

**ABORIGINAL EDUCATION COUNCIL (NSW) INC.
87 588 237 557**

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2012**

ABORIGINAL EDUCATION COUNCIL (NSW) INC.
87 588 237 557

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ABORIGINAL EDUCATION COUNCIL (NSW) INC.
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COMMITTEE'S REPORT

Your committee members submit the financial report of the Aboriginal Education Council (NSW) Inc. for the financial year ended 31 December 2012.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Janet Mooney
Bill Muir
Sharon Galleguillos
Dianne Butland
Alexandra Rivers
Alison Mathews
Oliver Harvey
Terry Denzel
Jenny Tillett

Principal Activities

The principal activities of the association during the financial year were:

To work for the advancement of Aboriginal people in NSW through the provisions of greater educational opportunities.

Significant Changes

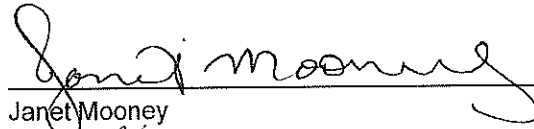
No significant change in the nature of these activities occurred during the year.

Operating Result

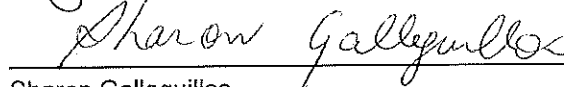
The profit after providing for income tax amounted to \$143,692.00.

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

Committee Member:


Janet Mooney

Committee Member:


Sharon Galleguillos

Dated this 26th day of March 2013

ABORIGINAL EDUCATION COUNCIL (NSW) INC.
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
INCOME			
Donations		2,432	4,893
Interest Received		78,950	53,513
		<u>81,382</u>	<u>58,406</u>
OTHER INCOME			
Membership Fees		223	-
Royalties Received		642	-
Scholarships - Tertiary		-	15,000
Scholarships-Secondary		400	395
Sundry Income		1	600
Trust Income		79,940	53,303
Gross profit from trading		<u>105,096</u>	<u>16,298</u>
		<u>186,302</u>	<u>85,596</u>
		<u>267,684</u>	<u>144,002</u>

The accompanying notes form part of these financial statements.

ABORIGINAL EDUCATION COUNCIL (NSW) INC.
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
EXPENDITURE			
Aboriginal Studies Text		-	1,000
Advertising & Promotion		-	363
Auditors Remuneration - Fees		7,000	10,000
Bank Charges		259	375
Computer Expenses		649	2,850
Conference Expenses		1,007	898
Depreciation		208	1,233
Filing Fees		72	-
Fines		-	330
Financial Assistance		1,859	-
Fringe Benefits Concession		16,044	30,080
Insurance		5,280	2,736
Interest		-	129
Leasing- Office Equipment		3,945	3,330
Loss on Sale of Fixed Asset		-	2,345
Postage		991	389
Printing & Stationery		448	814
PW Competition		9,474	-
Rent		1,364	1,364
Repairs & Maintenance		285	225
Salaries		29,678	64,249
Scholarships - Tertiary		3,000	31,000
Scholarships - Primary		-	1,800
Scholarships - Secondary		12,000	20,700
Scholarships- M Ida Howie		20,000	20,000
Special Project - Innovations		1,753	5,645
Subscriptions		400	1,000
Superannuation		4,050	476
Sundry Expenses		-	671
Telephone & Internet		3,786	6,988
Travelling Expenses		32	393
Website Expenses		408	299
		<u>123,992</u>	<u>211,682</u>
Profit (Loss) before income tax		143,692	(67,680)

The accompanying notes form part of these financial statements.

ABORIGINAL EDUCATION COUNCIL (NSW) INC.
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
Profit (Loss) for the year		143,692	(67,680)
Retained earnings at the beginning of the financial year		1,962,387	1,650,929
Transfer from General Reserve		-	(350,000)
Transfer from N Catts Fund		-	(29,137)
Retained earnings at the end of the financial year		2,106,079	1,962,386

The accompanying notes form part of these financial statements.

ABORIGINAL EDUCATION COUNCIL (NSW) INC.
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	194,653	361,532
Accounts receivable and other debtors	3	15,912	3,809
Financial assets	4	850,000	650,000
TOTAL CURRENT ASSETS		<u>1,060,565</u>	<u>1,015,341</u>
NON-CURRENT ASSETS			
Financial assets	4	1,056,116	957,080
Property, plant and equipment	5	659	867
TOTAL NON-CURRENT ASSETS		<u>1,056,775</u>	<u>957,947</u>
TOTAL ASSETS		<u>2,117,340</u>	<u>1,973,288</u>
LIABILITIES			
CURRENT LIABILITIES			
Other Creditors		-	208
ATO Running Balance Account		-	(45)
PAYG - Payable		612	-
Superannuation Payable		1,013	1,665
GST on supplies		18	1,500
TOTAL CURRENT LIABILITIES		<u>1,643</u>	<u>3,328</u>
TOTAL LIABILITIES		<u>1,643</u>	<u>3,328</u>
NET ASSETS		<u>2,115,697</u>	<u>1,969,960</u>
MEMBERS' FUNDS			
Reserves	6	9,618	7,574
Retained earnings	7	2,106,079	1,962,386
TOTAL MEMBERS' FUNDS		<u>2,115,697</u>	<u>1,969,960</u>

The accompanying notes form part of these financial statements.

ABORIGINAL EDUCATION COUNCIL (NSW) INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act NSW. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and 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 stated otherwise, have been adopted in the preparation of this financial report.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the association. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

ABORIGINAL EDUCATION COUNCIL (NSW) INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised over the life of the lease term.

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

ABORIGINAL EDUCATION COUNCIL (NSW) INC.
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

Accounts Receivable and Other Receivables

Accounts receivable are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of accounts receivable and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income and expenditure statement.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

ABORIGINAL EDUCATION COUNCIL (NSW) INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities at the end of the reporting period for goods and services received by the association that remain unpaid.

Accounts payable are recognised at their transaction price. Accounts payable are obligations on the basis of normal credit terms.

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).

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 ATO is included with other receivables or payables in the balance sheet.

Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

ABORIGINAL EDUCATION COUNCIL (NSW) INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
2 Cash and Cash Equivalents		
CBA Society Cheque Account 1016 1360	7,240	3,487
CBA Society Cheque Account Education Projects Fund	10,154	10,151
Petty Cash	8	8
Macquarie Cash Mgt Account 9612 43755	71,955	285,952
Macquarie Account N Catts Fund 9612 43730	66,833	8,350
CBA Society Cheque Account Norman Catts Trust Fund	-	38,402
Macquarie Donations Account	38,463	15,182
	<u>194,653</u>	<u>361,532</u>
3 Accounts Receivable and Other Debtors		
Current		
Other Debtors	14,924	2,463
GST on acquisitions	988	1,346
	<u>15,912</u>	<u>3,809</u>
The association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
4 Financial Assets		
Current		
Macquarie Term Deposit Margaret Ida Howie Trust	200,000	-
Macquarie Term Deposit Patrick White	650,000	650,000
	<u>850,000</u>	<u>650,000</u>
Non-Current		
Macquarie Private Portfolio - (I65810)	706,116	607,080
Macquarie Wholesale Note TD MargaretIda Howie	350,000	350,000
	<u>1,056,116</u>	<u>957,080</u>
5 Property, Plant and Equipment		
Plant & Equipment - at Cost	5,963	5,963
Less Prov'n for Depreciation	(5,304)	(5,096)
	<u>659</u>	<u>867</u>
Total Plant and Equipment	<u>659</u>	<u>867</u>
Total Property, Plant and Equipment	<u>659</u>	<u>867</u>

ABORIGINAL EDUCATION COUNCIL (NSW) INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
6 Reserves		
Designated Funds - Everyday Hero Funds		
Opening Balance	7,574	6,725
Income	2,661	2,338
Expenses	(617)	(1,489)
	<u>9,618</u>	<u>7,574</u>
General Reserve	-	350,000
Transfer to Retained Earnings	-	(350,000)
	<u>9,618</u>	<u>7,574</u>
7 Retained Earnings		
Retained earnings at the beginning of the financial year	1,962,387	1,650,929
Net profit (Net loss) attributable to the association	143,692	(67,680)
Transfer from General Reserve	-	350,000
Transfer from N Catts Fund	-	29,137
Retained earnings at the end of the financial year	<u>2,106,079</u>	<u>1,962,386</u>

ABORIGINAL EDUCATION COUNCIL (NSW) INC.
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STATEMENT BY MEMBERS OF THE COMMITTEE

The committee 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 committee the financial statements as set out on pages 1 to 11:

1. Presents a true and fair view of the financial position of Aboriginal Education Council (NSW) Inc. as at 31 December 2012 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Aboriginal Education Council (NSW) Inc. will be able to pay its debts as and when they fall due.

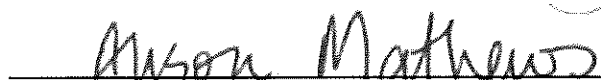
This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

President:



Janet Mooney

Treasurer:



Alison Mathews

Dated this 26th day of March 2013



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABORIGINAL EDUCATION COUNCIL (NSW) INC.
87 588 237 557**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Aboriginal Education Council (NSW) Inc. (the association), which comprises the balance sheet as at 31 December 2012, and the income statement, a summary of significant accounting policies, other explanatory information and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of Aboriginal Education Council (NSW) Inc. is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporations Act NSW 2009 and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 auditors' judgment, 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 auditors consider internal control relevant to the entity'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 committee, 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.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABORIGINAL EDUCATION COUNCIL (NSW) INC.
87 588 237 557**

Auditors' Opinion

In our opinion, the financial report of Aboriginal Education Council (NSW) Inc. presents fairly, in all material respects the financial position of Aboriginal Education Council (NSW) Inc. as of 31 December 2012 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 NSW 2009.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of the Associations Incorporations Act NSW 2009. As a result, the financial report may not be suitable for another purpose.

Name of Firm: Pears & Co
Chartered Accountants

Name of Partner:


Leo Ciarroni

Address: Suite 3, 24 Ross Street North Parramatta

Dated this 26th day of March 2013

ABORIGINAL EDUCATION COUNCIL (NSW) INC.
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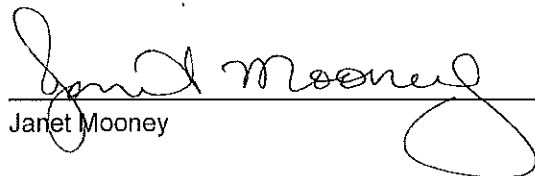
CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Janet Mooney of Redfern, certify that:

- (a) I attended the annual general meeting of the association held on 26th March 2013.
- (b) The financial statements for the year ended 31 December 2012 were submitted to the members of the association at its annual general meeting.

Dated this 26th day of March 2013

Committee Member:


Janet Mooney