

**THE BUILDING TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

SPECIAL PURPOSE FINANCIAL REPORT

31 DECEMBER 2016

**THE BUILDING TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**SPECIAL PURPOSE FINANCIAL REPORT
31 DECEMBER 2016**

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**THE BUILDING TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**DECLARATION BY THE BOARD OF MANAGEMENT
31 DECEMBER 2016**

In accordance with a resolution of the members of Board of Management of the TSC Building Trust, we state that in the opinion of the Board:

- (a) the Trust is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the Trust are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Trust's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with Australian Charities and Not-for-Profits Commission Regulation 2013; and
- (c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Management

.....


.....
JAJ Foxton

Signed at Sydney, Dated: 3/4/17

**THE BUILDING TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 \$	2015 \$
Revenue		
Interest Income	647	11,239
Donations / Receipts	729,305	10,000
	<u>729,952</u>	<u>21,239</u>
Expenses		
Donation to The Scots College	1,122,084	-
Operating Expenses	528	588
	<u>1,122,612</u>	<u>588</u>
Net (Deficiency)/Operating Surplus For The Year	(392,660)	20,651
Other Comprehensive Income	-	-
Total Comprehensive (Deficiency)/Surplus For The Year	<u>(392,660)</u>	<u>20,651</u>

**THE BUILDING TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	2016 \$	2015 \$
Current Assets		
Cash at Bank	25,291	31,469
Bank Term Deposit	1,191	393,593
Other Receivable – The Scots College	-	10,000
Total Current Assets	<u>26,482</u>	<u>435,062</u>
Total Assets	<u>26,482</u>	<u>435,062</u>
Current Liabilities		
Other Payables	-	15,920
Total Current Liabilities	<u>-</u>	<u>15,920</u>
Net Assets	<u>26,482</u>	<u>419,142</u>
Trust funds at the beginning of the year	419,142	398,491
Net (Deficiency)/Surplus for the year	<u>(392,660)</u>	<u>20,651</u>
Trust Funds at the end of the year	<u>26,482</u>	<u>419,142</u>

**THE BUILDING TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 \$	2015 \$
Operating Cash Flows		
Receipts from parents and donors	729,305	-
Payments to The Scots College	(1,128,004)	-
Payments to suppliers, employees and others	(528)	(588)
Interest received	647	14,288
Net cash flows used in operating activities	(398,580)	13,700
Investing Cash Flows		
Net cash flows from investing activities	-	-
Financing Cash Flows		
Net cash flows from financing activities	-	-
Net increase in cash held	(398,580)	13,700
Cash and cash equivalents at the beginning of the financial year	425,062	411,362
Cash at the end of the financial year	26,482	425,062
	2016	2015
	\$	\$
Statement of Cash Flows - Reconciliation		
Net Surplus For The Year	(392,660)	20,651
Changes in Operating assets and liabilities		
(Increase)/Decrease in Receivables and Contributions	10,000	(10,000)
(Increase)/Decrease in Accrued Interest Income	-	3,049
(Increase)/Decrease in Other Payables	(15,920)	-
Net cash used in operating activities	(398,580)	13,700

**THE BUILDING TRUST
 THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
 (ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2016**

	Trust Funds	Total
At 1 January 2015	398,491	398,491
Surplus for the year	20,651	20,651
Other Comprehensive Income	-	-
Total comprehensive income for the year	<u>419,142</u>	<u>419,142</u>
At 31 December 2015		
Surplus/(Deficit) for the year	(392,660)	(392,660)
Other Comprehensive Income	-	-
Total comprehensive income for the year	<u>-</u>	<u>-</u>
At 31 December 2016	<u>26,482</u>	<u>26,482</u>

**THE BUILDING TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This special purpose financial report has been prepared for distribution to the Council of The Building Trust of The Presbyterian Church (NSW) Property Trust – Trustee administered by The Scots College Foundation to fulfill the Council’s financial reporting requirements under the Trust Deed. The accounting policies used in the preparation of this financial report, as described below, are, in the opinion of the directors’, appropriate to meet the needs of members:

- (i) The financial report has been prepared on an historical cost basis and the going concern assumption.
- (ii) The Building Trust of The Presbyterian Church (NSW) Property Trust – Trustee administered by The Scots College Foundation is registered with the Australian Charities and Not for Profit Commission. However, as it is below the threshold for reporting, it is not considered a “reporting entity”. The Board of Management have determined that in order for the financial report to present fairly the Trust’s performance, and financial position, the Trust has complied with the minimum accounting standards required to comply with ACNC Regulations, namely:
 - AASB 101, Presentation of Financial Statements
 - AASB 107, Statement of Cash Flows
 - AASB 108, Accounting Policies, Changes in Accounting Estimates and Errors
 - AASB 1031, Materiality
 - AASB 1048, Interpretation of Standards
 - AASB 1054, Australian Additional Disclosures.

And has complied with Accounting Standards and other financial reporting requirements in Australia relating to the measurement of assets, liabilities, revenues, expenses and equity. Accordingly, the Board of Management has prepared the financial report in accordance with Accounting Standards and other financial reporting requirements in Australia with the following exceptions:

AASB 7: Financial Instruments: Disclosures
AASB 110: Events after the Reporting Period
AASB 124: Related Party Disclosures
AASB 132: Financial Instruments: Presentation

**THE BUILDING TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(b) New accounting standards and interpretations

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 31 December 2016. The Council has not early adopted any of these new or amended standards or interpretations. The Council has not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Trust) and interpretations.

(c) Cash and cash equivalents

Cash in the Statement of Financial Position comprise cash at bank and short term deposits which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(d) Receivables

Receivables are carried at original invoice amount less an allowance for impairment. Collectability of receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified.

(e) Other payables

Other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these good and services.

(f) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

(g) Audit fee

The audit fee applicable to The Building Trust has been absorbed into the audit fee paid by The Scots College.

Independent auditor's report to the Board of Management of the Building Trust (Administered by the Scots College Foundation)

Opinion

We have audited the financial report, being a special purpose financial report, of the Building Trust (Administered by the Scots College Foundation) (the 'registered entity'), which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Declaration by the Board of Management.

In our opinion, the accompanying financial report of the registered entity is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a. giving a true and fair view of the registered entity's financial position as at 31 December 2016 and of its financial performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1, and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board of Management's financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Management for the Financial Report

The Board of Management of the registered entity is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the Board of Management. The Board of Management's responsibility also includes such internal control as the Board of Management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Management is responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Conclude on the appropriateness of the Board of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A stylized, handwritten signature of 'Ernst & Young' in black ink.

Ernst & Young

A handwritten signature of 'Meredith Scott' in black ink.

Meredith Scott
Partner
Sydney
3 April 2017



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Auditor's Independence Declaration to the Board of Management of the Building Trust (Administered by the Scots College Foundation)

In relation to our audit of the financial report of The Building Trust (Administered by the Scots College Foundation) for the financial year ended 31 December 2016, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.

Ernst & Young

Meredith Scott
Partner
3 April 2017

**THE EDUCATION TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

SPECIAL PURPOSE FINANCIAL REPORT

31 DECEMBER 2016

**THE EDUCATION TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**SPECIAL PURPOSE FINANCIAL REPORT
31 DECEMBER 2016**

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**THE EDUCATION TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**DECLARATION BY THE BOARD OF MANAGEMENT
31 DECEMBER 2016**

In accordance with a resolution of the members of Board of Management of the TSC Education Trust, we state that in the opinion of the Board:

- (a) the Trust is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the Trust are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Trust's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with Australian Charities and Not-for-Profits Commission Regulation 2013; and
- (c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Management

.....


.....
J. J. Foxton

Signed at Sydney, Dated: 3/4/17

**THE EDUCATION TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 \$	2015 \$
Revenue		
Interest Income	782	33,212
Donations	269,844	-
	<u>270,626</u>	<u>33,212</u>
Expenses		
Donation to The Scots College	-	1,896,415
	<u>270,626</u>	<u>1,896,415</u>
Net Operating Surplus/(Deficiency) For The Year	270,626	(1,863,203)
Other Comprehensive Income	-	-
Total Comprehensive Surplus/(Deficiency) For The Year	<u>270,626</u>	<u>(1,863,203)</u>

**THE EDUCATION TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	2016	2015
	\$	\$
Current Assets		
Cash at Bank	78,866	531
Bank Term Deposit	7,279	7,092
Other Receivable – The Presbyterian Church (NSW) Property Trust	269,844	77,750
Total Current Assets	<u>355,989</u>	<u>85,373</u>
Total Assets	<u>355,989</u>	<u>85,373</u>
Current Liabilities		
Other Payables	742	752
Total Current Liabilities	<u>742</u>	<u>752</u>
Net Assets	<u>355,247</u>	<u>84,621</u>
Trust funds at the beginning of the year	84,621	1,947,824
Net Surplus/(Deficiency) for the year	<u>270,626</u>	<u>(1,863,203)</u>
Trust Funds at the end of the year	<u>355,247</u>	<u>84,621</u>

**THE EDUCATION TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 \$	2015 \$
Operating Cash Flows		
Receipts from parents and donors	269,844	-
Payments to The Scots College	(192,094)	
Payments to suppliers, employees and others	(10)	-
Donations Paid to The Scots College	-	(1,896,415)
Interest received	782	48,105
Net cash flows (used in) / from operating activities	<u>78,522</u>	<u>(1,848,310)</u>
Investing Cash Flows		
Net cash flows from investing activities	<u>-</u>	<u>-</u>
Financing Cash Flows		
Net cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held	<u>78,522</u>	<u>(1,848,310)</u>
Cash and cash equivalents at the beginning of the financial year	<u>7,623</u>	<u>1,855,933</u>
Cash at the end of the financial year	<u>86,145</u>	<u>7,623</u>

	2016 \$	2015 \$
Statement of Cash Flows - Reconciliation		
Net Surplus/(Deficiency) For The Year	270,626	(1,863,203)
Changes in Operating assets and liabilities		
(Increase)/Decrease in Receivables and Contributions	(192,094)	-
(Increase)/Decrease in Accrued Interest Income	-	14,893
Increase/(Decrease) in Other Payables	(10)	-
Net cash (used in) / from operating activities	<u>78,522</u>	<u>(1,848,310)</u>

**THE EDUCATION TRUST
 THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
 (ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2016**

	Trust Funds	Total
At 1 January 2015	1,947,824	1,947,824
Deficiency for the year	(1,863,203)	(1,863,203)
Other Comprehensive Income	-	-
Total comprehensive income for the year	84,621	84,621
At 31 December 2015		
Surplus for the year	270,626	270,626
Other Comprehensive Income	-	-
Total comprehensive income for the year	355,247	355,247
At 31 December 2016		

**THE EDUCATION TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This special purpose financial report has been prepared for distribution to the Council of The Education Trust of The Presbyterian Church (NSW) Property Trust – Trustee administered by The Scots College Foundation to fulfill the Council’s financial reporting requirements under the Trust Deed. The accounting policies used in the preparation of this financial report, as described below, are, in the opinion of the directors’, appropriate to meet the needs of members:

- (i) The financial report has been prepared on an historical cost basis and the going concern assumption.
- (ii) The Education Trust of The Presbyterian Church (NSW) Property Trust – Trustee administered by The Scots College Foundation is registered with the Australian Charities and Not for Profit Commission. However, as it is below the threshold for reporting, it is not considered a “reporting entity”. The Board of Management have determined that in order for the financial report to present fairly the Trust’s performance, and financial position, the Trust has complied with the minimum accounting standards required to comply with ACNC Regulations, namely:
 - AASB 101, Presentation of Financial Statements
 - AASB 107, Statement of Cash Flows
 - AASB 108, Accounting Policies, Changes in Accounting Estimates and Errors
 - AASB 1031, Materiality
 - AASB 1048, Interpretation of Standards
 - AASB 1054, Australian Additional Disclosures.

And has complied with Accounting Standards and other financial reporting requirements in Australia relating to the measurement of assets, liabilities, revenues, expenses and equity. Accordingly, the Board of Management has prepared the financial report in accordance with Accounting Standards and other financial reporting requirements in Australia with the following exceptions:

AASB 7: Financial Instruments: Disclosures
AASB 110: Events after the Reporting Period
AASB 124: Related Party Disclosures
AASB 132: Financial Instruments: Presentation

**THE EDUCATION TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(b) New accounting standards and interpretations

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 31 December 2016. The Council has not early adopted any of these new or amended standards or interpretations. The Council has not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Trust) and interpretations.

(c) Cash and cash equivalents

Cash in the Statement of Financial Position comprise cash at bank and short term deposits which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(d) Receivables

Receivables are carried at original invoice amount less an allowance for impairment. Collectability of receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified.

(e) Other payables

Other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these good and services.

(f) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

(g) Audit fee

The audit fee applicable to The Education Trust has been absorbed into the audit fee paid by The Scots College.



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working world

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Independent auditor's report to the Board of Management of the Education Trust (Administered by the Scots College Foundation)

Opinion

We have audited the financial report, being a special purpose financial report, of the Education Trust (Administered by the Scots College Foundation) (the 'registered entity'), which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Declaration by the Board of Management.

In our opinion, the accompanying financial report of the registered entity is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a. giving a true and fair view of the registered entity's financial position as at 31 December 2016 and of its financial performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1, and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board of Management's financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Management for the Financial Report

The Board of Management of the registered entity is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the Board of Management. The Board of Management's responsibility also includes such internal control as the Board of Management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Management is responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Conclude on the appropriateness of the Board of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Meredith Scott' in a cursive style.

Meredith Scott
Partner
Sydney
3 April 2017



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Auditor's Independence Declaration to the Board of Management of the Education Trust (Administered by the Scots College Foundation)

In relation to our audit of the financial report of The Education Trust (Administered by the Scots College Foundation) for the financial year ended 31 December 2016, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.

Ernst & Young

Meredith Scott
Partner
3 April 2017

**THE SCHOLARSHIP TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

SPECIAL PURPOSE FINANCIAL REPORT

31 DECEMBER 2016

**THE SCHOLARSHIP TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**SPECIAL PURPOSE FINANCIAL REPORT
31 DECEMBER 2016**

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**THE SCHOLARSHIP TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**DECLARATION BY THE BOARD OF MANAGEMENT
31 DECEMBER 2016**

In accordance with a resolution of the members of Board of Management of the TSC Scholarship Trust, we state that in the opinion of the Board:

- (a) the Trust is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the Trust are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Trust's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with Australian Charities and Not-for-Profits Commission Regulation 2013; and
- (c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Management

.....


.....
John Falton

Signed at Sydney, Dated: 3/4/17

**THE SCHOLARSHIP TRUST
 THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
 (ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 \$	2015 \$
Revenue		
Interest Income	3,674	3,719
Donations	218,317	12,167
	<u>221,991</u>	<u>15,886</u>
Expenses		
Donation to The Scots College	13,317	-
	<u>208,674</u>	<u>15,886</u>
Net Operating Surplus For The Year	208,674	15,886
Other Comprehensive Income	-	-
Total Comprehensive Profit For The Year	<u>208,674</u>	<u>15,886</u>

**THE SCHOLARSHIP TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	2016 \$	2015 \$
Current Assets		
Cash at Bank	19,381	2,680
Bank Term Deposit	138,279	134,740
Other Receivable – The Scots College	205,000	16,556
Other Receivable – The Education Trust	-	10
Total Current Assets	<u>362,660</u>	<u>153,986</u>
Total Assets	<u>362,660</u>	<u>153,986</u>
Current Liabilities		
Other Payables	-	-
Total Current Liabilities	<u>-</u>	<u>-</u>
Net Assets	<u>362,660</u>	<u>153,986</u>
Trust funds at the beginning of the year	153,986	138,100
Trust funds - settled sum	-	-
Net Surplus for the year	<u>208,674</u>	<u>15,886</u>
Trust Funds at the end of the year	<u>362,660</u>	<u>153,986</u>

**THE SCHOLARSHIP TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 \$	2015 \$
Operating Cash Flows		
Receipts from parents and donors	218,317	-
Payments to The Scots College	(188,444)	-
Donations paid to The Scots College	(13,317)	
Payments to suppliers, employees and others	10	-
Interest received	3,674	4,763
	<hr/>	<hr/>
Net cash flows used in operating activities	20,240	4,763
	<hr/>	<hr/>
Investing Cash Flows		
Net cash flows from investing activities	-	-
	<hr/>	<hr/>
Financing Cash Flows		
Net cash flows from financing activities	-	-
	<hr/>	<hr/>
Net increase in cash held	20,240	4,763
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the financial year	137,420	132,657
	<hr/>	<hr/>
Cash at the end of the financial year	157,660	137,420

	2016 \$	2015 \$
Statement of Cash Flows - Reconciliation		
	<hr/>	<hr/>
Net Surplus For The Year	208,674	15,886
	<hr/>	<hr/>
Changes in Operating assets and liabilities		
(Increase)/Decrease in Receivables	(188,434)	(12,166)
(Increase)/Decrease in Accrued Interest Income	-	1,043
	<hr/>	<hr/>
Net cash used in operating activities	20,240	4,763

**THE SCHOLARSHIP TRUST
 THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
 (ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2016**

	Trust Funds	Total
At 1 January 2015	138,100	138,100
Surplus for the year	15,886	15,886
Other Comprehensive Income	-	-
Total comprehensive income for the year	<u>153,986</u>	<u>153,986</u>
At 31 December 2015		
Surplus for the year	208,674	208,674
Other Comprehensive Income	-	-
Total comprehensive income for the year	<u>208,674</u>	<u>208,674</u>
At 31 December 2016	<u>362,660</u>	<u>362,660</u>

**THE SCHOLARSHIP TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This special purpose financial report has been prepared for distribution to the Council of The Scholarship Trust of The Presbyterian Church (NSW) Property Trust – Trustee administered by The Scots College Foundation to fulfill the Council’s financial reporting requirements under the Trust Deed. The accounting policies used in the preparation of this financial report, as described below, are, in the opinion of the directors’, appropriate to meet the needs of members:

- (i) The financial report has been prepared on an historical cost basis and the going concern assumption.
- (ii) The Scholarship Trust of The Presbyterian Church (NSW) Property Trust – Trustee administered by The Scots College Foundation is registered with the Australian Charities and Not for Profit Commission. However, as it is below the threshold for reporting, it is not considered a “reporting entity”. The Board of Management have determined that in order for the financial report to present fairly the Trust’s performance, and financial position, the Trust has complied with the minimum accounting standards required to comply with ACNC Regulations, namely:
 - AASB 101, Presentation of Financial Statements
 - AASB 107, Statement of Cash Flows
 - AASB 108, Accounting Policies, Changes in Accounting Estimates and Errors
 - AASB 1031, Materiality
 - AASB 1048, Interpretation of Standards
 - AASB 1054, Australian Additional Disclosures.

And has complied with Accounting Standards and other financial reporting requirements in Australia relating to the measurement of assets, liabilities, revenues, expenses and equity. Accordingly, the Board of Management has prepared the financial report in accordance with Accounting Standards and other financial reporting requirements in Australia with the following exceptions:

AASB 7: Financial Instruments: Disclosures
AASB 110: Events after the Reporting Period
AASB 124: Related Party Disclosures
AASB 132: Financial Instruments: Presentation

**THE SCHOLARSHIP TRUST
THE PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST – TRUSTEE
(ADMINISTERED BY THE SCOTS COLLEGE FOUNDATION)**

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(b) New accounting standards and interpretations

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 31 December 2016. The Council has not early adopted any of these new or amended standards or interpretations. The Council has not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Trust) and interpretations.

(c) Cash and cash equivalents

Cash in the Statement of Financial Position comprise cash at bank and short term deposits which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(d) Receivables

Receivables are carried at original invoice amount less an allowance for impairment. Collectability of receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified.

(e) Other payables

Other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these good and services.

(f) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

(g) Audit fee

The audit fee applicable to The Scholarship Trust has been absorbed into the audit fee paid by The Scots College.



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Independent auditor's report to the Board of Management of the Scholarship Trust (Administered by the Scots College Foundation)

Opinion

We have audited the financial report, being a special purpose financial report, of the Scholarship Trust (Administered by the Scots College Foundation) (the 'registered entity'), which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Declaration by the Board of Management.

In our opinion, the accompanying financial report of the registered entity is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a. giving a true and fair view of the registered entity's financial position as at 31 December 2016 and of its financial performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1, and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board of Management's financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



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Responsibilities of the Board of Management for the Financial Report

The Board of Management of the registered entity is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the Board of Management. The Board of Management's responsibility also includes such internal control as the Board of Management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Management is responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Conclude on the appropriateness of the Board of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Meredith Scott
Partner
Sydney
3 April 2017



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Auditor's Independence Declaration to the Board of the Scholarship Trust (Administered by the Scots College Foundation)

In relation to our audit of the financial report of The Scholarship Trust (Administered by the Scots College Foundation) for the financial year ended 31 December 2016, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.

Ernst & Young

Meredith Scott
Partner
3 April 2017