



THE GENERAL SIR JOHN MONASH
FOUNDATION

ANNUAL REPORT 2002

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EXPRESSIONS OF SUPPORT

The Hon John Howard MP, Prime Minister of Australia in launching the Foundation, said –

“...as the Prime Minister of Australia I do congratulate and applaud those who conceived this idea.... a very, very worthwhile project.

We should have something of our own which is the equal of the Rhodes scholarship and the Fulbright scholarship. And to carry that great name of Monash, will give it a head start. (The General Sir John Monash Awards) remind us of a magnificent Australian.... in the context of building possibilities for future equally remarkable Australians....to go abroad and to extend their horizons, to learn more, to contribute and also to extend a welcome to people from other countries.”

The Leader of the Opposition the Hon Simon Crean MP, has given this statement of support –

“ On behalf of the Australian Labor Party I commend and support the work of the Foundation. I support the Foundation’s aims for the Awards...made for academic excellence, leadership and community service... becoming Australia’s most prestigious national awards for postgraduate students ... to promote potential national leaders. I urge all Australians to support the Foundation through donations or bequests.”

STATE PREMIERS HAVE GIVEN STATEMENTS OF SUPPORT -

Premier Bob Carr (New South Wales) – *“In this increasingly globalised world, it is more than ever important for Australian students to study and make contacts overseas and for foreign students to have the same experience here.”*

Premier Steve Bracks (Victoria) noted that the Awards have the potential to *“become a programme of national significance that will make a major contribution to Australia’s social and economic development... an opportunity to make a statement about the importance of educational excellence.”*

Premier Beattie (Queensland) – *“I believe the Awards will add enormously to the tapestry of recognising educational excellence and remembering a great leader. The Awards... provide the opportunity for our young people to be recognised for significant achievement... an initiative that will further contribute to our social and economic development.”*

Premier Gallop (Western Australia) –

“I am very pleased to support the establishment of The General Sir John Monash Foundation and Awards, and to congratulate those who have taken the initiative in conceiving and implementing these Awards.

It is appropriate that Australia have its own Awards that are the equal of those other distinguished education scholarships, the Rhodes Scholarships and the Fulbright Program. The Monash Awards will provide opportunities to outstanding Australians to strive for excellence in education and enhance their prospects, with corresponding benefits to all Australians, of becoming national leaders in their fields of endeavour.”

It is equally important that the Awards will provide the opportunity to overseas students to study in Australia and in doing so recognise and appreciate their contribution and potential.”



THE GENERAL SIR JOHN MONASH FOUNDATION

The General Sir John Monash Foundation is incorporated as an educational organization for the purposes of promoting Australia's heritage and values, recognising high academic achievement and encouraging the pursuit of knowledge.

In particular, the Foundation seeks to establish, raise funds for and administer Australia's most prestigious postgraduate scholarships – the General Sir John Monash Awards. The Awards are to be Australia's equivalent of the British Rhodes Scholarships and the American Fulbright programme both of which Australia supports.

THE GENERAL SIR JOHN MONASH AWARDS

The General Sir John Monash Awards will recognise academic excellence and potential national leaders in their chosen field.

Australian postgraduates of high academic achievement will be able to further their studies at the world's best Universities, appropriate to their field of study. Foreign postgraduates of high academic achievement from these Universities will be able to further their studies at Australia's best Universities, appropriate to their field of study.

Annually, up to eight Awards may be awarded to Australians and up to eight Awards may be awarded to foreign postgraduates from foreign Universities.

The first Awards will be made in 2003 to be taken up in 2004. Selection criteria for the awards include:

- A high level of academic achievement;
- Leadership qualities & potential; and
- Demonstrated altruism through community service.

The Awards will provide a benefit of up to \$50,000 annually for up to three years.

OUR MISSION & OBJECTIVES

Through the General Sir John Monash Awards, the Foundation will recognize and encourage academic excellence and the pursuit of knowledge. The Monash Awards will help develop our international leadership networks, essential in this age of globalisation.

There are three essential and mutually supporting elements underlying the concept of the Foundation. These are firstly a concern with the past through promoting heritage and values, secondly looking to the future through encouraging

excellence in education and continued learning, and thirdly the name of Monash to link the first two together and have a broad national appeal.

GENERAL SIR JOHN MONASH

General Sir John Monash epitomises the qualities we seek in our Award winners and we are proud to promote his heritage.

Sir John Monash was the Australian born son of Prussian-Jewish immigrant parents of modest means. He was educated at Scotch College in Melbourne and at Melbourne University, where he gained degrees in Engineering, Law and Arts. As a citizen soldier, he led the Australian Army Corps in France to a series of brilliant victories in the last six months of World War One. For this, Monash received wide international acclaim, and was seen by many as one of the best of the allied generals on the Western Front.

He also had many fine achievements in civilian life, not least, after the war, his Chairmanship of the State Electricity Commission of Victoria to develop Victoria's brown coal deposits for electricity generation.

He was an outstanding leader who rendered great service to his country in peace and war, who had breadth and excellence in his own education, and who encouraged the lifetime pursuit of knowledge.

PATRON-IN-CHIEF:



Dr Peter Hollingworth AC, OBE

His Excellency the Right Reverend Dr Peter Hollingworth AC, OBE Governor-General of the Commonwealth of Australia.

BOARD OF DIRECTORS:

CHAIRMAN:



General Peter Gration AC OBE (Retd)

General Peter Gration is a Director of the major Australian industry/technology company, the Tenix Group. General Gration graduated from the Royal Military College, Duntroon in 1952. He completed a Civil Engineering degree with honours at Melbourne University and also holds bachelor degrees in Arts and Economics. He was Chief of the General Staff from 1984 to 1987 and Chief of the Defence Force from 1987 to 1993. He chaired the Council of the Australian War Memorial from 1994 and 1999.

DIRECTORS:



The Hon Tim Fischer

The Hon Tim Fischer was formerly Deputy Prime Minister of Australia, Minister for Trade and Leader of the National Party of Australia. Other Federal portfolios held by Tim included Shadow Minister for Energy and Resources and for Veterans' Affairs. Before entering Federal politics, he was an Army officer and NSW State Parliamentarian. He is a Director of the Australian Agricultural Company Limited.



Mrs Yolanda Klempfner AO

Mrs Yolanda is a lawyer in Victoria and is currently Investment Director for Texmond Mgt. Yolanda is currently a Board Member of Epworth Hospital, RMIT Foundation, RMIT Gallery and Foundation for Young Australians (FYA). Yolanda is a Trustee of the National Council for Jewish Women and a Member of the Anti-Discrimination Tribunal.



Mr Sam Lipski AM

Mr Sam Lipski is currently Chief Executive of the Pratt Foundation, the philanthropic trust of the Pratt family, Editorial Chairman of the Australian Jewish News and President of the Board, which governs the State Library of Victoria. He has had a distinguished career in the media and publishing as a journalist, editor and producer of news and current affairs. He is a Trustee of the Australian Refugee Foundation and Member of the Advisory Committee for the Centre for the Mind at the Australian National University and Sydney University.



Dr Helen Nugent

Dr Helen Nugent is currently Director of Macquarie Bank, United Energy Proprietary Limited, Australia Post and TAB (Queensland) Limited. She has been a member of the group advising the Prime Minister and Minister for Foreign Affairs on the White Paper on Foreign Policy and Trade since 1997, Chair of the Major Organisation Fund of the Australia Council for the Arts since 1997 and Deputy Chair of Australia Opera since 1995.



Mr Michael Robinson AO

Mr Michael Robinson is a partner of the law firm, Allens Arthur Robinson. He was the Senior Managing Partner of Arthur Robinson & Hedderwicks during 1996-2001 and was its Managing Partner 1980-1988. He is Chairman of TABCORP Holdings Limited and a Director of Gandel Management Limited, Clough Limited and the National Australia Day Council. Michael also is Chairman of The Bionic Ear Institute and of the Council of Scotch College. He is a Director of the Asia Society AustralAsia Centre and Orchestra Victoria.



Emeritus Professor Deane Terrell AO

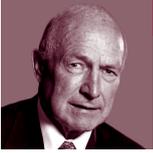
Professor Deane Terrell is an Emeritus Professor at the National Graduate School of Management at The Australian National University (ANU). He is currently Chair of the AARNet Board of Management, Vice President of IDP Education Australia, Chair and Board Member of the International English Language Testing System (IELTS), Chair of the Board of the Sir Roland Wilson Foundation and Chair of the Board of Karley Technologies Pty Ltd, the Canberra School of Music Foundation and the Advisory Board for the Centre for Arab and Islamic Studies (CAIS). He has held directorships on the Board of the Australian Vice-Chancellor's Committee, and the Australian Education Office (Washington).

CHIEF EXECUTIVE OFFICER:



Mr Ken Crompton LL.B

Mr Ken Crompton is a lawyer. For many years, he was the Legal Counsellor and then Chief Executive (Victoria) for the Australian Chamber of Manufactures. Between 1993 and 1996 he was Agent-General for Victoria in London. In this role, he attended the ANZAC day commemorations at Villers-Bretonneux on the World War 1 battlefields of France. He observed young Australians discovering their heritage and later with Mr Allan Blankfield sought to recognize our heritage by commemorating General Sir John Monash. He developed the concept of the General Sir John Monash Awards to become Australia's prestigious equivalent to the Rhodes Scholarships.



CHAIRMAN'S REPORT

It is with much pleasure that I present the first Annual Report of the General Sir John Monash Foundation, together with the audited balance sheet and financial statement for the year ended 30th June 2002.

The Foundation was incorporated on 14th December 2001, after much preliminary work by a small Melbourne-based Founding Committee. Since incorporation, the emphasis has been on liaison with our major stakeholders and establishing a firm financial and organisational base. This has been done, and we are now well placed to proceed with the next two major tasks of preparing for the first Awards to be taken up in 2004, and fundraising to allow us to fund future Awards.

The Prime Minister launched the Foundation with an inspiring address at a ceremony at the Australian War Memorial in Canberra on 4th June 2002, attended by some 110 dignitaries from across Australia. At the ceremony, the Prime Minister announced a generous package of financial support from the Commonwealth from 2003-04, comprising:

- To establish the programme, \$5.1 Million over three years to directly fund 16 new scholarships each year;
- Matching funding from private and community sources up to a certain level for an endowment fund;
- Foreshadowing tax deductibility status for gifts to the Foundation; and
- Further funding in 2002-03 for administrative costs of the Foundation.

This gives certainty and confidence to the Foundation and a guaranteed start date, together with a challenge to use the next three years to best effect to establish an Endowment Fund for future Awards. I would like to pay tribute to the vision and drive of the Prime Minister in offering this invaluable support.

The Board through its Awards Committee has tackled the many issues involved in defining the precise conditions of the Awards, the criteria and arrangements for selection of Award winners, and the administration of the Awards. We have made progress and will be ready to advertise the Awards early in 2003.

The Monash Awards are to be a truly national institution, and we wish to see outgoing Scholars drawn from across the nation, and incoming Scholars well spread around our Universities. Similarly we wish to see financial contributions to the Endowment Fund coming not only

from the Commonwealth Government, but also from State and Territory Governments and the private sector. Accordingly, the Chief Executive Officer, Mr Ken Crompton, and I have undertaken a programme of calls on State Premiers and Territory Chief Ministers. I have been encouraged by their expressions of support, and hope and trust that they can also respond generously to our submissions for financial support.

Similarly it is important that we proceed in cooperation and harmony with the Australian Universities, and Mr Crompton and I have commenced a programme of calls on Universities throughout Australia to explain the Foundation and the Awards. We are most appreciative of the encouragement and support we have received, particularly at this time of considerable strain for the Universities. I wish to acknowledge particularly the advice and support from the Group of Eight and their Executive Officer, Ms Virginia Walsh.

We are honoured to have as our Patron-in Chief, His Excellency the Right Reverend Dr Peter Hollingworth AC, OBE Governor-General of the Commonwealth of Australia. Board members have met with his Excellency and he has confirmed his full and enthusiastic support for our endeavour.

Finally I pay tribute to the dedication and input from the members of the Board and its Committees, as we embark on what I am sure will be a productive if challenging second year for the Foundation.



(General Peter Gratton)

THE GENERAL SIR JOHN MONASH FOUNDATION

FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2002
A.C.N. 099 065 184

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DIRECTORS' REPORT

The Directors present their report together with the financial report of General Sir John Monash Foundation ("the Company") from the date of incorporation being 14 December 2001 to the period ended 30 June 2002 and the independent auditors' report thereon.

DIRECTORS

The Directors, at any time during or since the period are:

Name of Director	Date Appointed
Graham Brooke AM	14 December 2001
Kenneth Charles Crompton	14 December 2001
Peter Courtney Gratton AC OBE	14 December 2001
Michael Bennett Robinson AO	14 December 2001
Timothy Andrew Fischer	26 February 2002
Yolanda Klempfner AO	26 February 2002
Helen Marion Nugent	26 February 2002
Sam Lipski AM	26 February 2002

DIRECTORS' MEETINGS

Two board meetings were held during the financial year ended 30 June 2002.

The following Directors were in office during the financial year and attended the following number of board meetings:

Name of Director	Number of Meetings Attended
General Peter Gratton	Two
Mr Ken Crompton	Two
The Hon Tim Fischer	Two
Mrs Yolanda Klempfner	Two
Mr Sam Lipski	Two
Dr Helen Nugent	One
Mr Michael Robinson	Two
Mr Graham Brooke	Nil – resignation accepted at first meeting

COMMITTEE MEETINGS

Awards Committee

Two meetings were held during the financial year. The following committee members were in office during the financial year and attended the following number of meetings:

Mrs Yolanda Klempfner AO (Chair)	Two
Emeritus Professor David Beanland	Two
Mr Ken Crompton	Two
Professor Annette Hamilton	One
Mr Sam Lipski AM	One
Emeritus Professor Deane Terrell AO	One

Promotions Committee

Two meetings were held during the financial year. The following committee members were in office during the financial year and attended the following number of meetings:

The Hon Tim Fisher	One
Mr Jim Barry AM MBE RFD ED	Two
Mr Allan Blankfield	Two
Mr Ken Crompton	Two
Mr Sam Lipski AM	One
Mr Brian Paroissien	Nil
Mr George Polites AC CMG MBE	One

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The company was incorporated on 14 December 2001. The principal activity of the Company from the date of incorporation until 30 June 2002 was to establish, raise funds for, and administer Australia's most prestigious postgraduate scholarships – the General Sir John Monash Awards.

REVIEW AND RESULTS OF OPERATIONS

The operating surplus for the period ended 30 June 2002 amounted to \$80,634.

The Company recognises grant funding as income during the period for which it applies. Consequently, the attached financial statements recognises \$225,000 as income for the period ended 30 June 2002.

STATE OF AFFAIRS

On 3 June 2002, the Prime Minister, the Hon John Howard MP, formally advised that the Federal Government would provide a total of \$5.1 million to assist in the establishment of the Awards.

The Prime Minister announced that the Commonwealth would also continue to provide administrative funding and support to the Foundation in 2002/2003.

On 17 June 2002, the Federal Government announced the grant of special named Gift Recipient Status to the General Sir John Monash Foundation under the income tax legislation. Therefore all donations of \$2 or more to the Foundation's Awards Endowment Fund, made on or after 17 June 2002, would be income tax deductible for Australian taxpayers.

Other than these developments, there were no significant developments in the state of affairs of the company during the period under review.

LIKELY DEVELOPMENTS

The Company will continue to establish, raise funds for and administer Australia's most prestigious postgraduate scholarships through obtaining funding from governments, corporations and the public.

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

The Company has agreed to indemnify the Directors to the extent permitted by law.

Insurance premiums

During the period ended 30 June 2002, the Company has paid premiums in respect of directors' and officers' liability, legal expenses and insurance contracts for the period ended

30 June 2002. Since the end of the period, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the year ended 30 June 2003. Such insurance contracts insure persons who are or have been directors or officers of the Company against certain liabilities (subject to certain exclusions).

Directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

EVENTS SUBSEQUENT TO BALANCE DATE

In the opinion of the directors, there has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Signed in accordance with a resolution of the Directors:



PETER GRATTON AC OBE
Director



KEN CROMPTON
Director

Melbourne, dated 10th October 2002

STATEMENT OF FINANCIAL PERFORMANCE
FROM THE DATE OF INCORPORATION AT 14 DECEMBER 2001 TO 30 JUNE 2002

	Note	Period ended 30/06/02 \$
REVENUES FROM ORDINARY ACTIVITIES		
Funding revenue	2	225,000
Interest revenue		<u>457</u>
		<u>225,457</u>
EXPENSES FROM ORDINARY ACTIVITIES		
Employee expenses		73,025
Promotion expenses		12,418
Consultancy expenses		32,674
Other expenses		<u>26,706</u>
		<u>144,823</u>
SURPLUS FROM ORDINARY ACTIVITIES		80,634
REVENUES FROM NON-OPERATING ACTIVITIES		
Other revenue		<u>-</u>
SURPLUS FROM ACTIVITIES		<u><u>80,634</u></u>

The statement of financial performance is to be read in conjunction with the notes to the financial statements set out on pages FR-8 to FR-14.

STATEMENT OF FINANCIAL POSITION
FROM THE DATE OF INCORPORATION AT 14 DECEMBER 2001 TO 30 JUNE 2002

	Note	2002 \$
CURRENT ASSETS		
Cash assets	4	99,987
Receivables	5	<u>63</u>
Total current assets		<u>100,050</u>
Total assets		<u>100,050</u>
CURRENT LIABILITIES		
Payables	6	12,289
Provisions	7	<u>7,127</u>
Total current liabilities		<u>19,416</u>
Total liabilities		<u>19,416</u>
Net assets		<u><u>80,634</u></u>
MEMBERS FUNDS		
Retained surplus	8	<u>80,634</u>
Total members funds	9	<u><u>80,634</u></u>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages FR-8 to FR-14.

STATEMENT OF CASH FLOWS
FROM THE DATE OF INCORPORATION AT 14 DECEMBER 2001 TO 30 JUNE 2002

	Note	Period ended 30/06/02 \$
Cash flows from operating activities		
Cash payments in the course of operations		(125,407)
Grants received		225,000
Interest received		<u>394</u>
Net cash provided by operating activities	11(b)	<u>99,987</u>
 Cash flows from investing activities		
Payments for plant and equipment		-
Payments for investments		<u>-</u>
Net cash used in investing activities		<u>-</u>
Net increase in cash held		99,987
Cash at the beginning of the period		<u>-</u>
Cash at the end of the period	11(a)	<u>99,987</u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages FR-8 to FR-14.

NOTES TO THE FINANCIAL STATEMENTS
FROM THE DATE OF INCORPORATION AT 14 DECEMBER 2001 TO 30 JUNE 2002

I STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies, which have been adopted in the preparation of this financial report, are:

(a) Basis of preparation

In the opinion of the directors, the Company is not a reporting entity. The financial report has been drawn up as a special purpose financial report for the distribution to members and for the purpose of fulfilling the requirements of the Corporations Act 2001

The financial report has been prepared on the accrual basis of accounting as defined in AASB 1001, Accounting Policies, using the historical cost convention and a going concern assumption. Except where stated, it does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied.

The financial statements have been prepared in accordance with the requirements for Corporations Act 2001, the recognition and measurement aspects of all applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) that have a material effect.

(b) Incorporation

The Company was incorporated on 14 December 2001.

(c) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Funding revenue

Funding revenue comprises funding from grants received.

Funding revenue is recognised when received from Commonwealth of Australia. Special purpose funding, which requires the Company to fulfil an obligation outside its normal operations, is recognised at the time the obligation is fulfilled.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

NOTES TO THE FINANCIAL STATEMENTS
FROM THE DATE OF INCORPORATION AT 14 DECEMBER 2001 TO 30 JUNE 2002

**I STATEMENT OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

(d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(e) Taxation

The Company is a tax-exempt entity for the purposes of Division 50 of the Income Tax Assessment Act 1997. In addition, the Company is a rebatable employer for the purposes of section 65J of the Fringe Benefits Assessment Act 1986, and was granted Special Named Gift Recipient status on 17 June 2002.

(f) Cash and short terms deposits

Cash and short-term deposits are carried at face value of the amounts deposited or drawn. The carrying amounts of cash and short-term deposits approximate net fair value.

(g) Receivables

Other debtors

The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts.

The carrying amount of receivables approximates net fair value.

NOTES TO THE FINANCIAL STATEMENTS
FROM THE DATE OF INCORPORATION AT 14 DECEMBER 2001 TO 30 JUNE 2002

I STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days. The carrying amount of accounts payable approximates net fair value.

(i) Employee entitlements

The carrying amount of the provisions for employee entitlements approximates net fair value.

Wages, salaries, annual leave and sick leave

The provisions for employee entitlements to wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided up to the balance date, calculated at undiscounted amounts based on

current wage and salary rates and including related on-costs.

Long service leave

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the

employer resulting from employees' services provided up to the balance date.

The provision is calculated using estimated future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government securities at balance date which most closely match the terms of maturity of the related liabilities.

Superannuation plans

The Company contributes to the extent of the Superannuation Guarantee Charge to one superannuation plan, Commonwealth Life Ltd.

(j) Comparatives

The Company was incorporated on 14 December 2001. The financial statements at 30 June 2002 are for the period from 14 December 2001 to 30 June 2002. There are no comparative figures as at 30 June 2001.

2 FUNDING REVENUE

	Period ended 30/06/02 \$
Federal grants – Higher Education Division	200,000
Corporate grants – State Electricity Commission of Victoria	25,000
	<hr/>
	225,000
	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FROM THE DATE OF INCORPORATION AT 14 DECEMBER 2001 TO 30 JUNE 2002

3 SEGMENT INFORMATION

The company's revenue is derived in Australia from the receipt of grants from both the government and other corporations, fundraising receipts, interest received from investments, and receipts of donations and other gifts from the public.

	Period ended 30/06/02 \$
4 CASH ASSETS	
Cash – Office Account	6,607
Cash – Endowment Fund Account	<u>93,380</u>
	<u>99,987</u>

The Endowment Fund Account has been established pursuant to Rule 4 of the Constitution of the General Sir John Monash Foundation. The interest rate on the Endowment Fund Account varies according to the account balance. The interest rate at 30 June 2002 was 3.35%.

5 RECEIVABLES

Current	
Sundry debtors	<u>63</u>
	<u>63</u>

6 PAYABLES

Current	
Other creditors and accruals	5,503
GST payable	<u>6,786</u>
	<u>12,289</u>

7 PROVISIONS

Current	
Provision for Annual Leave	4,751
Provision for Sick Leave	<u>2,376</u>

NUMBER OF EMPLOYEES

Number at year end	<u>1</u>
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NOTES TO THE FINANCIAL STATEMENTS
FROM THE DATE OF INCORPORATION AT 14 DECEMBER 2001 TO 30 JUNE 2002

	Period ended 30/06/02 \$
8	RETAINED SURPLUS
Retained surplus at beginning of the period	-
Net surplus for the period	<u>80,634</u>
Retained surplus at the end of the period	<u><u>80,634</u></u>
9	MEMBERS FUNDS
Total members funds at beginning of the period	-
Total changes in equity recognised in statement of financial performance	<u>80,634</u>
Total members funds at end of period	<u><u>80,634</u></u>

10 **ADDITIONAL FINANCIAL INSTRUMENT REVIEW**

a) **Interest rate risk exposures**

The Company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities are set out below:

	Note	Weighted average Interest rate %	Floating Interest Rate \$	Fixed interest maturing in:			Non- bearing interest \$	Total \$
				1 Year or less \$	1 to 5 Years \$	More than 5 Years \$		
2001								
<i>Financial assets</i>								
Cash assets	4	3.35%	93,380	-	-	-	6,670	99,987
Receivables	5	-	-	-	-	-	63	63
			<u>93,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,607</u>	<u>100,050</u>
<i>Financial liabilities</i>								
Payables	6	-	-	-	-	-	12,289	12,289
Employee entitlements	7	-	-	-	-	-	7,127	7,127
							<u>19,416</u>	<u>19,416</u>

NOTES TO THE FINANCIAL STATEMENTS
FROM THE DATE OF INCORPORATION AT 14 DECEMBER 2001 TO 30 JUNE 2002

b) Net fair value

The net fair value of financial assets and liabilities at the balance date are those disclosed in the statement of financial position and related notes. This is because either the carrying amounts approximate net fair value or because of their short term to maturity.

c) Credit risk exposure

The Company's maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statement of financial position and related notes.

II NOTES TO THE STATEMENT OF CASH FLOWS**(a) Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call. Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	Note	2002 \$
Cash assets	4	99,987

(b) Reconciliation of surplus from ordinary activities to net cash (used in) / provided by operating activities

Operating surplus	80,634
Add / (less) non-cash items:	
Accrued expenses	1,003
Provision for payroll-related expenses	7,127
	88,764
Net cash used in operating activities before change in assets and liabilities	
Change in assets and liabilities during the period:	
Increase in receivables	(63)
Increase in inventories	-
Increase in payables	11,286
Net cash provided by operating activities	99,987

**NOTES TO THE FINANCIAL STATEMENTS
FROM THE DATE OF INCORPORATION AT 14 DECEMBER 2001 TO 30 JUNE 2002**

12 DIRECTORS' REMUNERATION

Directors' Income

The Directors are not entitled to receive fees for their services as a Director.

Mr Ken Crompton was appointed as "Chief Executive Officer" of the Company on 14 January 2002. Although he is a Director of the Company, employee expenses paid to him, including superannuation and wages, represent expenses in relation to his role as Chief Executive Officer and, therefore, do not represent wages in respect to Director's duties.

13 RELATED PARTIES

Directors

The names of each person holding the position of director of the company during the period are: Graham Brooke AM, Kenneth Crompton, Peter Gratton AC OBE, Michael Robinson AO, Timothy Fischer, Yolanda Klempfner AO, Helen Nugent and Sam Lipski AM.

Details of Directors' remuneration are set out in Note 12.

No director has entered into a material contract with the Company since the beginning of the financial period and there were not material contracts involving directors' interests subsisting at period end.

**NOTES TO THE FINANCIAL STATEMENTS
FROM THE DATE OF INCORPORATION AT 14 DECEMBER 2001 TO 30 JUNE 2002**

14 ADDITIONAL DISCLOSURES

The General Sir John Monash Foundation is a company limited by guarantee, incorporated in Australia and having its principal place of business at:

Level 5
30 Collins Street
Melbourne Vic 3000

The Company's registered office address is:

Level 5
30 Collins Street
Melbourne Vic 3000

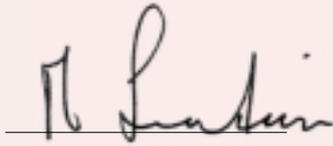
15 CONTRIBUTED EQUITY

General Sir John Monash Foundation is a company limited by guarantee. Every member of the Company undertakes to contribute to the property of the Company in the event of the same being wound up while they are a member or within one year after they cease to be a member for payment of the debts and liabilities of the Company contracted before they cease to be a member and of the costs, charges and expenses of winding up and for adjustment of the contributories among themselves, such amount as may be required, not exceeding twenty dollars (\$20).

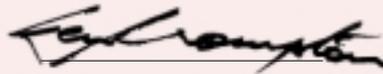
DIRECTORS' DECLARATION

1. In the opinion of the Directors of General Sir John Monash Foundation:
 - (a) The financial statements and notes, set out on pages 4 to 14 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2002 and of its performance, as represented by the results of its operations and its cash flows, for the period ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (b) are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Peter Gratton AC OBE
Director



Ken Crompton
Director

Dated 10th October 2002
Melbourne

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
GENERAL SIR JOHN MONASH FOUNDATION****Scope**

We have audited the financial report of General Sir John Monash Foundation from the date of incorporation 14 December 2001 to 30 June 2002, being a special purpose financial report consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes 1 to 14 and the directors' declaration set out on pages 15. The company's directors are responsible for the financial report. The directors have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the requirements of the Corporations Act 2001 and the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. No opinion is expressed whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the requirements of the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates, to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of accounting described in Note 1 to the financial statements so as to present a view which is consistent with our understanding of the company's financial position and performance, as represented by the results of its operations and its cash flows. These policies do not require the application of all accounting standards nor other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the financial report of General Sir John Monash Foundation is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2002 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; and
 - (ii) complying with AASB 1025 "Application of the Reporting Entity Concept and Other Amendments", AASB 1018 "Statement of Financial Performance", AASB 1040 "Statement of Financial Position", AASB1034 "Financial Report Presentations and Disclosures", other Accounting Standards to the extent described in Note 1(a) and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements to the extent described in Note 1(a) to the financial statements.

KPMG

J Gibbins
PartnerMelbourne, 21ST OCTOBER, 2002



CHIEF EXECUTIVE OFFICER'S REPORT

In pursuit of its objectives, the General Sir John Monash Foundation has come a long way in a short time.

The Hon John Howard MP, Prime Minister of Australia launched the Foundation at a function in Canberra in June.

The Board of Directors and Committees have been formed and they have set about their tasks with vigour.

In particular, the Awards Committee Chaired by Mrs Yolanda Klempfner AO has attracted to its membership leading academics from across Australia. They have worked diligently to define scope of the General Sir John Monash Awards to get them ready for promotion in 2003 for the first Awards to be taken up in 2004.

The Promotions Committee, Chaired by the Hon Tim Fischer has before them the substantial task of promoting the General Sir John Monash Awards more broadly, following the successful launch of the Foundation and the establishment of our Web site. (www.monashawards.org) Under the Committee's guidance and led by Foundation members Mr Jim Barry and Mr Allan Blankfield, the Foundation has taken up the annual commemorations of General Sir John Monash held in October. Mr Bruce Ruxton, President of the Returned and Services League, Victorian Branch, revived the commemorations three years ago.

Last year the commemorations were held in Queens Hall in the Parliament of Victoria, where Monash lay in state following his death. The Hon Steve Bracks MP, Premier of Victoria, was the guest of honour. The inaugural Monash Oration held by the Naval and Military Club followed the function and was addressed by General Peter Gration AC OBE (Retd).

Seed funding of \$25,000 from the Government of Victoria (through the Office of the Administrator of the State Electricity Commission of Victoria) and \$250,000 from the Federal Government of Australia has supported us to date.

The Federal Government will now invest \$4.8 Million directly into 16 Awards and provide at least another \$5 Million to the General Sir John Monash Awards Endowment Fund in matching funds. Importantly, the Federal Government has announced the grant of special named Gift Recipient Status to the Foundation under the Income tax legislation so that all donations of \$2 or more to the Foundation's Awards Endowment fund will be income tax deductible for Australian taxpayers.

Over the next four years, the Federal Government will

provide \$450,000 for the operations of the Foundation.

We have made submissions for funding support to the Premiers of Queensland, Victoria, New South Wales and Western Australia and to the Chief Minister of the Northern Territory. We will be making submissions to the other States and Territories.

Expressions of support for the General Sir John Monash Awards have been sought and given so far from Premiers of Queensland, New South Wales, Victoria and Western Australia and from Universities and academic organizations. I pay respect here to our Chairman General Peter Gration AC OBE (Retd) for his tireless and valuable support in attending these meetings across Australia to present our programme.

I would also like to acknowledge General Gration's extensive and detailed contribution to the development of the General Sir John Monash Awards and the Foundation. His guidance and attention to detail has been invaluable. His leadership of the Foundation has been exemplary.

A substantial amount of work now has to be done to raise funds for the General Sir John Monash Awards Endowment Fund and getting the first Awards selected and away. Hopefully, new funding support from private donors will shortly enable me to engage an assistant to help in this task!

Our Award winners are expected to become leaders of their fields and of their communities, able to inspire individuals or groups towards the achievement of goals. In time, General Sir John Monash Alumni will form international leadership networks, which will benefit Australia.

The challenge before us all is nation building.

Ken Crompton LL.B
Chief Executive Officer

THE GENERAL SIR JOHN MONASH AWARDS

Annually, up to eight Awards may be awarded to outstanding Australian citizens graduating from Australian Universities to enable them to study abroad at the world's best Universities, appropriate to their field of study. Annually, up to eight Awards may be awarded to outstanding foreign postgraduates (non-Australian citizens) from foreign Universities for study at Australia's best Universities, appropriate to their field of study.

The General Sir John Monash Awards are not limited by age, gender, and academic field of study, country or University, subject to the University being considered to be amongst the global leaders in the chosen field of study. However, whilst no upper age limit is stipulated, Awards will generally favour those whose major contribution to their field and to their community lies ahead of them.

a. Fields of Study:

- i. A study programme in any field listed in the relevant University's academic offerings leading to the degree of Ph.D/D.Phil or equivalent.

b. Benefits:

- i. Up to AUD \$50,000 per annum for up to 3 years;
- ii. The General Sir John Monash Awards may be held concurrently with other scholarships;
- iii. The annual Award sum is normally paid in two equal payments, in advance and after six months.

c. Qualifications & Eligibility:

In awarding scholarships, important factors considered include:

- i. Academic excellence;
- ii. Demonstrated leadership ability & potential;
- iii. Altruism demonstrated through community service;
- iv. Proof of arrangements with a foreign University (for Australian postgraduates) or with a University in Australia (for foreign postgraduates) to conduct a well-defined research project or study programme;
- v. The case presented by the Applicant of how the proposed study or research will advance their field of study and benefit them and their country;
- vi. The Applicants presentation at interview.

d. Universities:

- i. The General Sir John Monash Awards are not restricted to selected Universities. They are available

for postgraduates to attend Universities that are considered to be amongst the global leaders in the field of study;

- ii. Applicants should identify in their applications Universities (up to three Universities) to which they have sought acceptance (even if subject to obtaining the Award) and state the order of their preference.

e. Applications:

i. How to Apply:

1. The Application Form can be downloaded from the Foundation's Website- www.monashawards.org Alternatively, an Application form can be obtained from the General Sir John Monash Foundation;
2. The University from which Applicants have graduated or are about to graduate from and the University of destination for their intended study should support the Applicant in writing;
3. The Applicant must be supported in writing by three referees, addressing the qualifications of the General Sir John Monash Awards;
4. The completed Application Form and Referees Reports must be posted to the General Sir John Monash Foundation.

ii. Deadlines:

	Australian Applicants	Foreign Applicants
Application Decision	By 31st August December	By 31st July November
Start date	September following year	February/March following year

f. Selection procedure:

- i. An Awards Committee, chaired by a Director of the Foundation is responsible for examining applications and making recommendations to the Board of the Foundation, who will make the final selection of winners.
- ii. The Awards Committee may also consult with experts including academics and business and community leaders, appropriate to the application.
- iii. In Australia, State and Territory based Panels will first shortlist applications by Australian citizens, for consideration by the Awards
- iv. Decisions of these bodies are final.

THE GENERAL SIR JOHN MONASH AWARDS ENDOWMENT FUND

The General Sir John Monash Foundation has established the General Sir John Monash Awards Endowment Fund to support the General Sir John Monash Awards and welcomes contributions to this fund. Contributions are income tax deductible for Australian taxpayers.

a. General:

- i. General Sir John Monash Awards will commence in 2004 and will be assisted by an Australian Federal Government grant towards Awards in initial years;
- ii. The General Sir John Monash Foundation has established the General Sir John Monash Endowment Fund to build up capital, from which it will fund the General Sir John Monash Awards in years to come;
- iii. The Foundation has named status as a "Deductible Gift Recipient" under Australian income tax legislation. This means that donations to the Endowment Fund are income tax deductible, for taxpayers under Australian income taxation legislation;
- iv. The Foundation is resolved that funding must be in hand before an Award is made;
- v. Annually, recurrent expenditure for one Award is up to AUD \$50,000 and over a period of up to three years is AUD \$150,000;
- vi. A capital sum of AUD \$1 Million is needed to fund one Award in perpetuity.

b. Donations/bequests:

- i. The Foundation welcomes cash donations and bequests to the General Sir John Monash Awards Endowment Fund;
- ii. Substantial donations to fund an Award will be recognised appropriately, unless the donor seeks anonymity.

c. Sponsorship:

- i. The Foundation welcomes corporate sponsorship;
- ii. Awards funded by sponsorship will be recognised appropriately, including on the Foundation's Web site – www.monashawards.org

If you wish to make a donation or arrange sponsorship, please contact Mr Ken Crompton, Chief Executive Officer of the Foundation:

Level 5
30 Collins Street
Melbourne
Victoria Australia 3000

Tel: (613) 9654 8811
Fax: (613) 9654 3411
Email: crompton@monashawards.org

CORPORATE GOVERNANCE

The General Sir John Monash Foundation pursues high standards of corporate governance.

We are committed to the operation of the General Sir John Monash Awards and the Investment of the General Sir John Monash Awards Endowment Fund in a business-like manner, and the development of systems and practices that enhance good corporate governance.

The Board of Directors is responsible for the direction and oversight of the Foundation and the General Sir John Monash Awards Endowment Fund.

Members of the Board are eminent Australians drawn from a broad cross section of the community. All Board members are non-executive directors and act in a voluntary capacity.

The roles and responsibilities of the Board are clearly defined in the Constitution of the Foundation and under the Corporations Law.

The Chief Executive Officer has responsibility for the operations and administration of the Foundation and of the General Sir John Monash Awards Endowment Fund.

To maximise efficiency the Board has established a number of Committees, chaired by a member of the Board. These committees and their membership are set out in this report.

The Finance and Audit Committee monitors financial performance, safeguards assets and ensures that internal controls and management standards are maintained.

The Investment Committee is responsible for developing and maintaining investment of the General Sir John Monash Awards Endowment Fund in line with policies approved by the Board.

The Awards Committee is responsible for ensuring that applications for a General Sir John Monash Award are processed and winners chosen in an ethical and unbiased manner.

COMMITTEES:

Finance and Audit

Mr Michael Robinson AO (Chair)
General Peter Gration AC OBE (Retd)

Investment

Dr Helen Nugent (Chair)
Mr Michael Robinson AO

Awards

Mrs Yolanda Klempfner AO (Chair)
Emeritus Professor David Beanland AO of RMIT
University,
Mrs Lindy Fisher, Project Officer, Federal Department
of Education Science and Training.
Professor Annette Hamilton, Dean of Arts & Social
Sciences at the University of NSW
Mr Sam Lipski AM
Emeritus Professor Deane Terrell AO of the National
Graduate School of Management at the ANU

Promotion

The Hon Tim Fischer (Chair)
Mr Jim Barry AM MBE RFD ED
Mr Michael Bennett
Mr Allan Blankfield
Mr Sam Lipski AM
Mr Brian Paroissien
Mr George Polites AC CMG MBE

MEMBERS OF THE FOUNDATION:

Mr Allan Blankfield
Mr Graham Brooke AM
Mr Ken Crompton
Mrs Elizabeth Durré
The Hon Tim Fischer
Sir James Gobbo AC QC
Mr Charles Goode AC
General Peter Gration AC OBE (Retd)
Sir John Holland AC
Mrs Yolanda Klempfner AO
Mr Sam Lipski AM
Dr Helen Nugent
Mr Brian Paroissien
Mr George Polites AC CMG MBE
Mr Michael Robinson AO
Mr Stephen Rothman SC
Emeritus Professor Deane Terrell AO

ADVISERS AND SERVICE PROVIDERS:

Legal:

Allens Arthur Robinson
Level 24
530 Collins Street, Melbourne, Victoria, Australia, 3000

Auditors:

KPMG
161 Collins Street Melbourne, Victoria, Australia, 3000

Bankers:

ANZ Bank Limited
55 Collins Street, Melbourne, Victoria, Australia, 3000

Graphic Designers:

Kryptonite Design
26 Wellington Street, Collingwood, Victoria, Australia, 3066

CONTACT ADDRESS:

General Sir John Monash Foundation
Level 5
30 Collins Street, Melbourne, Victoria, Australia, 3000

Tel: (613) 9654 8811

Fax: (613) 9654 3411

Website: www.monashawards.org

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ABN 78.099.065.184

