



General Sir  
**John Monash**  
Foundation

**ABN 78 099 065 184**

# AUDITED ANNUAL FINANCIAL REPORT

---

**30 JUNE 2023**

---

# DIRECTORS' REPORT

---

The Directors present their report together with the financial report of the General Sir John Monash Foundation ("the Foundation") for the financial year ended 30 June 2023, and the auditor's report thereon.

## DIRECTORS

The following persons were directors of the Foundation during the financial year:

Director		Date appointed as a Director
Ms Jillian Segal AO <sup>1</sup>	Chairman	21 November 2008
Mr Steven Skala AO <sup>2</sup>	Deputy Chairman	17 May 2010
Ms Lee Liberman AM	Deputy Chairman	10 December 2014
Ms Tonianne Dwyer		30 November 2020
Mr Stephen Gerlach AM		13 October 2011
Ms Carolyn Kay	Co-Chair, Investment, Audit & Risk Committee	1 January 2015
Dr Danielle Malek Roosa <sup>3</sup>		29 November 2022
Mrs Jan McCahey	Co-Chair, Investment, Audit & Risk Committee	6 March 2012
Mr Peter Nash		30 November 2020
Dr Mark Schembri <sup>2</sup>		29 February 2016
Mrs Wendy Simpson OAM		8 December 2014
Professor Paul Wellings CBE		30 November 2020

<sup>1</sup> Ms Jillian Segal AO was elected as Chairman on 17 May 2010.

<sup>2</sup> Mr Steven Skala AO and Dr Mark Schembri retired from the Board on 29 November 2022.

<sup>3</sup> Dr Danielle Malek Roosa was appointed to the Board on 29 November 2022.

## WHAT WE DO

The Foundation was incorporated on 14 December 2001 for the principal activity to raise funds for and administer the General Sir John Monash Scholarships. The Foundation's mission is to invest in outstanding Australians from all fields of endeavour who demonstrate actual or potential qualities of leadership and the ability to deliver outcomes for Australia and inspire others for the benefit of the nation.

### *John Monash Scholars*

There are now 248 Scholars who have been awarded a John Monash Scholarship. 194 of the Scholars have completed their studies. 127 Scholars have returned to Australia and taken up positions in industry, government and academia.

The John Monash Scholars meet regularly both in Australia and overseas. In FY23, Scholars' events were held in person in Melbourne, Sydney, Canberra, Oxford, London, Washington, Boston and New York. Regular Scholar meet ups have helped build an International John Monash Scholar community which often leads to interesting collaborations and opportunities for the Scholars to support each other.

There have been several professional development events held under the banner of the John Monash Foundation Leadership Academy – both online and in person.

### *John Monash Scholarship Recipients 2023*

15 John Monash Scholarship winners were selected from the 244 applications received. The Presentation Ceremony was held in March 2023 at Government House, Yarralumla, Canberra hosted by His Excellency General the Honourable David Hurley AC DSC (Retd), Governor-General of the Commonwealth of Australia.

## **DIRECTORS' REPORT (continued)**

### **REVIEW OF OUR OPERATIONS FOR FY23**

#### ***Overall financial position***

The Foundation has maintained a strong financial position with equity (net assets) of \$50.9m (FY22: \$48.8m). Total assets were \$55.1m (FY22: \$53.5m) of which \$55.0m were invested in cash, term deposits and managed funds.

#### ***Significant changes to the state of affairs***

There were no significant changes in the nature of the Foundation's activities this financial year.

#### ***Operating results for the year***

As detailed in this report, the surplus for the period ended 30 June 2023 amounted to \$2.0m (FY22: deficit of \$1.6m).

#### ***Funding commitments received this financial year***

The Foundation secured new funding commitments of \$0.68m during the financial year including:

- PwC renewed their agreement for another year;
- Australian National University, Bond University and University of Sydney re-affirmed their commitment to the Australian Universities' Consortium John Monash Scholarship by renewing their agreements; and
- University of Western Australia, an inaugural Australian Universities' Consortium member renewed their agreement for a further 10 years.

**DIRECTORS' REPORT (continued)**  
**REVIEW OF OUR OPERATIONS FOR FY23 (continued)**

*Likely developments*

The Foundation will continue to raise funds for and administer its postgraduate scholarships through FY24. It is anticipated that:

- As part of its 20<sup>th</sup> Anniversary of Awarding Scholarships celebration, the Foundation will embark on a significant fundraising campaign to raise \$20m over two years.
- The Investment, Audit and Risk Committee will continue to focus on the Foundation's investment strategy.
- Fundraising initiatives continue with a target group of State Governments, corporations, foundations, universities and private individuals.
- Scholar events and activities are expected to continue to be held in Australia and overseas on a regular basis. The 2023 John Monash Global Symposium is scheduled to be held in Sydney between 11-13 December 2023.

*Performance of the Foundation's investment portfolio*

Despite volatility in the markets, the Foundation's investment portfolio reflected the market and performed in line with the improved market conditions. The Foundation maintains regular communications with BlackRock as its Investment Advisor.

The Foundation adopts a conservative approach to managing investments with the aim of generating medium term growth while protecting capital value. Its investment strategy is overseen by the Investment, Audit and Risk Committee and approved by the Board.

*Events subsequent to reporting date*

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

The Chief Executive Officer of the Foundation, Ms Annemarie Rolls tendered her resignation and left the Foundation on 31 July 2023. Ms Rolls was appointed CEO in February 2017 and presided with success over a significant period of change which included navigating the Foundation through the COVID-19 pandemic. Mr Paul Ramadge commenced as the Foundation's CEO on 28 August 2023. Annemarie Rolls will work with Paul Ramadge to ensure a smooth transition.

**DIRECTORS' REPORT (continued)**  
**REVIEW OF OUR OPERATIONS FOR FY23 (continued) <sup>6</sup>**

**DIRECTORS' MEETINGS**

The following table sets out the number of directors' meetings (including meetings of Board committees) held during the year ended 30 June 2023 and the number of meetings attended by each director.

Directors	Position	Board		Investment, Audit and Risk Committee <sup>6</sup>	
		<sup>4</sup> A	<sup>5</sup> B	<sup>4</sup> A	<sup>5</sup> B
Ms Jillian Segal AO <sup>1</sup>	Chairman	4	4	-	2
Mr Steven Skala AO <sup>2</sup>	Deputy Chairman	3	1		
Ms Lee Liberman AM	Deputy Chairman	4	3		
Ms Tonianne Dwyer		4	1	2	1
Mr Stephen Gerlach AM		4	4	2	0
Ms Carolyn Kay	Investment, Audit and Risk Co-Chair	4	4	2	2
Dr Danielle Malek Roosa <sup>3</sup>		1	1		
Mrs Jan McCahey	Investment, Audit and Risk Co-Chair	4	3	2	2
Mr Peter Nash		4	3		
Dr Mark Schembri <sup>2</sup>		3	3		
Mrs Wendy Simpson OAM		4	4		
Professor Paul Wellings CBE		4	4		

<sup>1</sup> Ms Jillian Segal AO was elected as Chairman on the 17 May 2010.

<sup>2</sup> Mr Steven Skala AO and Dr Mark Schembri retired from the Board on 29 November 2022.

<sup>3</sup> Dr Danielle Malek Roosa was appointed to the Board on 29 November 2022.

<sup>4</sup> A = number of meetings eligible to attend.

<sup>5</sup> B = number of meetings attended.

<sup>6</sup> In addition to the regular meetings, the Investment Sub-Committee held 5 meetings with BlackRock and the Audit and Risk Sub-Committee held 1 meeting virtually.

**COMPANY PARTICULARS**

**Registered office**

General Sir John Monash Foundation  
 Bennelong House  
 9 Queen Street  
 Melbourne, VIC 3000

**DIRECTORS' REPORT (continued)**  
**COMPANY PARTICULARS (continued)**

**Company Secretary**

The Company Secretary, Mr Chuan Tan, was appointed to the role on 28 February 2018.

**Members' guarantee**

The Foundation is a company limited by guarantee incorporated under the Corporations Act 2001. If the Company is wound up, each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the Company. At 30 June 2023 the number of members was 53 (FY22: 53).

**Indemnification**

The Foundation has agreed to indemnify the current and former directors and senior officers of the Foundation against all liabilities to another person (other than the Foundation or a related body corporate) that may arise from their position in the Foundation, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Foundation will meet the full amount of any such liabilities, including legal fees, costs and expenses.

Since the end of the previous financial year, the Foundation has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an auditor of the Foundation.

**Insurance premiums**

During the financial year, the Foundation paid premiums to insure directors and officers of the Foundation. The professional liability insurance paid in respect of directors and officers for the year ended 30 June 2023 was \$8,227 (FY22: \$7,310).

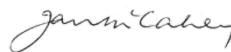
**LEAD AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the lead auditor's independence declaration in accordance with subdivision 60-C section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 1.

This report is made in accordance with a resolution of the directors:



Ms Jillian Segal AO  
Chairman



Mrs Jan McCahey  
Director and Co-Chair: Investment Audit and Risk  
Committee

11 October 2023

## CONTENTS

AUDITOR'S INDEPENDENCE DECLARATION	1
STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME	2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF CHANGES IN EQUITY	4
STATEMENT OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6
A. WHERE DO OUR FUNDS COME FROM AND HOW ARE THEY SPENT?	B. WHAT RESOURCES DO WE HAVE AND HOW DO WE MANAGE THEM?
<hr/>	
A1. What are our sources of revenue?	6
A2. Where has the funding been spent?	7
C. HOW DO WE MANAGE OUR RISK AND WORKING CAPITAL?	B1. Investments
<hr/>	
C1. Capital management	11
C2. Financial risk management	13
D. RESERVES	E. OTHER INFORMATION
<hr/>	
D1. Reserves and retained surpluses	14
E1. Related parties	15
E2. Summary of Significant accounting policies	16
E3. Information and declaration to be furnished under the Charitable Fundraising (NSW) Act 1991 and Regulations	18
DIRECTORS' DECLARATION	19
DECLARATION BY CHAIRMAN IN RESPECT OF FUNDRAISING APPEALS	20
INDEPENDENT AUDITOR'S REPORT	21



# Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of General Sir John Monash Foundation

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2023 there have been:

- (a) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature of 'KPMG' in blue ink, written in a cursive style.

KPMG

A handwritten signature of 'K. Rowswell' in blue ink, written in a cursive style.

Kate Rowswell

Partner

Melbourne

11 October 2023



# STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Ref.	2023 \$	2022 \$
Funding revenue	A1	1,645,919	4,531,365
Other income		40,937	500
Employee expenses		(883,663)	(663,283)
Scholarships awarded	A2	(1,950,000)	(2,560,000)
Other expenses		(313,844)	(249,522)
Total operating expenses	A2	<u>(3,147,507)</u>	<u>(3,472,805)</u>
Results from operational activities		<u>(1,460,651)</u>	1,059,060
Net financing income/(loss)	B1	3,524,915	(2,662,299)
Surplus/(Deficit) before income tax expense		2,064,264	(1,603,239)
Income tax expense		-	-
Surplus/(Deficit) for the year		<u>2,064,264</u>	<u>(1,603,239)</u>
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		<u>2,064,264</u>	<u>(1,603,239)</u>

The Statement of Surplus or Deficit and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2023

	Ref.	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	C1(ii)	5,429,908	7,436,232
Investments	B1,C1(ii)	308,045	-
Other receivables	C1(ii)	102,588	183,390
<b>Total current assets</b>		<b>5,840,541</b>	<b>7,619,622</b>
<b>Non-current assets</b>			
Investments	B1	49,241,159	45,924,695
Property, plant and equipment		11,742	2,966
<b>Total non-current assets</b>		<b>49,252,901</b>	<b>45,927,661</b>
<b>Total assets</b>		<b>55,093,442</b>	<b>53,547,283</b>
<b>Current liabilities</b>			
Trade and other payables		2,605,665	2,862,505
Employee benefits		65,423	44,533
<b>Total current liabilities</b>	C1(iii)	<b>2,671,088</b>	<b>2,907,038</b>
<b>Non-current liabilities</b>			
Trade and other payables		1,460,000	1,752,500
Employee benefits		57,148	46,803
<b>Total non-current liabilities</b>	C1(iv)	<b>1,517,148</b>	<b>1,799,303</b>
<b>Total liabilities</b>		<b>4,188,236</b>	<b>4,706,341</b>
<b>Net assets</b>		<b>50,905,206</b>	<b>48,840,942</b>
<b>Equity</b>			
Retained surplus	D1	11,865,206	9,800,942
Endowment reserve	D1	39,040,000	39,040,000
<b>Total equity</b>		<b>50,905,206</b>	<b>48,840,942</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2023

	Endowment reserve \$	Retained surplus \$	Total \$
<b>Ref.</b>			
Balance as at 1 July 2021	<b>36,540,000</b>	<b>13,904,181</b>	<b>50,444,181</b>
(Deficit) for the year	-	(1,603,239)	(1,603,239)
Other comprehensive income	-	-	-
Total comprehensive income	-	(1,603,239)	(1,603,239)
Transfers to endowment reserve			
Capital donations	D1 2,500,000	(2,500,000)	-
Total transfers to endowment reserve	2,500,000	(2,500,000)	-
Balance as at 30 June 2022	<b>39,040,000</b>	<b>9,800,942</b>	<b>48,840,942</b>
Balance as at 1 July 2022	<b>39,040,000</b>	<b>9,800,942</b>	<b>48,840,942</b>
Surplus for the year	-	2,064,264	2,064,264
Other comprehensive income	-	-	-
Total comprehensive income	-	2,064,264	2,064,264
Transfers to endowment reserve			
Capital donations	D1 -	-	-
Total transfers to endowment reserve	-	-	-
Balance as at 30 June 2023	<b>39,040,000</b>	<b>11,865,206</b>	<b>50,905,206</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2023

	Ref.	2023 \$	2022 \$
<b>Cash Flows from operating activities</b>			
Cash received from benefactors	A1	1,645,919	4,531,365
Cash received from Government		40,937	500
Cash paid to suppliers, employees and scholars		(3,580,016)	(3,355,949)
<b>Net cash (used in)/provided by operating activities</b>		<b>(1,893,160)</b>	<b>1,175,916</b>
<b>Cash Flows from investing activities</b>			
(Acquisition)/disposal of property, plant and equipment		(13,569)	(777)
Interest received		157,178	16,973
Dividends/investment income received		2,763,191	1,296,264
Net (acquisition)/proceeds from investments		(3,019,964)	983,918
<b>Net cash (used in)/provided by investing activities</b>		<b>(113,164)</b>	<b>2,296,378</b>
<b>Cash Flows from financing activities</b>			
		-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,006,324)</b>	<b>3,472,294</b>
Cash and cash equivalents at the beginning of the financial year		7,436,232	3,963,938
<b>Cash and cash equivalents at the end of the financial year</b>	C1 (ii)	<b>5,429,908</b>	<b>7,436,232</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

# A. WHERE DO OUR FUNDS COME FROM AND HOW ARE THEY SPENT?

---

This section explains the main sources of our revenue and items of expenditure and how those are measured in accordance with relevant accounting standards.

## A1. WHAT ARE OUR SOURCES OF REVENUE?

---

Our primary sources of revenue are from Federal and State Government, corporations, universities and the private philanthropic sector. This revenue funds scholarships and other support provided to our scholars.

	2023 \$	2022 \$
<b>Revenue from operating activities</b>		
Australian Universities Consortium	<b>545,000</b>	430,000
Corporations	<b>750,000</b>	3,700,000
Private donors	<b>350,919</b>	401,365
<b>Total revenue from operating activities</b>	<b>1,645,919</b>	4,531,365

Revenue received in FY22 included a donation from Rio Tinto in support of a perpetual scholarship. The Foundation did not receive any donations to fund perpetual scholarships in FY23.

### *What are the relevant accounting policies?*

Revenue is recognised under AASB 1058 Income of Not-for-Profit Entities at fair value when the amount of the contribution is received.

Contributions from the Government towards the Endowment Fund or Scholarship awards are recognised as income when the Foundation receives them or becomes entitled to receive them.

Donations and bequests to enable the Foundation to fulfil its objectives to select and award scholarships and administer its scholarship program are recognised as revenue when received.

## A2. WHERE HAS THE FUNDING BEEN SPENT?

---

The Foundation's mission is to provide postgraduate scholarships for Australian Scholars to study overseas. Additionally, we support and mentor the Scholar community both past and present. We have incurred the following expenses relating to these activities over the course of this financial year. Employee expenses have been allocated across the range of our activities.

	2023	2022
	\$	\$
<b>Operating activities</b>		
Scholarships and Scholar related expenses	<b>2,308,740</b>	2,877,669
Fundraising, promotion and profiling expenses	<b>466,816</b>	330,666
Administration expenses	<b>371,951</b>	264,470
<b>Total expenditure from operating activities</b>	<b>3,147,507</b>	3,472,805

Scholarships and scholar related expenses have enabled the following:

	2023	2022
	\$	\$
Scholarships awarded	<b>1,950,000</b>	2,560,000
Scholar selection process	<b>153,293</b>	122,848
Presentation of new Scholars	<b>21,538</b>	23,059
Scholar Travel Allowance	<b>17,495</b>	25,137
Ongoing support of Scholar community	<b>166,414</b>	146,625
<b>Total Scholarships and Scholar related expenses</b>	<b>2,308,740</b>	2,877,669

## A2. WHERE HAS THE FUNDING BEEN SPENT? (continued)

In 2023, 15 scholarships were awarded across a diverse field of study and universities of study.

Scholarship Winner	Proposed Degree	University	Field of Study
Jessica Cong	Masters in Business Administration	Columbia Business School	Business and Economics
Bridget Dunne	MSc in Criminal Justice Policy	London School of Economics	Law
Sienna Lake	MSc in Social Anthropology	London School of Economics	Arts and Humanities
Dr Henry Marshall	PhD in Biological Science	University of Cambridge	Medicine and Health
Nicholas Maurer	PhD in Engineering	Princeton	Engineering and Infrastructure
Eve Poland	DPhil in Inorganic Chemistry	University of Oxford	Science and Technology
Chris Raine	Master in Public Administration	Harvard University	Political and Social Science
Abi Rajkumar	Master in Public Administration	Harvard University	Political and Social Science
Mathilde Ritman	DPhil in Atmospheric, Oceanic and Planetary Physics	University of Oxford	Sustainability
Tomas Robertson	Master of Public Policy	University of Oxford	Political and Social Science
Hugo Rourke	Master in Public Administration	Harvard University	Political and Social Science
Alex Schutz	DPhil in Engineering Science	University of Oxford	Science and Technology
Madison Smith	Master of Disaster Risk and Resilience	University of Canterbury	Science and Technology
Germain Tobar	PhD in Theoretical Physics	Stockholm University	Science and Technology
Karri Walker	Master of Laws	Harvard University	Law

The 2023 John Monash Scholars' Presentation Ceremony was held at Government House, Yarralumla, Canberra in March 2023.

## B. WHAT RESOURCES DO WE HAVE AND HOW DO WE MANAGE THEM?

### B1. INVESTMENTS

The principal objective of the Foundation's investment strategy is to maximise the financial return from investments within a framework of minimising the risk of capital losses. Minimisation of the risk of capital losses will be through diversification of the investment portfolio with prudent asset allocation.

	2023 \$	2022 \$
<b>Current investments</b>		
Term deposits (maturity greater than three months but less than 1 year)	308,045	-
<b>Total Current investments</b>	<u>308,045</u>	<u>-</u>
<b>Non-current investments</b>		
<i>Fair value through profit and loss</i>		
Managed funds	49,241,159	45,924,695
<b>Total Non-current investments</b>	<u>49,241,159</u>	<u>45,924,695</u>
<b>Total investments</b>	<u>49,549,204</u>	<u>45,924,695</u>

Income derived from investments and other financial assets are as follows:

	2023 \$	2022 \$
<b>Recognised in profit or loss</b>		
Interest on term deposits and cash at bank	157,178	16,973
Distribution income and imputation credits	2,763,191	1,351,949
Net change in fair value of units in managed funds	604,546	(4,031,221)
<b>Total net finance income/(loss)</b>	<u>3,524,915</u>	<u>(2,662,299)</u>

The Foundation adopts a conservative approach to managing the assets with the aim of generating medium term growth while protecting capital value. Investments in managed funds at 30 June 2023 are all held in the BlackRock Tactical Growth Fund and Schroders Real Return Fund – Professional Class as outlined below (*see C2 Financial Risk Management*).



## **B1. INVESTMENTS (continued)**

### **What are the relevant accounting policies?**

#### **Financial Instruments**

##### *Purchases of financial assets*

Financial assets are recognised by the Foundation on the trade date at which the Foundation becomes a party to the contractual provisions of the instrument.

At initial recognition, the Foundation measures a financial asset at its fair value plus transaction costs that are directly attributable to the asset's acquisition. The Foundation subsequently measures investments in managed funds at fair value.

The Foundation does not enter into transactions involving derivative instruments.

##### *Financial assets measured at fair value*

Investments in units in managed funds are measured at fair value and gains and losses on re-measurement are recognised in profit or loss. The fair value of these investments is determined using the unit price published by the fund manager at reporting date and/or by reference to the underlying instrument's quoted market price in an active market.

#### **Finance Income**

Finance income comprises interest income on funds invested, dividend and distribution income and movements in fair value of units in managed funds. Interest income is recognised as it accrues in profit and loss, using the effective interest method. Dividend and distribution income are recognised in profit and loss on the date that the Foundation's right to receive payment is established, which in the case of quoted securities is the ex-dividend or ex-distribution date.

## C. HOW DO WE MANAGE OUR RISK AND WORKING CAPITAL?

This section explains the risk that the Foundation is exposed to, the policies we apply to reduce those risks and provides the users with information on how we manage our working capital.

### C1. CAPITAL MANAGEMENT

The Foundation's objectives when managing capital are to:

- Safeguard our ability to continue as a going concern to continue to provide scholarships, and
- Maintain an optimal capital structure to support efficient and effective operations.

#### (i) Working Capital

	2023 \$	2022 \$
Current assets	5,840,541	7,619,622
Current liabilities	<b>(2,671,088)</b>	<b>(2,907,038)</b>
Net current assets	<b>3,169,453</b>	<b>4,712,584</b>

#### (ii) Current Assets

	2023 \$	2022 \$
Cash and cash equivalents		
<i>Cash at bank</i>		
Cash accounts	2,860,419	5,014,539
Interest bearing deposits (< 3 months term)	<b>2,569,489</b>	<b>2,421,693</b>
Total cash and cash equivalents	<b>5,429,908</b>	<b>7,436,232</b>

	2023 \$	2022 \$
Investments		
Interest bearing deposits (> 3 months terms)	B1 308,045	-
Total investments	<b>308,045</b>	-

	2023 \$	2022 \$
Other receivables		
Interest, dividends, rental bond and distributions receivable	80,827	170,673
Prepayments	<b>21,761</b>	<b>12,717</b>
Total other receivables	<b>102,588</b>	<b>183,390</b>

## C1. CAPITAL MANAGEMENT (continued)

### (iii) Current Liabilities

	2023	2022
	\$	\$
Trade and other payables	2,605,665	2,862,505
Employee entitlements	65,423	44,533
<b>Total Current Liabilities</b>	<b>2,671,088</b>	<b>2,907,038</b>

### (iv) Non-current Liabilities

	2023	2022
	\$	\$
Trade and other payables	1,460,000	1,752,500
Employee entitlements	57,148	46,803
<b>Total Non-current Liabilities</b>	<b>1,517,148</b>	<b>1,799,303</b>

#### *What are the relevant accounting policies?*

##### Financial assets measured at amortised cost

A financial asset is to be measured at amortised cost using the effective interest method and net of any impairment loss, where

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest.

The Foundation's investments in term deposits and its receivables are measured at amortised cost as set out below.

##### Cash and cash equivalents

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

##### Term Deposits

Term deposits consist of term deposits held at various financial institutions. At 30 June 2023, the term deposits had an average interest rate of 4.05%.

##### Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost. Other receivables are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Collectability of other receivables are reviewed on an ongoing basis and any receivables deemed unrecoverable are appropriately impaired.

##### Financial liabilities

The Foundation's liabilities comprise trade and other payables. The Foundation does not enter into transactions involving derivatives and thus has no derivative liabilities.

Trade and other payables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method. The Foundation derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

##### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Foundation prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually settled within 30 days of recognition. Liability for scholarship stipends that are committed but unpaid as at the end of the financial period are included in trade and other payables. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. The carrying amount of the payable is deemed to reflect fair value. The Foundation derecognises trade and other payables when its contractual obligations are discharged or cancelled or expire.

## C1. CAPITAL MANAGEMENT (continued)

### Employee entitlements

Liabilities for wages and salaries, including superannuation contributions and annual leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liability is settled. Included in the Employee expenses figure of \$883,663 (FY22: \$663,283) in the Statement of Surplus or Deficit and Other Comprehensive Income is \$68,832 (FY22: \$59,515) which represents the Foundation's contribution to Superannuation - Defined Contributions Plans paid on behalf of staff.

## C2. FINANCIAL RISK MANAGEMENT

The Foundation's activities expose it to a variety of financial risks: market risks (including price risk and interest rate risk) and liquidity risk. The Foundation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Foundation.

The Foundation provides payments to its Scholars in Australian dollars and therefore is not exposed to foreign currency risk on these payments. Scholarship stipends are reviewed from time to time, taking into account changes in tuition fees and other factors.

The Foundation holds the following financial instruments:

	2023 \$	2022 \$
<b>Financial assets</b>		
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	5,429,908	7,436,232
Other receivables (excluding prepayments)	80,827	170,673
Investments (maturity greater than three months but less than 1 year)	308,045	-
	<u>5,818,780</u>	<u>7,606,905</u>
<b>Financial assets measured at fair value through profit or loss</b>		
Investments	<u>49,241,159</u>	45,924,695
<b>Financial liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade and other payables		
Scholarship payments (i)	3,982,500	4,451,560
Other	205,736	254,781
	<u>4,188,236</u>	<u>4,706,341</u>

The Foundation has funds invested in Term Deposit and in the BlackRock Tactical Growth Fund and Schroders Real Return Fund – Professional Class.

The Foundation continues its conservative approach in managing its investments to generate medium term growth. The Investment, Audit and Risk Committee meets regularly to review the Foundation's investment performance.

- (i) The liability for scholarship payments of \$3,982,500 includes \$2,522,500 which is payable within 12 months and is included in current liabilities in C1 (iii).

## D. RESERVES

This section provides details of the reserves held, indicating the financial strength of the Foundation.

### D1. RESERVES AND RETAINED SURPLUS

	2023 \$	2022 \$
<b>Retained surplus</b>		
Balance at 1 July	9,800,942	13,904,181
Net surplus/(deficit) for the year	2,064,264	(1,603,239)
Funds transferred to endowment reserve	-	(2,500,000)
Balance at 30 June	<b>11,865,206</b>	9,800,942
<b>Other reserves and movements</b>		
<i>Endowment reserve</i>		
Balance at 1 July	39,040,000	36,540,000
Funds transferred from Retained surplus	-	2,500,000
Balance at 30 June	<b>39,040,000</b>	39,040,000
<b>Total Equity</b>		
Retained surplus	11,865,206	9,800,942
Endowment reserve	39,040,000	39,040,000
	<b>50,905,206</b>	48,840,942

#### *What are the relevant accounting policies?*

##### *Endowment reserve*

We recognise government grants in accordance with AASB 1058 *Income of NFP entities* which requires government grants to be recognised as revenue when received.

The Foundation's policy is to transfer funds received which are provided for the specific purpose of a perpetual scholarship from Retained surplus to Endowment reserve.

## E. OTHER INFORMATION

This section covers other information that is not directly related to items in the financial statements, including information about related party transactions, significant accounting policies not disclosed elsewhere and other statutory information.

### E1. RELATED PARTIES

#### Directors

The names of persons who were directors of the Foundation at any time during this financial year and unless otherwise indicated were directors for the entire period:

Name		Appointed	Ceased
Ms Jillian Segal AO	Chairman	21 November 2008	-
Mr Steven Skala AO	Deputy Chairman	17 May 2010	29 November 2022
Ms Lee Liberman AM	Deputy Chairman	10 December 2014	-
Ms Tonianne Dwyer		30 November 2020	-
Mr Stephen Gerlach AM		13 October 2011	-
Ms Carolyn Kay	Co-Chair, Investment, Audit and Risk Committee	1 January 2015	-
Dr Danielle Malek Roosa		29 November 2022	-
Mrs Jan McCahey	Co-Chair, Investment, Audit and Risk Committee	6 March 2012	-
Mr Peter Nash		30 November 2020	-
Dr Mark Schembri		29 February 2016	29 November 2022
Mrs Wendy Simpson OAM		8 December 2014	-
Professor Paul Wellings CBE		30 November 2020	-

#### Director and Key Management Personnel compensation

	2023	2022
	\$	\$
No income was paid or is payable to any director by the company and any related entity for their services as directors.	Nil	Nil
Employee entitlements	274,220	252,374

#### Directors and Related Entities

In 2011, Foundation Chairman Ms Jillian Segal AO formed the Chairman's Circle, a group of supporters which collectively funds at least one Scholarship each year. During the year, the directors contributed \$60,000 in support of the Chairman's Circle (2022: \$55,000). A director contributed a further \$360 in additional donations (2022: \$940).

Two directors have in the past donated to the Foundation's Endowment for the establishment of perpetual scholarships. The Foundation Chairman, Ms Jillian Segal AO and her husband Mr John Roth have established a perpetual scholarship, the Roth/Segal John Monash Harvard Scholarship for study at Harvard University. The Foundation Deputy Chairman, Ms Lee Liberman AM through the Lee Liberman Charitable Foundation has established the Lee Liberman John Monash Scholarship.

As with the other scholars, the selection of the scholars for the above Scholarships is recommended by the National Selection Panels for decision by the Board.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Foundation since the end of the previous financial year.

## E2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

---

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Reporting entity

The General Sir John Monash Foundation (“the Foundation”) is a not-for-profit company limited by guarantee. The address of the Foundation’s registered office is Bennelong House, 9 Queen Street, Melbourne, VIC 3000, Australia.

### Share capital

The Foundation is a company limited by guarantee and does not have share capital. If the Foundation is wound up, the Constitution states each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the Foundation. There were 53 members at 30 June 2023 (FY22: 53 members).

### Basis for preparation

The financial report is a Tier 2 general purpose financial report which has been prepared in accordance with the Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board (AASB) and Australian Charities and Not-for-profits Commission Act.

### Historical cost convention

The financial statements have been prepared on a historical cost basis, except those investments in units in managed funds are measured at fair value.

### Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Foundation’s functional currency.

### Critical accounting estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to use certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundations’ accounting policies. There are no critical accounting estimates and judgements as at 30 June 2023, apart from in relation to the Foundation’s revenue recognition (Note A1) where management have determined that control over such amounts is only established on receipt of the amounts into the Foundation’s bank account, and therefore non-reciprocal revenue is only recognised by the Foundation at this point and not prior, in accordance with *AASB 1058 Income of NFP Entities*.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### Income tax

The Foundation is a tax-exempt entity for the purposes of Division 50 of the Income Tax Assessment Act 1997. In addition, the Foundation is a rebateable employer for the purposes of section 65J of the Fringe Benefits Assessment Act 1986.

## E2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Employee provisions

A provision is made for the Foundation's liability for employee benefits arising from services rendered by employees to balance date as follows:

#### Short-term employee benefits

Employee benefits that are expected to be settled within one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

#### Long-term employee benefits

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of each reporting period. The Foundation provides for these benefits once an employee has had one year of continuous service.

### Lease commitments

The Foundation entered into a three-year non-cancellable lease rental agreement commencing 1 July 2019. The Foundation's lease obligation is at a peppercorn rate of \$1 per annum subject to the Foundation maintaining its Deductible Gift Recipient (DGR) status. The annual payment is not subject to annual review. During the financial year, the lease was renewed for a new three-year non-cancellable term to 30 June 2025 at the same peppercorn rate of \$1 per annum. Payments remaining under the lease is \$2 for FY23.

No significant restrictions on the use of the underlying assets have been identified by the Foundation. The Foundation has elected to exercise the option of not valuing the lease at fair value under AASB 16.

### Auditors' remuneration

	2023	2022
<b>Audit and review services</b>	<b>\$</b>	<b>\$</b>
Auditors of the Foundation – KPMG		
- Audit and review of financial statements	<b>25,385</b>	19,500
	<b>24,285</b>	19,500

### New standards and interpretations

A number of new or revised standards, amendments to standards and interpretations are effective for annual reporting period beginning after 1 July 2022 but they do not have material effect on the Foundation's financial statements.



## E3. INFORMATION AND DECLARATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING (NSW) ACT 1991 AND REGULATIONS

	2023	2022
	\$	\$
<b>Fundraising income</b>		
Fundraising and donations	1,100,919	4,101,365
Gross proceeds from fundraising appeals	<u>1,100,919</u>	<u>4,101,365</u>
<b>Fundraising costs</b>		
Fundraising, promotion and profiling expenses	(466,816)	(330,666)
Total costs of fundraising appeals	<u>(466,816)</u>	<u>(330,666)</u>
<b>Net surplus from fundraising appeals</b>	<u>634,103</u>	<u>3,770,699</u>
Applied as follows:		
<b>Indirect expenditure</b>		
Administration expenses	(371,951)	(264,470)
Total indirect expenditure	<u>(371,951)</u>	<u>(264,470)</u>
	<u>262,152</u>	<u>3,506,229</u>
<b>Reconciliation to Surplus/(Deficit) from operations</b>		
Scholarships and Scholar related expenses	(2,308,740)	(2,877,669)
Net finance income/(loss)	3,524,915	(2,662,299)
Other income	40,937	500
Government and Universities Funding	545,000	430,000
	<u>1,802,112</u>	<u>(5,109,468)</u>
<b>Surplus/(Deficit)</b>	<u>2,064,264</u>	<u>(1,603,239)</u>

### Events subsequent to reporting date

In the interval between the end of the financial year and the date of this report there has not been any adverse item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Foundation, to affect significantly the operations, the results of those operations, or the state of affairs of the Foundation, in future financial years. However, the Foundation continues to monitor the volatile economic and geopolitical environment.

# DIRECTORS' DECLARATION

---

In the opinion of the directors of The General Sir John Monash Foundation (the Foundation):

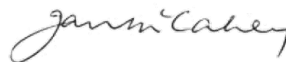
- (a) the financial statements and notes, set out on pages 2 to 18 are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and sections 23(1)(d) and 24B of the Charitable Fundraising Act (NSW) 1991, including:
  - i) giving a true and fair view of the Foundation's financial position as at 30 June 2023 and of its performance, for the financial year ended on that date; and
  - ii) complying with Australian Accounting Standards – Simplified Disclosures Framework and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNCR) and section 21 of the Charitable Fundraising Regulation (NSW) 2021; and
- (b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at Melbourne, 11<sup>th</sup> day of October 2023.



Ms Jillian Segal AO  
*Chairman*



Mrs Jan McCahey  
*Director and Co-Chair: Investment, Audit and Risk Committee*

# DECLARATION BY CHAIRMAN IN RESPECT OF FUNDRAISING APPEALS

---

I, Jillian Segal AO, Chairman of the General Sir John Monash Foundation, declare that in my opinion:

- 1) the financial statements give a true and fair view of all income and expenditure of the Foundation with respect to fundraising appeal activities for the financial year ended 30 June 2023;
- 2) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2023;
- 3) the provisions of the Charitable Fundraising Act (NSW) 1991 and Regulations and the conditions attached to the authority have been complied with for the financial year ended 30 June 2023; and
- 4) the internal controls exercised by the Foundation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

This declaration is made on 11 October 2023.



Ms Jillian Segal AO  
*Chairman*



# Independent Auditor's Report

To the members of General Sir John Monash Foundation

## Opinion

We have audited the **Financial Report**, of the General Sir John Monash Foundation (the Foundation).

In our opinion, the accompanying Financial Report of the Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991*, including:

- i. giving a true and fair view of the Foundation's financial position as at 30 June 2023, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards - Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022 (ACNCR)* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2023.
- ii. Statement of surplus or deficit and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Foundation.
- v. Declaration by the Chairman of the Foundation.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Foundation in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



## Other information

Other Information is financial and non-financial information in General Sir John Monash's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iii. Assessing the Foundation's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. 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.
- ii. 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 Foundation's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' 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 Foundation'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 Foundation to cease to continue as a going concern.
- v. 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 Directors of the registered Foundation 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.

KPMG

Kate Rowswell

Partner

Melbourne

11 October 2023