

The Financial Markets Foundation for Children

ACN 050 033 835

(The trustee company for the Financial Markets Foundation for Children Trust)

Financial Report For the year ended 30 June 2018

**The Company's registered office is:
67 Fitzroy Street
SURRY HILLS NSW 2010**

The Financial Markets Foundation for Children (the trustee company for the Financial Markets Foundation for Children Trust) is a company limited by guarantee, incorporated and domiciled in Australia.

Financial Report – 30 June 2018

Contents

Directors' Report	1
Auditor's Independence Declaration	4
Statement of Comprehensive Income	5
Balance Sheet	6
Statement of Cash Flows	7
Statement of Changes in Equity	8
Notes to and Forming Part of the Financial Statements	9
Directors' Declaration	11
Independent Audit Report	12

Directors' Report

Your directors present their report on the financial statements for the year ended 30 June 2018.

Directors

The following persons were directors of the Trustee during the financial year and up to the date of this report:

P Lowe (Chairman)	Governor, Reserve Bank of Australia
M Comyn	Managing Director & CEO, Commonwealth Bank of Australia (appointed 4 May 2018)
C Darvall AM	Company Director
SC Elliott	Managing Director & CEO, Australia and New Zealand Banking Group
MT Grounds	Chief Executive, UBS Australasia
WP Gurry AO	Chairman, Rabobank Australia Limited
BC Hartzer	Managing Director & CEO, Westpac Banking Corporation
IM Narev	Managing Director & CEO, Commonwealth Bank of Australia (resigned 4 May 2018)
MJ Reemst	Managing Director & CEO, Macquarie Bank
PJ Robertson AM	Company Director
AG Thorburn	Managing Director & CEO, National Australia Bank

Company Secretaries: U Hogben, PJ Robertson AM

Principal activities

The principal activity of the Financial Markets Foundation for Children (the trustee company for the Financial Markets Foundation for Children Trust) ("the Company") during the year has been to act as a trustee company. There were no significant changes in the nature of the Company's activities during the year.

Trading results and review of operations

The Company did not derive any income or incur any expenses during the year.

Dividends

No dividend has been paid during the year and the directors do not recommend the payment of any dividend.

Directors' benefits

Since the end of the previous financial year no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he or she has a substantial financial interest.

Significant changes in state of affairs

No significant changes in the state of affairs of the Company occurred during the financial year.

Events subsequent to balance date

Since the end of the financial year the directors are not aware of any matter or circumstance not otherwise dealt with in the report or accounts that has significantly or may significantly affect the operations of the company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Likely developments

The directors do not consider that there will be any change in the operations of the Company during the next financial year.

Directors' Report

Environmental regulation

The operations of the Company are not subject to any particular or significant environment regulations under a Commonwealth, State or Territory Law.

Auditors independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Company in regards to insurance cover provided to either the officers of the Company or the auditors of the Company. So long as the officers of the Company act in accordance with the Law, the officers remain indemnified out of the assets of The Financial Markets Foundation for Children Trust ("the Trust") against losses incurred while acting on behalf of the Trust. The auditors of the Company are in no way indemnified out of the assets of the Trust.

Information on Directors

Director	Qualifications & Experience	Special Responsibilities	Particulars of Guarantees to the Company
P Lowe	Governor, Reserve Bank of Australia	Chairman of Board of Directors	\$100
M Comyn	Managing Director & CEO Commonwealth Bank of Australia (appointed 4 May 2018)	-	\$100
C Darvall AM	Company Director	-	\$100
SC Elliott	Managing Director & CEO, Australia and New Zealand Banking Group	-	\$100
MT Grounds	Chief Executive, UBS Australasia	-	\$100
WP Gurry AO	Chairman, Rabobank Australia	-	\$100
BC Hartzler	Managing Director & CEO, Westpac Banking Corporation	-	\$100
IM Narev	Managing Director & CEO, Commonwealth Bank of Australia (resigned 4 May 2018)	-	\$100
MJ Reemst	Managing Director & CEO, Macquarie Bank	-	\$100
PJ Robertson AM	Company Director	Company Secretary	\$100
AG Thorburn	Managing Director & CEO, National Australia Bank	-	\$100

Directors' Report

Auditor

PricewaterhouseCoopers continues as the auditor in accordance with section 327 of the *Corporations Act 2001*.

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

Director

Sydney
19 October 2018



Auditor's Independence Declaration

As lead auditor for the audit of The Financial Markets Foundation for Children (the trustee company for The Financial Markets Foundation for Children trust) for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Marcus Laithwaite
Partner
PricewaterhouseCoopers

Sydney
19 October 2018

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Statement of Comprehensive Income

For the year ended 30 June 2018

	2018 \$	2017 \$
Revenue from ordinary activities	Nil	Nil
Profit before income tax expense	Nil	Nil
Income tax expense	Nil	Nil
Profit for the period	Nil	Nil
Other comprehensive income	Nil	Nil
Total comprehensive income for the period	Nil	Nil

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Balance Sheet
As at 30 June 2018

	2018 \$	2017 \$
Net Assets	Nil	Nil
Shareholders' Equity	Nil	Nil

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Cash Flows
As at 30 June 2018

	2018 \$	2017 \$
Cash flows for the year	<u>Nil</u>	<u>Nil</u>

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

Statement of changes in equity

For the year ended 30 June 2018

	2018 \$	2017 \$
Total equity at the beginning of the financial year	Nil	Nil
Profit for the period	Nil	Nil
Total recognised income and expense for the year	Nil	Nil
Total equity at the end of the financial year	Nil	Nil

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

Notes to and Forming Part of the Financial Statements

30 June 2018

Note 1 Summary of significant accounting policies

The principal accounting policies adopted in preparing the accounts of The Financial Markets Foundation for Children (the trustee company for The Financial Markets Foundation for Children Trust) (“the Company”) are stated to assist in a general understanding of these accounts.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board, and the *Corporations Act 2001*.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRSs). The company financial statements and notes also comply with IFRS.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Functional and presentation currency

Items included in the financial statements of each of the Company’s operations are measured using the currency of the primary economic environment in which it operates (‘the functional currency’). The financial statements are presented in Australian dollars, which is the Company’s functional and presentation currency.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties.

(d) Cash and cash equivalents

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

(e) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement in other expenses.

(f) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods. The Company has assessed that there will be no impact of these new standards and interpretations on the financial report.

Notes to and Forming Part of the Financial Statements

30 June 2018

Note 2 Trustee

The Company acts as corporate trustee of The Financial Markets Foundation for Children Trust ("the Trust"). The Company has no interest in the Trust.

The liabilities of the Trust and the offsetting right of indemnity from the assets of the Trust for an amount equal to these liabilities are disclosed in Note 6. The assets of the Trust are not directly available to meet those liabilities of the Company incurred other than on behalf of the Trust.

Note 3 Capital

The Company is limited by guarantee. At balance date the Company had 10 members whose liability in accordance with the Company's Memorandum of Association, in the event of a winding up, would amount to \$100 per member.

Note 4 Remuneration of directors and the auditor

During the year neither the directors nor the auditor received remuneration for their services to the Company.

Note 5 Segment information

Business segment

The Company operated solely as a trustee company during the current and previous financial year.

Geographical segment

The Company operated solely within Australia during the current and previous financial year.

Note 6 Liabilities incurred on behalf of the Trust

	2018 \$	2017 \$
Receivable		
Right of indemnity for liabilities incurred on behalf of the Trust	5,830,756	7,710,087
Liability as Trustee		
Payables	5,830,756	7,710,087
	<u>Nil</u>	<u>Nil</u>

Note 7 Directors

The directors named in the attached directors' report each held office as a director of the Company as at, or during the year ended 30 June 2018 and up to the date of the directors' report.

Note 8 Retained profits

	2018 \$	2017 \$
Retained profits at the beginning of the financial year	Nil	Nil
Retained profits at the end of the financial year	<u>Nil</u>	<u>Nil</u>

Note 9 Financial risk management

The Company has no material exposure to financial risks.

Directors' Declaration

The directors declare that the financial statements and notes set out on pages 5 to 10:

- (a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the company's financial position as at 30 June 2018 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Director

Sydney
19 October 2018



Independent auditor's report

To the members of The Financial Markets Foundation for Children
(the trustee company for The Financial Markets Foundation for Children Trust)

Our opinion

In our opinion:

The accompanying financial report of The Financial Markets Foundation for Children (the trustee company for The Financial Markets Foundation for Children Trust) (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2018
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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

Independence

We are 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the Directors Report included in the annual report, but does not include the financial report and our auditor's report thereon.

PricewaterhouseCoopers, ABN 52 780 433 757

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information identified above 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 on the other information obtained prior to the date of this auditor's report, 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 directors 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 *Corporations Act 2001* and for such internal control as the 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 directors are responsible for assessing the ability of the Company 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.

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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

Marcus Laithwaite
Partner

Sydney
19 October 2018