

Trinity College Foundation

ABN 80 463 885 316

Annual financial report for the year ended 31 December 2021

Trinity College Foundation ABN 80 463 885 316
Annual financial report - 31 December 2021

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Executive Committee's report

The Annual Financial Report for the year ended 31 December 2021 of Trinity College Foundation (the Foundation) is prepared by the Executive Committee of the Foundation and presented to the Trinity College Board.

Executive Committee of the Foundation

The following persons were Members of the Executive Committee of the Foundation during the whole or part of the financial year, unless otherwise stated:

Members:

Mr Ian Charles SOLOMON (Chair)
Ms Anna Christine A'BECKETT
Mr William Dean Trafford COWAN AM (retired 2 March 2021)
Ms Sophie Kirsten GARDINER
Ms Emma Louise HARRISON
Mr Mark Durham LESLIE (retired 23 April 2021)
Ms Annabel MYER (retired 4 May 2021)
Ms Amy Louise TENNENT
Mr Andrew William WILSON

Ex-Officio Members:

Mr Scott Macallister William CHARLES
Prof. Kenneth HINCHCLIFF
Ms Lynette Helen SHALLESS

Principal activities

The principal activities of the Foundation are to maintain the investment portfolio, provide disbursements of funds for the benefit of Trinity College and its students and to conduct fund raising activities. The Foundation was established in May 1983 as a public charitable trust to provide financial assistance to the Council of Trinity College to support the College in a range of areas. This financial support includes the preservation, development, and improvement of buildings; the purchase of real or personal property for the College; for teaching and scholarships, studentships, fellowships and bursaries, and for the construction of new buildings. The Foundation is committed to using its resources to enable exceptional students from diverse backgrounds, who otherwise would not have the means to join the College, to reach their full potential, and to have a profound positive effect on our society. The control, management and conduct of the affairs of the Foundation vests with the Executive Committee.

Executive Committee and Auditor's Indemnification

The Foundation has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Foundation:

- (a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

With the exception of the following matter:

During the financial year Trinity College has paid premiums to insure each of the Board and Committee Members (including the Executive Committee of the Foundation) against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director, other than conduct involving a willful breach of duty in relation to the College. The amount of the premium was \$3,843 (2020: \$3,969).

Review of operations

The Trinity College Foundation result for 2021 was a surplus of \$6.1m (2020: \$2.3m). The main components of this surplus can be summarised as follows:

	2021	2020
	\$'000	\$'000
Donations	1,890	2,405
Investment income	2,593	2,194
Gain on sale of investments	996	291
Fair value gains/(losses) through P&L	2,704	(638)
Disbursements	(1,954)	(1,896)
Administration	(83)	(77)
Operating surplus	6,146	2,279

Donations were received for a wide cross section of purposes, the three main categories being Teaching \$869k (2020: \$411k), Scholarships and bursaries \$606k (2020: \$1.65m) and Building fund \$220k (2020: \$9k). A further \$195k (2020: \$333k) of donations was received for other purposes (as set out in Note 8).

Disbursements in 2021 to Trinity College and its students totaled \$1.95m (2020: \$1.9m), primarily for Scholarships and bursaries \$1.23m (2020: \$1.04m), Teaching \$187k (2020: \$189k) and General Fund \$124k (2020: \$424k). Total disbursements for other purposes was \$418k (2020: \$243k).

The Trinity College Board has resolved to carry all fundraising costs as operating costs in the College. Consequently, the only administrative costs paid by the Foundation are those directly related to its annual audit and management of its investment portfolio. These costs amounted to \$83k for the 2021 year (2020: \$77k), representing 1.9% (2020: 1.7%) of the total income from continuing operations (See Note 2).

The Foundation's assets consist of externally managed investment funds and the loan to the College. The market value of the Foundation's holdings of externally managed investment funds at 31 December 2021 is \$48.5m (2020: \$39.6m). The overall return on the Foundation's investment portfolio for the 2021 year was 13.7% (2020: 3.7%). The Foundation met the benchmark portfolio return of CPI plus 5%, that is, 8.5% (2020: 5.9%) but was ahead of the long-term performance objective. The five-year return on the Foundation's investment portfolio to 31 December 2021 is 8.7%, which compares well against the benchmark portfolio for the same period, which returned 7.0%.

The Executive Committee of the Foundation, the Trinity College Board, Finance & Audit Committee and Investment Management Committee, together with the Foundation's advisors, JANA Investment Advisers Pty Ltd, closely monitor the fund managers and their performance and continue to review the policy on drawing down on funds for the College's use with the objective that the endowed funds are maintained in real terms over the long term.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Foundation during the year.

Matters subsequent to the end of the financial year

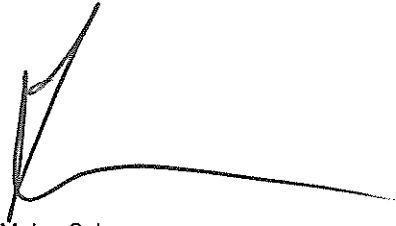
The ongoing fluctuation in the global share markets has resulted in a material impact on the market value of the Foundation's investment portfolio since 31 December 2021. As at the date of this report the value of the investments has decreased approximately by \$1.7m.

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or is likely to significantly affect:

- (a) the Foundation's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Foundation's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out on page 5.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Mr Ian Solomon
Chairman

Melbourne
23 March 2022

The Executive Committee
Trinity College Foundation
100 Royal Parade
Parkville VIC 3052

23 March 2022

Dear Members of the Executive Committee,

Trinity College Foundation

In accordance with the Subdivision 60-C of *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Executive Committee of the Trinity College Foundation.

As lead audit partner for the audit of the financial statements of the Trinity College Foundation for the financial year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Peter Glynn
Partner
Chartered Accountants

Trinity College Foundation ABN 80 463 885 316
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These financial statements are the financial statements of Trinity College Foundation as an individual entity. The financial statements are presented in and rounded to the nearest thousand Australian dollars.

Trinity College Foundation is a not-for-profit organisation, established in Australia. Its registered office and principal place of business is:

Trinity College Foundation
C/o Trinity College
100 Royal Parade
Parkville VIC 3052

A description of the nature of the Foundation's operations and its principal activities is included in the Executive Committee's report on page 2, which is not part of these financial statements.

The financial statements were authorised for issue by the Executive Committee on 23 March 2022.

Trinity College Foundation
Statement of profit and loss and other comprehensive income
 For the year ended 31 December 2021

	Notes	2021 \$'000	2020 \$'000
Revenue from continuing operations	2	4,483	4,599
Fair value gains/(losses) on financial assets at fair value through P&L	3	2,704	(638)
Net realised gain on sale of investments	3	996	291
Disbursements		(1,954)	(1,896)
Administration		(83)	(77)
Surplus for the year		6,146	2,279
Other Comprehensive income:		-	-
Total Comprehensive income for the year		6,146	2,279

Trinity College Foundation
Statement of financial position
31 December 2021

	Notes	2021 \$'000	2020 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	4	1,323	2,990
Trade and other receivables	5	322	711
Financial assets	6	2,000	3,000
Total current assets		3,645	6,701
Non-Current assets			
Financial assets	6	46,504	36,637
Trade and other receivables	5	5,707	5,650
Total non-current assets		52,211	42,287
Total assets		55,856	48,988
LIABILITIES			
Current liabilities			
Payables	7	(1,171)	(449)
Total current liabilities		(1,171)	(449)
Non-Current liabilities		-	-
Total non-current liabilities		-	-
Total liabilities		(1,171)	(449)
Net assets		54,685	48,539
FUNDS			
Accumulated funds	8	54,685	48,539
Accumulated surplus	10	-	-
Total funds		54,685	48,539

Trinity College Foundation
Statement of changes in equity
31 December 2021

	Accumulated funds	Accumulated surplus	Total funds
	\$'000	\$'000	\$'000
Balance at 1 January 2020	46,260	-	46,260
Total surplus for the year	-	2,279	2,279
Transfer of Funds	2,279	(2,279)	-
	<u>2,279</u>	<u>-</u>	<u>2,279</u>
Balance at 31 December 2020	<u>48,539</u>	<u>-</u>	<u>48,539</u>
Balance at 1 January 2021	48,539	-	48,539
Total surplus for the year	-	6,146	6,146
Transfer of Funds	6,146	(6,146)	-
	<u>6,146</u>	<u>-</u>	<u>6,146</u>
Balance at 31 December 2021	<u>54,685</u>	<u>-</u>	<u>54,685</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

1Trinity College Foundation
Statement of cash flows
For the year ended 31 December 2021

	2021	2020
Notes	\$'000	\$'000
Cash flows from operating activities		
Receipts from donations	1,890	2,405
Cash payments and transfers in the course of operations	(1,317)	(1,813)
Interest and investments income received	2,824	1,687
Net cash inflow from operating activities	3,397	2,279
11		
Cash flows from investing activities		
Payments for investments	(17,350)	(16,713)
Proceeds from sale of investments	12,236	19,291
Payments to related party - loan	50	(5,612)
Net cash (outflow) from investing activities	(5,064)	(3,034)
Cash flows from financing activities		
Net cash inflow from financing activities	-	-
Net increase in cash and cash equivalents		
	(1,667)	(755)
Cash and cash equivalents at the beginning of the financial year	2,990	3,745
Cash and cash equivalents at end of year	1,323	2,990
4		

The above statement of cash flows should be read in conjunction with the accompanying notes

Contents of the notes to the financial statements

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1. Summary of significant accounting policies

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

(a) Basis of preparation

(i) *Special purpose financial report*

In the Executive Committee's opinion, the Trinity College Foundation (Foundation) is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report prepared for distribution to the Members of the Executive Committee and for the purpose of fulfilling the requirements of the Trust Deed dated 25 May 1983 and to meet the requirements of the Public Ancillary Fund Guidelines 2011, and the *Australian Charities and Not-for-profits Commission Act 2012*. Trinity College Foundation is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and AASB 1054 'Australian Additional Disclosures.'

(ii) *Historical cost convention*

The financial statements are prepared in accordance with the historical cost convention, except for certain financial assets which are recognised at fair value.

(iii) *Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Executive Committee to exercise its judgement in the process of applying the Foundation's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(b) Revenue recognition

Revenue includes interest, investment income, donations and other revenue. Revenue is recognised at the fair value of the consideration received.

(i) *Interest and investment income*

Interest and investment income is recognised on an accrual basis when receivable.

(ii) *Donations and other fundraising revenue*

Donations are recognised as revenue when they are received.

(c) Income tax

No taxation has been applied against the operating surplus of the Trinity College Foundation as it is exempt from taxation in accordance with Section 50 5 of the *Income Tax Assessment Act 1997* as amended.

(d) Impairment of assets

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. There have been no such impairments in the current or previous financial periods.

1 Summary of significant accounting policies (continued)

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call which are subject to an insignificant risk of changes in value.

(f) Trade and other receivables

The Foundation does not trade and does not have trade receivables. The receivable at year end represents accrued investment income, received subsequent to year end as distributions from the externally managed investment funds. Franking credits are recognized when entitled (ex-dividend date) and the reimbursement is probable.

(g) Financial Instruments

Recognition and Derecognition

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification of Financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the entity may make the following irrevocable election / designation at initial recognition of a financial asset:

- The entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The entity may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. All financial assets are initially measured at fair value adjusted for transaction costs.

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories:

- Financial assets at amortised cost
- Financial assets at FVTPL

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

(ii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line.

1 Summary of significant accounting policies (continued)

(g) Financial Instruments (continued)

Impairment of financial assets

The entity recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, lease receivables, trade receivables, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Trade and other receivables and contract assets

The Foundation makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Foundation uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Financial liabilities

Financial liabilities at FVTPL

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

Financial liabilities measured subsequently at amortised cost

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

(h) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services.

(i) Goods and Services Tax (GST)

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 the expense item.

1. Summary of significant accounting policies (continued)

(j) New accounting standards and interpretations

In the current year, the College has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 January 2021.

Standard	Effective for annual reporting periods
AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2	Periods beginning on or after 1 January 2021

The application of these amendments did not have any material impact on the disclosures or the amounts recognised in the entity's financial statements.

New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the College has not applied any new or revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective.

Standard	Effective for annual reporting periods beginning on or after
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	Periods beginning on or after 1 July 2021
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date.	Periods beginning on or after 1 January 2022
AASB 2020-3 Amendments to Australian accounting Standards – Annual Improvements 2018-2020 and Other Amendments	Periods beginning on or after 1 January 2022
AASB 2020-9 - Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments	Periods beginning on or after 1 January 2022
AASB 2021-2 - Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	Periods beginning on or after 1 January 2023
AASB 2021-6 - Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	Periods beginning on or after 1 January 2023

The impact of adopting the above standards is currently being considered by the Directors of the entity.

2. Revenue

	2021 \$'000	2020 \$'000
From continuing operations		
Interest income	106	40
Investment income	2,487	2,154
Donations income	1,890	2,405
	4,483	4,599

3. Other Income and expenses

Fair value (losses)/gains on financial assets at fair value through P&L	2,704	(638)
Net gain on sale of investments	996	291
	3,700	(347)

4. Cash and cash equivalents

Cash at bank and in hand	1,323	2,990
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5. Trade and other receivables

Current - Other receivables	322	711
Non-current - Trinity College Loan (a)	5,707	5,650
	6,029	6,361

(a) Provided to Trinity College – this loan is for a term of 4 years and is interest bearing at BBSY plus 1.79%.

6. Financial assets

Current Financial assets – at amortised cost	2,000	3,000
Non-current - financial assets at fair value through P&L	46,504	36,637
Grand total Financial Assets	48,504	39,637

7. Payables

Trade payables	-	13
Trinity College Intercompany account	1,171	436
	1,171	449

8. Accumulated funds

<i>Movements in funds</i> \$'000	Building	General	Endowment	Teaching	Scholarship & Bursary	Art	Total
Balance 1 Jan 2020	340	4,351	5,654	9,906	24,013	1,996	46,260
Donations	9	332	1	411	1,652	-	2,405
Investment Income	4	125	170	404	986	81	1,770
Disbursements	(195)	(424)	(32)	(189)	(1,040)	(16)	(1,896)
Transfer	-	-	(597)	-	597	-	-
Balance 31 December 2020	158	4,384	5,196	10,532	26,208	2,061	48,539
Balance 1 Jan 2021	158	4,384	5,196	10,532	26,208	2,061	48,539
Donations	220	188	7	869	606	-	1,890
Investment Income	27	511	671	1,425	3,309	267	6,210
Disbursements	(186)	(124)	(155)	(187)	(1,225)	(77)	(1,954)
Transfer	-	-	-	-	-	-	-
Balance 31 December 2021	219	4,959	5,719	12,639	28,898	2,251	54,685

9. Remuneration of auditors

During the year the following fees were paid or accrued for services provided by the auditor.

The auditor of the entity is Deloitte Touche Tohmatsu.

	2021 \$'000	2020 \$'000
Audit of financial statements	13	13
Total remuneration for audit and other assurance services	<u>13</u>	<u>13</u>
Total remuneration of Auditor	13	13

10. Reserves and accumulated surplus

	2021 \$'000	2020 \$'000
Accumulated surplus		
Balance 1 January	-	-
Operating Surplus for the year	6,146	2,279
Transfer (to)/from accumulated funds	(6,146)	(2,279)
Balance at 31 December	<u>-</u>	<u>-</u>

11. Reconciliation of surplus to net cash inflow from operating activities

	2021	2020
	\$'000	\$'000
Surplus from ordinary activities	6,146	2,279
Non-cash revenue reinvested in investments	(53)	(37)
Fair value (gains) / losses on current financial assets taken through (Gain)/Loss on sale of investments	(2,704)	638
Accrued borrowing costs on related party loan	(996)	(291)
Transfer between funds	(107)	(38)
Change in operating assets and liabilities:	-	-
(Increase)/Decrease in other receivables	391	(469)
(Increase)/Decrease in related party loans	733	197
(Decrease) in payables and other creditors	(13)	-
Net cash inflow from operating activities	<u>3,397</u>	<u>2,279</u>

As stated in note 1(a) to the financial statements, in the Executive Committee's opinion, the Foundation is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet the requirements of the Trust Deed dated 25 May 1983, Public ancillary fund Guidelines 2011 and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in note 1.

In the Executive Committee's opinion:

- (a) the accompanying statement of financial position is drawn up so as to give a true and fair view of the state of affairs of Foundation as at 31 December 2021;
- (b) the accompanying statement of cash flows is drawn up to give a true and fair view of the movement in cash flows of the Foundation for the financial year ended 31 December 2021;
- (c) the accompanying statement of profit or loss and other comprehensive income is drawn up so as to give a true and fair view of the operating surplus of the Foundation and other comprehensive income for the year ended 31 December 2021; and
- (d) there are reasonable grounds to believe that Trinity College Foundation will be able to pay its debts as and when they become due and payable.



Ms Lynette Shalless
Honorary Treasurer

Melbourne

23 March 2022

Independent Auditor's Report to the Members of the Trinity College Foundation

Opinion

We have audited the financial report, being a special purpose financial report of the Trinity College Foundation (the "Entity"), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Executive Committee's declaration.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Entity's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & 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 also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Executive Committee's financial reporting responsibilities under the ACNC Act. Our report is intended solely for the members and the *Australian Charities and Not-for-profits Commission* (ACNC) and should not be distributed to or used by parties other than the members and the ACNC. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Executive Committee are responsible for the other information. The other information comprises the information included in the Executive Committee report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 and, in doing so, 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Committee for the Financial Report

The Executive Committee of the Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Executive Committee's responsibility also includes such internal control as the Executive Committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Executive Committee are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.

- Conclude on the appropriateness of the Executive Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- 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 Executive Committee 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.



DELOITTE TOUCHE TOHMATSU



Peter Glynn
Partner
Chartered Accountants
Melbourne, 30 March 2022