

**SUNDALE COMMUNITY FOUNDATION
PUBLIC ANCILLARY FUND**

ABN 19 593 102 085

**SPECIAL PURPOSE FINANCIAL REPORT
For the year ended 30 June 2019**

**SUNDALE COMMUNITY FOUNDATION
PUBLIC ANCILLARY FUND**

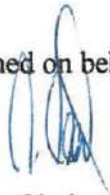
TRUSTEE'S DECLARATION

The Directors of the Trustee company, Sundale Community Foundation, declare that the Sundale Community Foundation Public Ancillary Fund ("the Fund") is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements. The Directors of the Trustee company acknowledge and understand their responsibilities for the preparation of the financial report and maintenance of the underlying accounting records for the Fund.

In the opinion of the Directors of the Trustee company:

- a) the financial statements and notes set out on pages 2 to 8 present fairly the financial position of the Fund as at 30 June 2019 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- b) at the date of this statement there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- c) all expenditure transactions recorded in the accounting records of the Fund represent expenditure necessarily incurred in the pursuit of the Fund's objectives.

Signed on behalf of the Directors of the Trustee company:



Alan Clark
Secretary

18 November 2019

**SUNDALE COMMUNITY FOUNDATION
PUBLIC ANCILLARY FUND**

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<i>Income</i>		
Dividends	15,085.74	8,756.53
Trust distributions	701.08	-
Donations / gifts	3,000.00	3,000.00
Interest	280.53	1,420.74
Unrealised gains in investment holdings	13,154.12	13,993.50
	32,221.47	27,170.77
 <i>Expenditure</i>		
Portfolio management fees	2,605.96	2,528.94
Loss on disposal of investment holdings	3,473.80	-
	6,079.76	2,528.94
 Surplus / (deficit) before income tax expense	 26,141.71	 24,641.83
Income tax expense	-	-
	-	-
 Surplus / (deficit) for the year	 26,141.71	 24,641.83

The accompanying notes form part of these financial statements.

**SUNDALE COMMUNITY FOUNDATION
PUBLIC ANCILLARY FUND**

**BALANCE SHEET
AS AT 30 JUNE 2019**

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents		
- Bendigo Bank bank account	11,775.59	8,637.31
- ANZ Bank cash management account	14,490.50	6,658.39
	<u>26,266.09</u>	<u>15,295.70</u>
Accrued interest receivable	12.43	9.71
Total Current Assets	<u>26,278.52</u>	<u>15,305.41</u>
Non-Current Assets		
Financial assets		
- Share portfolio in ASX listed entities	271,110.10	255,941.50
Total Non-Current Assets	<u>271,110.10</u>	<u>255,941.50</u>
Total Assets	<u>297,388.62</u>	<u>271,246.91</u>
LIABILITIES		
Current Liabilities		
Payables	-	-
Total Current Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Net Assets	<u>297,388.62</u>	<u>271,246.91</u>
FUND EQUITY		
Settlement sum	10.00	10.00
Retained earnings		
- brought forward	271,236.91	246,595.08
- surplus / (deficit) for the year	26,141.71	24,641.83
	<u>297,378.62</u>	<u>271,236.91</u>
Total Fund Equity	<u>297,388.62</u>	<u>271,246.91</u>

The accompanying notes form part of these financial statements.

**SUNDALE COMMUNITY FOUNDATION
PUBLIC ANCILLARY FUND**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Donations / gifts	3,000.00	3,000.00
Financial assets revenue	15,786.82	8,756.53
Interest	277.81	1,417.17
Portfolio management fees	(2,605.96)	(2,528.94)
Net cash provided by operating activities	16,458.67	10,644.76
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of investment holdings	72,949.57	-
Payments for investment holdings	(78,437.85)	(172,762.30)
Net cash provided from investing activities	(5,488.28)	(172,762.30)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	-
Net cash provided by financing activities	-	-
Increase / (decrease) in cash held	10,970.39	(162,117.54)
Cash at the beginning of the year	15,295.70	177,413.24
Cash at the end of the year	26,266.09	15,295.70

The accompanying notes form part of these financial statements.

**SUNDALE COMMUNITY FOUNDATION
PUBLIC ANCILLARY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 1: Summary of Significant Accounting Policies

Special purpose financial report

In the Trustee's opinion, Sundale Community Foundation Public Ancillary Fund ("the Fund") 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 for the purpose of fulfilling the financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* and must not be used for any other purpose.

The financial report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and contains only those disclosures considered necessary by the Trustee.

The financial report, except for the statement of cash flows, has been prepared on an accruals basis and is based on historical costs unless otherwise stated.

The financial report has been prepared on a going concern basis which contemplates the continuity of normal operational activities and the realisation of assets and discharge of liabilities in the ordinary course of these activities. Normal operating activities are dependent upon the sourcing of income through donations and investment returns which the Trustee has assessed as being a reasonable assumption upon which to prepare the financial report on a going concern basis.

Accounting policies

The following significant accounting policies, which are consistent with the previous year unless otherwise stated, have been adopted in the preparation of the financial statements.

a) Income

Income is measured at the fair value of the consideration received or receivable.

Financial assets revenue comprises dividends and distributions which are recognised when deposited to the Fund's investment portfolio cash management account.

Donations, gifts and interest are recognised when received.

b) Expenditure

Expenditure represents liabilities for goods or services provided to the Fund and are recognised upon incurrence of the liability and the receipt of an invoice.

c) Income tax

No provision for income tax has been recognised as the Trustee has assessed the Fund as being exempt from income tax under Subdivision 50-B of the *Income Tax Assessment Act 1997*.

**SUNDALE COMMUNITY FOUNDATION
PUBLIC ANCILLARY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 1: Summary of Significant Accounting Policies (continued)

d) Cash and cash equivalents

Cash includes cash on hand, cash at bank and funds held in term deposits and cash management accounts that are readily convertible to cash on hand with an insignificant risk of change in value, which are used in the Fund's cash management strategy.

e) Receivables

Trade and other debtors are recognised at the amounts receivable as they are due for settlement within 30 days. Collectability of trade debtors is reviewed on an ongoing basis.

f) Financial assets

Initial recognition and measurement

Financial assets are recognised when the Fund becomes a party to the contractual provisions of the instrument, being the date that the Fund commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, where the instrument is classified 'at fair value through profit or loss' in which case transactions costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction of impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction cost and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

**SUNDALE COMMUNITY FOUNDATION
PUBLIC ANCILLARY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 1: Summary of Significant Accounting Policies (continued)

f) Financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Fund's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**SUNDALE COMMUNITY FOUNDATION
PUBLIC ANCILLARY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 1: Summary of Significant Accounting Policies (continued)

f) Financial assets (continued)

Impairment

At the end of each reporting period, the Fund assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised as an expense in profit or loss.

g) Payables

Payables represent liabilities for goods or services provided to the Fund prior to the end of the financial year and which remain unpaid.

h) Goods and Services Tax (GST)

The Fund is not registered for GST. As such, all income and expenditure items are stated inclusive of any applicable amount of GST.

Note 2: Settlement Sum

The amount paid by the Founder to the Trustee to hold on trust for the Fund.

Note 3: Cash Flow Information

Reconciliation of surplus / (deficit) for the year

	2019	2018
	\$	\$
Surplus / (deficit) for the year	26,141.71	24,641.83
Non-cash transactions		
Unrealised gains in investment holdings	(13,154.12)	(13,993.50)
Loss on disposal of investment holdings	3,473.80	-
Changes in assets and liabilities		
(Increase) / decrease in receivables	(2.72)	(3.57)
Cash at the end of the year	16,458.67	10,644.76

Note 4: Matters Subsequent to the end of the Financial Year

No matter or circumstances have arisen since the end of the year that has 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 years subsequent to 30 June 2019.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SUNDALE COMMUNITY FOUNDATION PUBLIC ANCILLARY FUND**

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Sundale Community Foundation Public Ancillary Fund ("the Fund") which comprises the Balance Sheet as at 30 June 2019, the Income and Expenditure Statement and 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 Trustee's Declaration.

In our opinion, the accompanying financial report has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including

- a) giving a true and fair view of the Fund's financial position as at 30 June 2019, and of its financial performance and its cash flows for the year then ended; and
- b) 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 the audit report.

We are independent of the Fund in accordance with the ethical requirements of Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

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

Responsibilities of the Trustee for the Financial Report

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SUNDALE COMMUNITY FOUNDATION PUBLIC ANCILLARY FUND
(continued)**

The Trustee is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibility 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:

- a) 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 controls;
- b) Obtain an understanding of internal controls 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 controls;
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee;
- d) Conclude on the appropriateness of the Trustee'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 Fund'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; and
- e) 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 Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.



Levert Audit Pty Ltd



Simon Green CA
Registered Company Auditor (no. 280751)

Nambour, 18 November 2019