

Eskleigh Foundation Incorporated

Financial Statements

For the Year Ended 30 June 2023

Eskleigh Foundation Incorporated

Contents

For the Year Ended 30 June 2023

	Page
Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Board of Directors' Declaration	18
Auditor's Independence Declaration	19
Independent Audit Report	20

Eskleigh Foundation Incorporated

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2023

	2023	2022
	\$	\$
OPERATING REVENUE		
Fees	18,664,427	19,361,205
Government funding	3,224,199	4,099,198
Other operating revenue	203,182	179,869
Total operating revenue	<u>22,091,808</u>	<u>23,640,272</u>
OPERATING EXPENSES		
Employee benefits	(20,430,514)	(19,780,682)
Domestic	(911,082)	(1,000,963)
Property	(843,082)	(835,636)
Motor vehicles	(303,282)	(296,667)
Administration	(810,767)	(772,984)
Total operating expenses	<u>(23,298,727)</u>	<u>(22,686,932)</u>
Operating surplus/(deficit)	<u>(1,206,919)</u>	<u>953,340</u>
NON-OPERATING ITEMS		
Bequests and donations	30,835	54,739
Memberships	575	650
Interest	166,327	60,157
Gain/(loss) on disposal of fixed assets	4,680	(4,302)
Other non-operating income	-	174
	<u>202,417</u>	<u>111,418</u>
Net surplus/(deficit) for the year	<u>(1,004,502)</u>	<u>1,064,758</u>
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Revaluation changes for property, plant and equipment	-	2,552,148
Revaluation changes for art	-	65,505
Revaluation changes for shares	78,031	(213,317)
Other comprehensive income for the year	<u>78,031</u>	<u>2,404,336</u>
Total comprehensive income for the year	<u>(926,471)</u>	<u>3,469,094</u>

The accompanying notes form part of these financial statements.

Eskleigh Foundation Incorporated

Statement of Financial Position
As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,350,504	7,428,672
Trade and other receivables	5	1,795,861	2,512,400
Other financial assets	6	861,746	861,746
Term deposits		5,000,000	-
Prepayments		43,167	36,398
TOTAL CURRENT ASSETS		10,051,278	10,839,216
NON-CURRENT ASSETS			
Other financial assets	6	571,874	493,843
Property, plant and equipment	7	9,480,129	9,686,397
TOTAL NON-CURRENT ASSETS		10,052,003	10,180,240
TOTAL ASSETS		20,103,281	21,019,456
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	1,042,955	1,456,845
Lease liabilities		284,249	264,920
Provisions	9	1,677,390	1,406,777
TOTAL CURRENT LIABILITIES		3,004,594	3,128,542
NON-CURRENT LIABILITIES			
Lease liabilities		147,206	178,862
Provisions	9	369,895	203,996
TOTAL NON-CURRENT LIABILITIES		517,101	382,858
TOTAL LIABILITIES		3,521,695	3,511,400
NET ASSETS		16,581,586	17,508,056
EQUITY			
Reserves		6,795,228	6,717,197
Retained earnings		9,786,358	10,790,859
TOTAL EQUITY		16,581,586	17,508,056

The accompanying notes form part of these financial statements.

Eskleigh Foundation Incorporated

Statement of Changes in Equity
For the Year Ended 30 June 2023

2023

	Retained Earnings	Asset Revaluation Reserve	Operating Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2022	10,790,859	5,084,765	1,632,432	17,508,056
Net surplus for the year	(1,004,501)	-	-	(1,004,501)
Other comprehensive income				
Revaluation of investments	-	78,031	-	78,031
Balance at 30 June 2023	9,786,358	5,162,796	1,632,432	16,581,586

2022

	Retained Earnings	Asset Revaluation Reserve	Operating reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2021	9,726,102	2,680,429	1,632,432	14,038,963
Net surplus for the year	1,064,758	-	-	1,064,758
Other comprehensive income				
Revaluation of property, plant and equipment	-	2,552,148	-	2,552,148
Revaluation of art work	-	65,505	-	65,505
Revaluation of investments	-	(213,317)	-	(213,317)
Balance at 30 June 2022	10,790,859	5,084,765	1,632,432	17,508,056

The accompanying notes form part of these financial statements.

Eskleigh Foundation Incorporated

Statement of Cash Flows
For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	19,748,216	19,951,821
Payments to suppliers and employees	(23,187,187)	(22,992,822)
Interest received	155,280	38,726
Interest paid	-	(14,110)
Government funding received	3,600,364	3,723,033
Net cash provided by/(used in) operating activities	<u>316,673</u>	<u>706,648</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	19,050	30,455
Purchase of property, plant and equipment	(191,508)	(514,868)
Investment in term deposits	(5,000,000)	-
Net cash provided by/(used in) investing activities	<u>(5,172,458)</u>	<u>(484,413)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(222,383)	(181,217)
Net cash provided by/(used in) financing activities	<u>(222,383)</u>	<u>(181,217)</u>
Net increase/(decrease) in cash and cash equivalents held	(5,078,168)	41,018
Cash and cash equivalents at beginning of year	7,428,672	7,387,654
Cash and cash equivalents at end of financial year	4 <u><u>2,350,504</u></u>	<u><u>7,428,672</u></u>

The accompanying notes form part of these financial statements.

Eskleigh Foundation Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2023

The financial report covers Eskleigh Foundation Incorporated as an individual entity. Eskleigh Foundation Incorporated is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of Eskleigh Foundation Incorporated is Australian dollars.

The financial report was authorised for issue by those charged with governance on 31 October 2023.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from fees for services provided to clients is recognised upon billing of the service to the client. This generally occurs after the end of the relevant pay period when the number of hours of care provided to each client can be reliably determined. Government grants are recognised as revenue in the period in which control over the funding is obtained. Interest revenue is recognised on a proportional basis, taking into account the interest rates applicable to the financial assets. Other revenue items, including donations, bequests and fundraising are recognised on receipt.

(b) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, 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 Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

(d) Property, plant and equipment

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Motor Vehicles	20%
Computer Equipment	10% - 40%
Structural improvements	2.5% - 10%
Other equipment	7.5% - 30%
Art Collection	10%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Association has a number of strategic investments in listed entities which they do not have significant influence nor control. The Association has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables.

Notes to the Financial Statements
For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Leases

At inception of a contract, the Association assesses whether a lease exists.

Lessee accounting

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(h) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. 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.

A liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

(i) Change in accounting policy

There are no changes in accounting policies.

Notes to the Financial Statements
For the Year Ended 30 June 2023

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Fair value of property, plant and equipment

Assumptions and judgements are utilised in determining the fair value of the Association's property, plant and equipment.

Eskleigh Foundation Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	9,737	6,028
Bank balances	<u>2,340,767</u>	<u>7,422,644</u>
	<u>2,350,504</u>	<u>7,428,672</u>

5 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	1,556,097	1,757,203
Provision for impairment	<u>(20,000)</u>	<u>(40,000)</u>
	<u>1,536,097</u>	<u>1,717,203</u>
Accrued grant income	-	376,165
Accrued fees	220,562	390,877
Accrued interest	<u>39,202</u>	<u>28,155</u>
	<u>1,795,861</u>	<u>2,512,400</u>

6 Other Financial Assets

	2023	2022
	\$	\$
CURRENT		
Investments in managed funds - held at amortised cost	<u>861,746</u>	<u>861,746</u>
	<u>861,746</u>	<u>861,746</u>
NON-CURRENT		
Listed shares at fair value through other comprehensive income	<u>571,874</u>	<u>493,843</u>
	<u>571,874</u>	<u>493,843</u>
	<u>1,433,620</u>	<u>1,355,589</u>

Eskleigh Foundation Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2023

7 Property, plant and equipment

	2023	2022
	\$	\$
LAND AND BUILDINGS		
At fair value	8,453,068	8,435,000
Less accumulated depreciation	(161,478)	-
	8,291,590	8,435,000
Capital works in progress		
At cost	80,916	59,017
Structural improvements		
At cost	11,012	1,344
Less accumulated depreciation	(82)	-
	10,930	1,344
Total land and buildings	8,383,436	8,495,361
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,436,814	1,401,381
Less accumulated depreciation	(1,107,656)	(1,029,362)
	329,158	372,019
Motor vehicles		
At cost	38,356	-
Less accumulated depreciation	(1,723)	-
	36,633	-
Computer equipment		
At cost	861,675	835,662
Less accumulated depreciation	(697,207)	(627,125)
	164,468	208,537
Art collection		
At fair value	172,382	172,382
Less accumulated depreciation	(23,890)	-
	148,492	172,382
Total plant and equipment	678,751	752,938

Eskleigh Foundation Incorporated

Notes to the Financial Statements
For the Year Ended 30 June 2023

7 Property, plant and equipment

RIGHT-OF-USE

	2023	2022
	\$	\$
Motor Vehicles		
At cost	682,433	697,459
Accumulated depreciation	(359,246)	(270,177)
	323,187	427,282
Computer Equipment		
At cost	-	35,875
Accumulated depreciation	-	(25,059)
	-	10,816
Buildings		
At cost	99,742	-
Accumulated depreciation	(4,987)	-
	94,755	-
Total right-of-use	417,942	438,098
Total property, plant and equipment	9,480,129	9,686,397

Eskleigh Foundation Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2023

7 Property, plant and equipment

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Capital Works in Progress	Land and buildings	Structural improvements	Plant and Equipment	Motor Vehicles	Computer Equipment	Art Collection	Right-of-Use - Motor Vehicles	Right-of-Use - Computer Equipment	Right-of-Use Buildings	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2023											
Opening balance	59,017	8,435,000	1,344	372,019	-	208,537	172,382	427,282	10,816	-	9,686,397
Additions	21,899	18,068	9,668	62,938	38,356	40,578	-	166,163	-	99,742	457,412
Disposals	-	-	-	(3,884)	-	(10,685)	-	(55,650)	-	-	(70,219)
Depreciation	-	(161,478)	(82)	(101,915)	(1,723)	(73,962)	(23,890)	(214,608)	(10,816)	(4,987)	(593,461)
Closing balance	80,916	8,291,590	10,930	329,158	36,633	164,468	148,492	323,187	-	94,755	9,480,129

Notes to the Financial Statements

For the Year Ended 30 June 2023

7 Property, plant and equipment

(b) Fair Value Measurement

The Association measures the following property, plant and equipment at fair value on a recurring basis:

Land and Buildings

Land and building valuations were carried out by independent valuer Opteon Property Group Pty Ltd as at 30 June 2022. Consideration has been given by the Valuers to recent transactions of comparable properties. However, some properties did not have any comparable recent transactions.

In the absence of a comparable property, a Depreciated Replacement Cost valuation method has been used.

Art Collection

The Art Collection valuation was carried out by independent valuer Alexandra Wilcox, Australian Art Valuers, at 30 June 2022. The valuation was completed for insurance purposes, with the valuation based upon prevailing primary and secondary art market conditions. The insurance value is the replacement value from a commercial gallery, or for a similar item to be commissioned.

8 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	93,166	477,468
Sundry creditors and accruals	680,213	804,403
GST collected	76,926	42,894
Grant funding repayable	110,344	-
Other payables	82,305	132,079
	<u>1,042,954</u>	<u>1,456,845</u>

Notes to the Financial Statements
For the Year Ended 30 June 2023

9 Provisions

	2023	2022
	\$	\$
CURRENT		
Annual leave	1,534,309	1,292,474
Long service leave	143,081	114,303
	<u>1,677,390</u>	<u>1,406,777</u>
	2023	2022
	\$	\$
NON-CURRENT		
Long service leave	369,895	203,996
	<u>369,895</u>	<u>203,996</u>

	Total provisions
	\$
Analysis of provisions	
Opening balance at 1 July 2022	1,474,367
Additional provisions	1,465,082
Provisions used	(892,164)
Balance at 30 June 2023	<u><u>2,047,285</u></u>

10 Reserves

(a) Asset Revaluation Reserve

The asset revaluation reserve records unrealised revaluation increments or decrements on non-current assets including freehold land and buildings, artwork and listed shares. Where a previously revalued asset is disposed of, the amount in the asset revaluation reserve related to that asset is transferred back to the accumulated funds.

(b) Operating Reserve

Eskleigh Foundation Incorporated has developed and adopted a Financial Management Policy. The purpose of this policy is to ensure Eskleigh Foundation Incorporated keeps accurate financial records, submits annual reports, undertakes an annual audit and at all times is an organisation with sound financial probity. One aspect of the policy related to the creation of an Operating Reserve. The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. Operating Reserves are not intended to replace a permanent loss of funds or to eliminate an ongoing budget gap. Operating Reserves used are to be replenished as soon as that becomes feasible. The Operating Reserve Fund is defined as the designated fund set aside by action of the Board.

The Operating Reserve fund will be funded with surplus, unrestricted, operating funds. The Board may from time to time direct that a specific source of revenue be set aside for Operating Reserves. Examples could include one-time gifts or bequests, special grants, or special appeals.

Notes to the Financial Statements
For the Year Ended 30 June 2023

11 Financial Risk Management

		2023	2022
		\$	\$
Financial assets			
Held at amortised cost			
Cash and cash equivalents	4	2,350,504	7,428,672
Trade and other receivables	5	1,795,861	2,512,400
Investments in managed funds	6	861,746	861,746
Term deposits		5,000,000	-
Fair value through OCI			
Shares in listed companies	6	571,874	493,843
Total financial assets		10,579,985	11,296,661
Financial liabilities			
Financial liabilities measured at amortised cost			
Trade and other payables	8	1,042,954	1,456,844
Total financial liabilities		1,042,954	1,456,844

Financial assets and liabilities measured at fair value

Some of the Association's financial assets and liabilities are measured at fair value at the end of each reporting period. The following provides information about how the fair value of these financial assets and liabilities are determined:

Cash, Term deposits and Investments in managed funds

Carrying value approximates fair value as they have a short term to maturity or are receivable on demand

Account receivables

Carrying amount approximates fair value as they are short term in nature

Shares in listed companies

Quoted bid prices in an active market

Trade and other payables

Carrying amount approximates fair value as they are short term in nature

12 Members' Guarantee

The Association is registered with the *Australian Charities and Not-for-profits Commission Act 2012* and is a Association limited by guarantee. Each member is indemnified out of the assets of the Association against all losses and other liabilities incurred providing no act or omission that was not in good faith and no wilful breach was committed. At 30 June 2023 the number of members was 26 (2022: 26).

13 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Association is \$ 707,705 (2022: \$ 899,486).

Eskleigh Foundation Incorporated

Notes to the Financial Statements For the Year Ended 30 June 2023

14 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration paid/payable to the auditor Newton & Henry Pty Ltd for the audit of the financial statements	16,960	16,000
Remuneration paid/payable to the auditor Newton & Henry Pty Ltd for other services	4,770	4,500
	<u>21,730</u>	<u>20,500</u>

Other services include assistance with preparation of the financial statements

15 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2023 (30 June 2022: none).

16 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

17 Employee benefits

	2023	2022
	\$	\$
Defined contribution plans		
Amount recognised as an expense for defined contribution plans	1,677,577	1,572,268

Eskleigh Foundation Incorporated

Board of Directors' Declaration

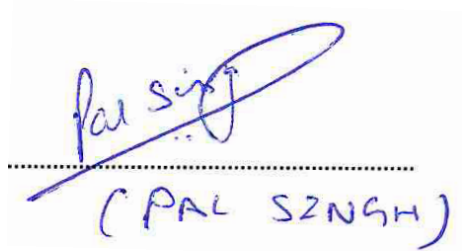
The Board of Directors declare that in their opinion:

- there are reasonable grounds to believe that Eskleigh Foundation Incorporated is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2022*.



Chair



Treasurer

Dated 15 November 2023

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

To the Directors of Eskleigh Foundation Incorporated

As auditor for the audit of Eskleigh Foundation Incorporated for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Newton & Henry

Newton & Henry



Andrew Gray
Partner

Launceston

15 November 2023

Independent Audit Report to the members of Eskleigh Foundation Incorporated

Opinion

We have audited the financial report of the Eskleigh Foundation Incorporated (the Foundation), which comprises the Statement of Financial Position as at 30 June 2023, 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, notes to the financial statements and the Declaration by the Board of Directors.

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 Act 2012*, including:

- (i) giving a true and fair view of the Foundation's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with *Australian Accounting Standards – Simplified Disclosure Standard* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 Foundation in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (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.

Responsibilities of Board of Directors for the Financial Report

The Board of Directors of the Foundation are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards – Simplified Disclosure Standard* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Board of Directors 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 Board of Directors are responsible for assessing the Foundation ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors 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 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 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 the 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 Foundation internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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 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 Foundation 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 Board of Directors 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Newton & Henry

Newton & Henry



Andrew Gray
Partner

Launceston
15 November 2023