

**SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2019**

**SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213**

CONTENTS

Directors' Report

Comprehensive Income Statement

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Accounts

Detailed Profit & Loss Statement

Directors' Declaration of the Trustee Company

Independent Auditors' Report

SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213

DIRECTORS' REPORT AT 30 JUNE 2019

The Directors' present their report together with the Financial Statements, on the Company for the year ended 30 June 2019.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Nicole Smith (Chair)
David Allen (Public Officer)
Sonia Carnevale (Treasurer) - Resigned 2 April 2019
Shelley Boyce

Principal Activities

The principal activity of the company during the year was that of philanthropy. There has been no change to the principal activities of the company during the year.

Review of Operations

The surplus/(deficit) of the company for the financial year, after providing for income tax amounted to:

2019	331,140.83
2018	19,814.72

Likely Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

Meeting of Directors

During the year 6 Directors' meetings were held.

**SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213**

**AUDITORS' INDEPENDENCE DECLARATION TO THE DIRECTORS OF
SOUTHERN HIGHLANDS FOUNDATION**

In accordance with section 307C of the Corporations Act 2001, as auditor for the review of Southern Highlands Foundation for the year ended 30 June 2019, to the best of my knowledge and belief, there have been:

- no contraventions of the Auditor independence requirements of the Corporations Act 2001 in relation to the review; and;
- no contraventions of any applicable code of professional conduct in relation to the review.

Geoffrey C Wood
Chartered Accountant



Geoffrey C Wood

Dated this 30th day of November 2019.
BOWRAL

SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213

COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
Surplus/(Deficit) for the year	331,140.83	19,814.72
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit and loss	-	-
Items that will be reclassified subsequently to profit and loss when specific conditions are met	-	-
Total other comprehensive income for the year, net of income tax	-	-
Total comprehensive surplus/(deficit) for the year	331,140.83	19,814.72
Total comprehensive surplus/(deficit) attributable to the Members' of the entity	331,140.83	19,814.72

This statement should be read in conjunction with the attached Notes to the Financial Statements

SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	476,610.46	152,629.77
Receivables	3	19,414.62	13,541.71
Other Assets	5	1,152.07	961.12
TOTAL CURRENT ASSETS		497,177.15	167,132.60
NON-CURRENT ASSETS			
Financial assets	6	310,401.50	309,478.80
TOTAL NON-CURRENT ASSETS		310,401.50	309,478.80
TOTAL ASSETS		807,578.65	476,611.40
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	40.00	213.58
TOTAL CURRENT LIABILITIES		40.00	213.58
TOTAL LIABILITIES		40.00	213.58
NET ASSETS		807,538.65	476,397.82
EQUITY			
Retained earnings		807,538.65	476,397.82
TOTAL EQUITY		807,538.65	476,397.82

SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained earnings \$	Total \$
Balance at 1 July 2017	456,583.10	456,583.10
Other comprehensive income for the year, net of tax (Deficit) after income tax expense for the year	19,814.72 -	19,814.72 -
Total comprehensive income for the year	<u>19,814.72</u>	<u>19,814.72</u>
Balance at 30 June 2018	<u><u>476,397.82</u></u>	<u><u>476,397.82</u></u>
Balance at 1 July 2018	476,397.82	476,397.82
Other comprehensive income for the year, net of tax (Deficit) after income tax expense for the year	331,140.83 -	331,140.83 -
Total comprehensive income for the year	<u>331,140.83</u>	<u>331,140.83</u>
Balance at 30 June 2019	<u><u>807,538.65</u></u>	<u><u>807,538.65</u></u>

SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		-	250.00
Donations/Grants Received		398,713.57	1,115.00
Payments to Suppliers	-	6,416.93	- 146,228.26
Donations/Grants Made	-	70,135.00	-
Tax Refund		903.00	793.00
Interest Received		916.05	1,392.39
Net cash from/(used in) Operating Activities	10	<u>323,980.69</u>	<u>- 142,677.87</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash from Financing Activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		323,980.69	- 142,677.87
Cash and cash equivalents at the beginning of the financial year		152,629.77	295,307.64
Cash and cash equivalents at the end of the financial year	2	<u><u>476,610.46</u></u>	<u><u>152,629.77</u></u>

SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213

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

The financial report covers Southern Highlands Foundation as an individual entity. The financial report is presented in Australian dollars which is the Southern Highlands Foundation's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the Directors' declaration.

Southern Highlands Foundation is a non-for-profit unlisted public company limited by guarantee.

The financial report was authorised for issue, in accordance with a resolution of Directors. The Directors have the power to amend and reissue the financial report.

1 Significant Accounting Policies

The principal accounting policies adopted in the presentation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The measurement bases are more fully described in the accounting policies below.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and the Corporations Act 2001. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Revenue Recognition

Revenue comprises revenue from the sale of goods, grants, fundraising activities and client contributions. Revenue is measured by reference to the fair value of consideration received or receivable by the company for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Group's different activities have been met. Details of the activity-specific recognition criteria are described below.

Sale of Goods

Revenue from the sale of goods comprises revenue earned from the sale of goods donated and purchased for resale. Sales revenue is recognised when the control of goods passes to the customer.

SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213

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

Grants

A number of the Group's programs are supported by grants received from the federal, state and local governments and other charitable foundations. If conditions are attached to a grant which must be satisfied before the Group is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year-end until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Group obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the Group receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Donations and Bequests

Donations collected, including cash and goods for resale, are recognised as revenue when the Group gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Group becomes legally entitled to the shares or property.

Interest revenue

Interest revenue is recognised as it is received and not using the effective interest method. This method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset, is not used as the Directors' do not believe it would add value to the report.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Operating Expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213

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

Income Tax

No provision for income tax has been raised as the Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213

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

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)
- Held-to-maturity (HTM) investments
- Available-for-sale (AFS) financial assets

All financial assets except for those at fair value through profit or loss (FVTPL) are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial

asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below. All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

The company only holds Financial assets at fair value through profit or loss.

Available-for-sale (AFS) financial assets

Available-for-sale (AFS) financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's AFS financial assets include listed securities. All available-for-sale (AFS) financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Reversals of impairment losses for AFS debt securities are recognised in profit or loss if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For AFS equity investments impairment reversals are not recognised in profit loss and any subsequent increase in fair value is recognised in other comprehensive income.

Contingent Assets & Liabilities

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213

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

	2019	2018
	\$	\$
2 Cash and cash equivalents		
CBA Society Cheque Account	935.96	2,294.97
CBA Interest Bearing Account	175,674.50	40,119.93
CBA Interest Bearing Account	-	110,214.87
CBA Term Deposit	300,000.00	-
	476,610.46	152,629.77
3 Receivables		
Distributions Receivable (Managed Fund)	19,414.62	13,541.71
	19,414.62	13,541.71
4 Plant and Equipment		
5 Other Assets		
Current		
GST Refund	62.07	58.12
Imputation Credits Refund	1,090.00	903.00
	1,152.07	961.12
6 Financial Assets		
Non-Current		
<i>Available-for-sale (AFS) financial assets:</i>		
Shares in Unlisted Companies	10.00	10.00
Managed Funds	310,391.50	309,468.80
	310,401.50	309,478.80
7 Trade and Other Payables		
Current		
Trade Creditors	40.00	213.58
	40.00	213.58

SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213

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

	2019	2018
	\$	\$
8 Other Liabilities		
9 Financial Instruments		
Market Risk		
<i>Interest Rate Risk</i>		
The company is not exposed to any significant interest rate risk.		
10 Reconciliation of Result for the year to Cash flows from Operating Activities		
Surplus/(Deficit) for the year	331,140.83	19,814.72
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Non-cash Income	(24,024.58)	(16,670.11)
Movement in Net Market Value	16,138.97	(12,054.70)
Depreciation/Loss on Write off of Assets		
Changes in Assets and Liabilities:		
Decrease/(increase) in Other Assets	899.05	1,546.81
(Decrease)/Increase in Payables	(173.58)	(135,314.59)
Rounding		
Cash flow from operations	323,980.69	(142,677.87)

11 Contingent Liabilities

Apart from the company operating in its own right, the company acts as trustee for the Southern Highlands Foundation Trust (the trust). As trustee, the company is liable for the liabilities of the trust. However, the trust had sufficient assets to pay these liabilities at the reporting date and the company does not anticipate that there will be a shortfall or a going concern issue in the foreseeable future.

No assets or liabilities of the trust were recognised in these financial statements.

The company had no contingent liabilities as at 30 June 2019 and 30 June 2018.

12 Commitments for Expenditure

The company had no commitments for expenditure as at 30 June 2019 and 30 June 2018.

**SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213**

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

**2019
\$**

**2018
\$**

13 Related Party Transactions

Transactions with related parties

There were no transactions with related parties during the financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the reporting date.

Loans to/from related parties

There were no loans to or from related parties at the reporting date.

14 Events Occurring After Reporting Date

Other than for the matter referred to in Note 14, no matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213

DETAILED PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Income		
Donations	11,930.30	1,115.00
Grants Received	386,783.27	-
Interest Income	916.05	1,392.39
Investment Income	24,024.58	16,670.11
Movement in Net Market Value	- 16,138.97	12,054.70
Sales	-	227.27
Total Income	407,515.23	31,459.47
Expenditure		
Auditor's Remuneration	800.00	800.00
Bank Charges	1.00	50.61
Computer Expenses	73.20	-
Filing Fees	-	87.00
Fines & Penalties	-	323.00
Grants	70,135.00	5,000.00
Insurance	2,395.30	2,425.15
Internet Expenses	120.00	120.00
Light & Power	300.00	300.00
Merchant Fees	-	405.00
Postage	118.18	115.45
Subscriptions	1,784.90	1,549.54
Telephone	436.32	445.42
Water	-	23.58
Website Costs	210.50	-
	76,374.40	11,644.75
Profit/(Loss) for the year	331,140.83	19,814.72

**SOUTHERN HIGHLANDS FOUNDATION
ABN 16 098 283 213**

DIRECTORS' DECLARATION

In the Directors' opinion:

- The attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and;
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

David F. Allen

Director

Cherling Bayce

Director

Dated this 28th day of February 2020.

SOUTHERN HIGHLANDS FOUNDATION

ABN 16 098 283 213

Independent audit report to the members of the Southern Highlands Foundation

Report on the audit of the financial report

Qualified Opinion

I have audited the accompanying financial report of Southern Highlands Foundation (the company), which comprises the Income Statement, Comprehensive Income Statement, Statement of Financial Position, Statement of Changes In Equity, Statement of Cash Flows, Notes To The Financial Statements and the Directors Declaration.

In my opinion except for the matters relating to donations referred to below in my Basis of Opinion paragraph, the accompanying financial report of the company for the year ended 30 June 2019 is prepared, in all material respects, in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis of Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial report section of my report. I am independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the code.

I confirm the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this audit report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Donations are a significant source of revenue for the company. As is common for organisations of this type, it is not practicable for Southern Highlands Foundation to maintain an effective system of internal control over donations and other fundraising activities until their initial entry into the accounting records. Accordingly, as the evidence available to use regarding revenue from this source is limited, my procedures with respect to donations has to be restricted to the amounts recorded in the financial records. I therefore, am unable to express an opinion whether the donations the company obtained are complete.

Responsibilities of Director's for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine are necessary to enable the preparation of the financial report that gives a true and fair view from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibility for the Audit of the Financial Report

My 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 auditors' report that includes my 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 report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director'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 company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditors' report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditors' report. However, future events or conditions may cause the company 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.

I communicate with the 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 I identify during my audit.

I also provide the directors with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Name of Firm: Geoffrey C Wood

Name of Partner: 
Geoffrey C Wood

Address: 7 Spring Street, Mittagong NSW

Dated this 27th day of February 2020