance obligations are attached to the revenue from fundraising activities, the recognition of the revenue is not recognised until these conditions are satisfied.

(iii) Sponsorship income

Revenue from sponsorship agreements are recognised when the Foundation has met its performance obligations under each contract and it is probable that the Foundation will receive the revenue.

(iv) Interest

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

(v) 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.

(vi) Donated inventories

The Foundation receives donations of goods that may then be used in its activities. AASB 102 requires the donated inventories to be measured at current replacement cost and any related amounts to be accounted for under AASB 1058.

All revenue is stated net of the amount of goods and services tax (GST) with any unfulfilled performance obligations at the period end recognised within deferred income in the statement of financial position as a liability until these conditions are satisfied.

Note 1. Summary of significant accounting policies (continued)

(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.

(e) Investments and other financial assets

Recognition and initial measurement

The Foundation classifies its financial assets 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 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 has voluntarily classified all investments as being at fair value through 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

The entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Note 1. Summary of significant accounting policies (continued)

(f) Trade and other receivables

The Foundation has trade and receivables at year end and are recognised at amortised cost, less allowance.

(g) 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.

(h) Scholarship liabilities

The scholarship liabilities represent the liabilities for funds received from donors which are sufficiently specific to be applied towards funding of cash scholarships, as they meet the definition of a liability.

(i) Employee benefits

Provision is made for The Foundation's liability for employee benefits arising from services rendered by employees to reporting 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.

(j) Goods and Services Tax

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.

Note 1. Summary of significant accounting policies (continued)

(k) New, revised or amending Accounting Standards and Interpretations adopted

The Foundation 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. There were no significant changes.

(l) New accounting standards issued but not yet effective adopted

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are either not applicable to the Foundation or have no material impact.

(m) 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 company'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 revenue recognition. Judgement has been required to assess whether contracts and agreements meeting the criteria for recognition under AASB 1058 are sufficiently specific, and when the services have been performed.

Public Education Foundation Ltd
Notes to the financial statements
For the year ended 30 June 2021

Note 2. Revenue and other income

	Note	2021 \$	2020 \$ (Restated)
(a) Revenue and income recognised:			
The Foundation has recognised revenue under AASB 15 and income under AASB 1058 from the following:			
Donations and other grants	2(b)	879,509	1,887,999
Administration fee		150,838	68,924
Grants - Department of Education and Training		278,134	281,221
Investment income		86,217	82,719
Sponsorship income		122,273	80,324
Other income		12,864	-
Total revenue and other income		<u>1,529,835</u>	<u>2,401,187</u>

(b) Funds received:

The Foundation also received funds whereby there is an enforceable arrangements with the donor to disburse the principal amounts received for cash scholarships. These arrangements are accounted for as a financial liability as per AASB 9. Any undisbursed funds as at each year end is presented under Project Liabilities in the balance sheet. These balances are not included in the revenue or income above. They amounted to \$281,995 for the period ended 30 June 2021 (2020: \$217,501).

In the previous period the above agreements were recognised as revenue with a corresponding scholarship expense amounting to \$217,501, thereby overstating both revenue and expense balances. As such, the 30 June 2020 balances have been restated by this amount with a nil impact at the total Surplus of the Foundation.

The total funds in relation to Donations and other grants received by the Foundation and disbursed in 30 June 2021 and 2020 periods are as follows:

Funds received/receivable - recognised as income	2(a)	879,509	1,887,999
Funds received - recognised as scholarship liability	11	<u>331,000</u>	<u>488,265</u>
		<u>1,210,509</u>	<u>2,376,264</u>
Funds disbursed - recognised as scholarship expense		(888,377)	(594,838)
Funds disbursed - derecognised from scholarship liability	11	<u>(281,995)</u>	<u>(217,501)</u>
		<u>(1,170,372)</u>	<u>(812,339)</u>

Note 3. Gain on financial assets at fair value through profit or loss

	2021 \$	2020 \$
(Loss)/Gain on financial assets at fair value through profit or loss	<u>430,267</u>	<u>(37,087)</u>
	<u>430,267</u>	<u>(37,087)</u>

Note 4. Remuneration of auditors

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

	2021	2020
	\$	\$
Audit of the financial report	10,000	6,600
Others services: Assistance with the financial report preparation	2,000	1,900
	<u>12,000</u>	<u>8,500</u>

Note 5. Current assets - Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank and on hand	<u>413,071</u>	<u>880,062</u>

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

Note 6. Current assets - Trade and other receivables

	2021	2020
	\$	\$
Trade and other receivables	33,513	1,056,252
Scholarship prepayments	17,894	21,557
	<u>51,407</u>	<u>1,077,809</u>

Note 7. Intangible Assets- Software

	2021	2020
	\$	\$
Cost	26,395	26,395
Accumulated amortisation	(25,192)	(23,588)
Net carrying amount	<u>1,203</u>	<u>2,807</u>

Movement in intangible assets

Balance of net carrying amount at beginning of the period	2,807	4,411
Additions	-	-
Amortisation	(1,604)	(1,604)
Balance of net carrying amount at end of the period	<u>1,203</u>	<u>2,807</u>

Note 8. Non-current assets – Financial assets through profit or loss

	2021	2020
	\$	\$
Investment in equities	1,956,886	701,186
Investment in debt instruments	843,821	593,195
Investment in convertible securities	902,990	514,910
Investment in alternative investments	246,240	67,340
	<u>3,949,937</u>	<u>1,876,631</u>

Note 9. Current liabilities - Trade and other payables

	2021	2020
	\$	\$
Trade payables	40,307	5,391
Accrued expenses and other payable	30,670	9,342
	<u>70,977</u>	<u>14,733</u>

Note 10. Current liabilities - Employee benefits

	2021	2020
	\$	\$
Provision for annual leave	55,910	25,463

Note 11. Scholarship and other liabilities

	Note	2021	2020
		\$	\$ (Restated)
Scholarship liabilities		407,993	373,373
Other liabilities		4,310	76,861
		<u>412,303</u>	<u>450,234</u>
Movement in scholarship liabilities			
Balance of net carrying amount at beginning of the period		373,373	102,609
Funds received	2(b)	331,000	488,265
Funds disbursed	2(b)	(281,995)	(217,501)
Reclassification		(14,385)	-
Balance of net carrying amount at end of the period		<u>407,993</u>	<u>373,373</u>

During the period ended 30 June 2021, the Foundation identified that a government grant amounting to \$140,784 as recognised in 2021 should have been recognised on receipt. This has been corrected by restating the scholarship liability to \$450,234, with a corresponding \$140,784 adjustment to retained earnings.

Public Education Foundation Ltd
Notes to the financial statements
For the year ended 30 June 2021

Note 12. Retained earnings and reserves

	2021	2020
	\$	\$ (Restated)
(a) Retained earnings		
Opening balance	1,335,101	198,530
Impact of restatement	-	140,784
Net surplus/(loss) for the year	529,426	1,236,705
Transfer from retained earnings to scholarship reserve for scholarship income received but unexpended during the year	<u>(1,040,093)</u>	<u>(240,918)</u>
Closing balance	<u><u>824,434</u></u>	<u><u>1,335,101</u></u>
(b) Scholarship reserve		
Opening balance	2,011,901	1,770,983
Transfer from retained earnings to scholarship reserve for scholarship income received but unexpended during the year	<u>1,040,093</u>	<u>240,918</u>
Closing balance	<u><u>3,051,994</u></u>	<u><u>2,011,901</u></u>

Purpose of scholarship reserve

The scholarship reserve represents donations and funds 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. The scholarship reserve does not include funds received for which meet the definition of a financial liability or a contract liability. There are specific performance conditions attached to the amount received that have not been met; these are included in Scholarship liabilities until such time the funds are disbursed.

Note 13. Reconciliation of net cash inflow/(outflow) from operating activities to surplus/(deficit) after income

	2021	2020
	\$	\$
Net surplus for the year	529,426	1,236,705
Net (gain)/loss on financial assets through profit or loss at year end	(430,267)	37,087
Depreciation and Amortisation	1,727	3,368
Dividend, interest and distribution income received	(86,217)	(82,719)
<i>Changes in assets and liabilities:</i>		
Decrease/ (Increase) in trade receivables	1,026,402	(955,128)
Increase/(Decrease) in trade payables	56,244	(104,927)
Increase/(Decrease) in employees benefits	30,447	(3,644)
(Decrease)/Increase in contract liability	(37,931)	17,068
Net cash used in operating activities	<u>1,089,831</u>	<u>147,810</u>

Note 14. Contingent assets and liabilities

There are no contingent assets or contingent liabilities as at 30 June 2021 and 30 June 2020.

Note 15. Commitments for expenditure

Apart from 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 2021.

Note 16. 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 17. 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 2021 the number of members was 7 (2020: 8).

Note 18. Related parties

As The Foundation is a not-for-profit entity, in the opinion of the management, The Foundation is not a reporting entity as its users may request the financial information they need. These special purpose financial statements have been prepared for distribution to members and for the purposes of fulfilling the reporting requirements under the Australian Charities and Not-for-profits Commission Act 2012.

The Foundation has not assessed whether it has relationships with other entities which, for financial reporting purposes, might be considered subsidiaries, associates, joint ventures and other related parties as it is not required by the Australian Charities and Not-for-profits Commission Act 2012 to do so. These special purpose financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards (except for the requirements set out in AASB 10 Consolidated Financial Statements or AASB 128 Investments in Associates and Joint Ventures).

Note 19. Foundation details

The registered office and principal place of business of The Foundation is:
Level 3, 105 Phillip Street
Parramatta NSW 2150

For the year ended 30 June 2021

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
 - 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 2021 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.

Mr David Friedlander
Director & Chair

Sydney
25 November 2021

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Public Education Foundation Ltd
Other Financial Information Statement (unaudited)
For the year ended 30 June 2021

	Notes to Audited Financial Statements	2021 \$	2020 \$
Scholarship receipts and distributions			
Donation revenue received for current & future scholarship awards	2(a)	1,529,835	2,401,187
Movement in scholarship liabilities related to scholarships paid	2(b)	281,995	217,501
Scholarship expenses and payment of scholarship liabilities	2(b)	(1,170,372)	(812,339)
Scholarship surplus before other income and expense		641,458	1,806,349
Administration Income and Expenses:			
Gain/(loss) on financial assets at fair value	3	430,267	(37,087)
Other administration income		102,479	97,657
Administration Expenses			
Employee benefits expense		(439,724)	(399,830)
Auditors remuneration	4	(12,000)	(8,500)
Finance costs		(4,577)	(10,908)
Software expense		(51,273)	(40,117)
Depreciation and amortisation expense		(1,727)	(3,368)
Other expenses		(135,477)	(165,491)
Total surplus before income tax expense		529,426	1,236,705
Income tax expense	1(b)	-	-
Total surplus after income tax expense for the year attributable to members of The Foundation		529,426	1,236,705
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to members of the Foundation		529,426	1,236,705