

The Financial Markets Foundation for Children Trust

Annual Report For the year ended 30 June 2023

The Financial Markets Foundation for Children Trust is a charitable trust, established and domiciled in Australia.

The financial report was authorised for issue by the Directors of the Foundation on 10 November 2023. The Directors have the power to amend and reissue the financial report.

The Financial Markets Foundation for Children Trust

Financial Report – 30 June 2023

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This annual report covers The Financial Markets Foundation for Children Trust as an individual entity.

The trustee of The Financial Markets Foundation for Children Trust is The Financial Markets Foundation for Children (ACN 050 033 835).

The trustee's registered office is:
Level 25, Angel Place
123 Pitt Street
Sydney NSW 2000

Trustee's Report

In respect of the year ended 30 June 2023, the Trustee of The Financial Markets Foundation for Children Trust submits the following report:

Principal Activities

The principal activity of The Financial Markets Foundation for Children Trust ("the Foundation") during the period has been to raise funds to be used in making grants to projects related to the promotion of health and welfare of Australian children. There were no significant changes in the nature of the Foundation's activities during the year.

Directors

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

M Bullock (Chair)	Governor, Reserve Bank of Australia (appointed 10 November 2023)
P Lowe (Former Chair)	Former Governor, Reserve Bank of Australia (resigned 1 November 2023)
M Comyn	Managing Director & CEO, Commonwealth Bank of Australia
C Darvall AM	Company Director
SC Elliott	Managing Director & CEO, Australia and New Zealand Banking Group
MT Grounds	Company Director
WP Gurry AO	Company Director
PF King	Chief Executive Officer, Westpac Banking Corporation
RM McEwan	Chief Executive Officer, National Australia Bank Limited
S Green	Managing Director & CEO, Macquarie Bank
A Sweetman	Co-Country Head, UBS AG
PJ Robertson AO	Company Director

Company Secretaries: RL Bassil, PJ Robertson AO

Life Members:

The late D Clarke AO
CA Clyne
KG Farrow
B Fraser
RA Johnston AC
GP Kelly
VF Kelly
IJ Macfarlane AC
J McFarlane
Prof CM Mellis AM
DR Morgan AO
DV Murray AO
IM Narev
RJ Norris
R Oates
JM Stewart
R Sawers
MRP Smith
GR Stevens AC
P Lowe
M Laithwaite

Results and review of operations

The Foundation generated a surplus before the approval of grants of \$2,064,809 (2022: \$1,389,546). The surplus after grants and donations was \$64,809 (2022 deficit: \$611,454).

Trustee's Report

(continued)

The carrying value of assets

The carrying value of the assets at the end of the financial year amounted to \$3,067,679 (2022: \$3,002,870).

Significant changes in state of affairs

The 2023 financial year saw the Foundation resume fundraising activities in a manner consistent to those undertaken prior to the COVID 19 pandemic due to the easing of the restrictions imposed by State and Federal Governments. The grants program continued to be suspended; however the Foundation was able to meet all other funding commitments that arose during the year.

Matters subsequent to the end of the financial year

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in subsequent financial years, except as noted in Note 14 of the financial statements.

Likely developments

It is expected that the Foundation will undertake fundraising activities in the 2024 financial year on a scale either consistent with or greater than those activities that were undertaken in the 2023 financial year.

Directors benefits

No director has received or become entitled to receive benefits during the financial year.

Indemnification and insurance of officers and auditors

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

Environmental regulation

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

Auditor

PricewaterhouseCoopers continues as the auditor in accordance with section 60-30 of the *Australian Charities and Not-for-Profit Commission (ACNC) Act 2012*.

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

For and on behalf of the Trustee



Director

Sydney
10 November 2023



Auditor's Independence Declaration

As lead auditor for the audit of The Financial Markets Foundation for Children Trust for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "Alexandra Richardson", written in a cursive style.

Alexandra Richardson
Partner
PricewaterhouseCoopers

Sydney
10 November 2023

Statement of Comprehensive Income

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Income			
Interest on cash and deposits		68,459	25,294
Interest on social benefit bonds		36,597	2,500
Gain on social benefit bonds		19,600	-
Corporate donations		349,744	410,500
Proceeds related to Melbourne Ball		1,590,409	951,252
Total income		2,064,809	1,389,546
Expenses		-	-
Total expenses		-	-
Surplus arising in the year before grants and donations		2,064,809	1,389,546
Grants and donations			
Research grants	2	(1,000,000)	(1,000,000)
University Chair grants	3	(1,000,000)	(1,000,000)
Grant bonus	2		(1,000)
Total grants		(2,000,000)	(2,001,000)
Total comprehensive income/(deficit) for the year		64,809	(611,454)

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

Balance Sheet

As at 30 June 2023

	Notes	2023 \$	2022 \$
Current Assets			
Cash and cash equivalents	6	3,009,779	2,885,370
Total Current Assets		<u>3,009,779</u>	<u>2,885,370</u>
Non-Current Assets			
Social benefit bonds	7	57,900	117,500
Total Non-Current Assets		<u>57,900</u>	<u>117,500</u>
Total Assets		<u>3,067,679</u>	<u>3,002,870</u>
Total Liabilities		<u>-</u>	<u>-</u>
Net Assets		<u>3,067,679</u>	<u>3,002,870</u>
Trust Funds			
Settled sum		20	20
Undistributed funds	9	3,067,659	3,002,850
Total Trust Funds		<u>3,067,679</u>	<u>3,002,870</u>

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

Statement of Cash Flows

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from donors and other debtors		1,940,153	1,361,752
Interest received		105,056	27,794
Research grants and grant bonus paid	2	(1,000,000)	(1,001,000)
University Chair grants paid	3	(1,000,000)	(1,000,000)
Net cash flows from operating activities	8	45,209	(611,454)
Cash flows from investing activities			-
Redemption of social benefit bonds	7	79,200	-
Net cash flows from investing activities		79,200	-
Net increase/(decrease) in cash held		124,409	(611,454)
Cash and cash equivalents at the beginning of the financial year		2,885,370	3,496,824
Cash and cash equivalents at the end of the financial year		3,009,779	2,885,370

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 2023

	2023 \$	2022 \$
Total equity at the beginning of the financial year	3,002,870	3,614,324
Total comprehensive income/(deficit) for the year	64,809	(611,454)
Total recognised income and expense for the year	64,809	(611,454)
Total equity at the end of the financial year	<u>3,067,679</u>	<u>3,002,870</u>

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

Notes to the Financial Statements

30 June 2023

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Notes to the Financial Statements

30 June 2023

Note 1 Summary of significant accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*.

Compliance with IFRSs

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

Historical cost convention

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

Critical accounting estimates

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

(b) Going concern

These financial statements have been prepared on a going concern basis that assumes that the Foundation will be able to pay its debts as and when they fall due for a period of at least twelve months from the date of the financial statements.

(c) Functional and presentation currency

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

(d) Revenue recognition

When a contract with a customer falls under AASB 15 *Revenue from Contracts with Customers*, the following steps have been

satisfied in order to recognize revenue:

1. Identify contract with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to each performance obligation;
5. Recognise revenue when performance obligations are satisfied.

The Foundation recognises income from major business activities that does not fall under the scope of AASB 15 in accordance with AASB 1058 *Income of Not-for-Profit Entities*, as outlined below.

Income is recognised for the major business activities as follows:

- (i) Donations: Donations received without an obligations attached and/or considered non-enforceable are recognised as income when the Foundation obtains control of the contribution and its amount can be reliably measured.
- (ii) Interest income: Interest income comprises interest on deposits held at call and coupon interest received and is recognised on an accruals basis. Coupons on social benefit bonds are recognised when the entitlement to a coupon has been established or informed.

All amounts disclosed are net of goods and services tax (GST).

Notes to the Financial Statements

30 June 2023

(e) Cash and cash equivalents

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.

(f) 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. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly.

(g) Social benefit bonds

Investments in social benefit bonds are recognised as financial assets held at fair value through profit or loss. The bonds are recorded at their fair value on acquisition date, being the amount of the initial principal investment. Subsequently an analysis of the success of the issuer in meeting the stated performance objectives under the social benefit bond is performed, in order to determine the probability of receiving future coupon and principal repayments. This probability assessment is used in the determination of the discounted future cash flow analysis in order to support the carrying value of the social benefit bonds.

Coupon payments are recognised in interest income at each coupon date. Any gains or losses are recognised in statement of comprehensive income in the year in which they are assessed. Any redemption coupon is recognised in profit and loss when entitlement to receive a coupon is established or informed.

(h) New accounting standards and interpretations

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in prior periods or will affect current or future periods.

(i) Taxation

Pursuant to Division 50-5 of the *Income Tax Assessment Act 1997*, the Foundation is not liable to pay income tax.

(j) Grants paid and payable

University Chair and other grants and other grants paid and payable are brought to account in the period in which they are approved by the Board of Directors and the Foundation has a present contractual obligation to pay the recipient. University Chair grants paid are shown in Note 3.

Notes to the Financial Statements

30 June 2023

Note 2 Research grants

	2023 \$	2022 \$
Research grants paid in the year		
Instalment paid to ANZCHOG for Brain Cancer Trials Research	1,000,000	1,000,000
Grant bonus paid	-	1,000
Total	1,000,000	1,001,000

Note 3 University Chair grants

	2023 \$	2022 \$
University Chair grants paid in the year		
Instalment paid to Monash University for the establishment of an endowed Chair	1,000,000	1,000,000
Total	1,000,000	1,000,000

Note 4 Deed of Settlement

The Financial Markets Foundation for Children was established under a Deed of Settlement dated 4 January 1988.

Note 5 Trustee

The Financial Markets Foundation for Children (ACN 050 033 835), a company incorporated in New South Wales and limited by guarantee is Trustee for the Foundation.

Note 6 Cash and cash equivalents

	2023 \$	2022 \$
Cash at bank and in hand	3,009,779	2,885,370

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	3,009,779	2,885,370
Balances per statement of cash flows	3,009,779	2,885,370

(b) Cash at bank and on hand

Cash at bank had a floating interest rate at year end of 3.25% (2022: 0.1%).

Note 7 Social benefit bonds

The valuation of social benefit bonds is based on unobservable market data, and therefore they are classified as level 3 financial assets. The key risk factors that drive the fair value of the social benefit bonds held at 30 June 2023 are included below.

- a) **Aspire Social Impact Bond (\$50,000):** Key terms of the social bonds include an effective annual fixed coupon rate of 2% and the potential payment of a flexible coupon based on the quantum of Trust assets. The quantum of Trust assets may depend on the amounts payable to the Trust from the South Australian Government based on savings generated by the program in terms of reduced requirements for hospital beds, reduced convictions and reductions in short-term/emergency accommodation. The term of the program is seven years, with a proportion of the outstanding bonds to be mandatorily redeemed between years five and six. The bonds are limited in recourse to the assets of the Trust.

Notes to the Financial Statements

30 June 2023

An initial payment of \$25,000 in respect of the bonds was made in March 2017, with a further amount paid of \$25,000 in June 2018. During the year, 444 bonds were redeemed by the issuer at face value (\$44,400). The fair value of the bonds as at 30 June 2023 is \$15,300 (2022: \$50,000).

Resolve Social Benefit Bonds (\$75,000): Under the terms of the bonds, as agreed with the New South Wales Government and the party responsible for delivering the program, the total fixed and performance coupon payable on the bonds may be 7.5% per annum to the extent that there is a reduction in the consumption of health services in New South Wales arising from the program that meets the agreed target.

The Resolve Social Benefit Bonds are medium term notes that are limited in recourse to the Resolve Social Benefit Trust. The bonds have a 7.75 year term, mirroring the term of the Resolve Program. An initial payment of \$37,500 in respect of the bonds was made in June 2017, with a further amount paid in June 2018 of \$37,500. During the year, 348 bonds were redeemed by the issuer at face value (\$34,800). The fair value of the bonds as at 30 June 2023 is \$42,600 (2022: \$67,500).

The following table presents the movement in level 3 social benefit bonds.

	2023 \$	2022 \$
Opening balance	117,500	117,500
Purchases	-	-
Redemptions	(79,200)	-
Gains recognised in the statement of comprehensive income	19,600	-
Closing balance	<u>57,900</u>	<u>117,500</u>

Note 8 Cash flow information

	2023 \$	2022 \$
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Reconciliation of cash and cash equivalents

Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the income statements as follows:

Cash at financial institutions	<u>3,009,779</u>	<u>2,885,370</u>
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Cash is deposited with Australian financial institutions at call and receives a floating rate of interest.

Reconciliation of net cash flows from operating activities to operating profit

Surplus / (Deficit) arising in the year after approved grants	64,809	(611,454)
Changes in assets and liabilities		
(Gain) / Loss on social benefit bonds	(19,600)	-
(Increase) / Decrease in receivables	-	35,655
Increase / (Decrease) in grants payable	-	(527,397)
Net cash inflow / (outflow) from operating activities	<u>45,209</u>	<u>(1,176,023)</u>

Note 9 Reconciliation of undistributed funds

	2023 \$	2022 \$
Undistributed Funds		
Undistributed funds at beginning of year	3,002,850	3,614,304
Surplus/(Deficit) arising in the year after payment and approval of grants	64,809	(611,454)
Undistributed funds at year end	<u>3,067,659</u>	<u>3,002,850</u>

Notes to the Financial Statements

30 June 2023

Note 10 Financial risk management

The Foundation's activities expose it to a variety of financial risks: market risk, (including price risk and interest rate risk) credit risk and liquidity risk. The Foundation's risk management programme focuses on minimising exposure to financial risk while providing a return on investment comparable to inflation. Financial risk management is carried out by the Directors of the Trustee.

(a) Market risk

(i) *Price risk:* Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the inflation linked index rate. The fair value of the social bonds may increase or decrease based on the performance of the underlying projects that the funds raised by the issuance of the bonds are applied against. Given the Aspire and Resolve bonds mature in December 2024 and March 2025, respectively, it is considered that the risk of the fair value of the bonds on maturity being materially different from current fair value is low.

(ii) *Interest rate risk:* Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Foundation's cash and cash equivalents expose it to interest rate risk.

A reasonably possible movement in interest rates of 1.00% would impact the Foundation's total comprehensive income and net assets by \$30,010 as at 30 June 2023 (2022: \$28,854). Actual movements in interest rates may be greater or less than anticipated due to a number of factors. As a result, historic valuations in interest rates are not a definitive indicator of future variations.

(b) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract. Credit risk primarily arises from investments in capital indexed bonds.

The Foundation determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2023, all receivables are held with counterparties with a credit rating of AA or higher. The social benefit bonds are unrated. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Foundation.

(c) Liquidity risk

Liquidity risk is the risk that the Foundation will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy its commitments. The Foundation holds cash on deposit sufficient to cover its contractual obligations.

(d) Capital risk management

There are no externally imposed capital requirements.

(e) Social outcome risk

Returns on the Foundation's investment in social benefit bonds is subject to the achievement of agreed social outcomes. This may create variability in the value of the social benefit bonds, where outcomes are uncertain. Refer to Note 10 for further information.

Note 11 Contingent assets and liabilities and commitments

During the year to 30 June 2019, the Foundation committed to the following donations:

- \$5 million to Monash University, in five equal instalments, over a period of five years. Monash University is permitted to use the funds to establish a Chair of the University in Neonatal Paediatrics.
- \$5 million funding for the Financial Markets Foundation for Children Brain Cancer Clinical Trials, in five equal instalments of \$1 million each, over five years.

Notes to the Financial Statements

30 June 2023

Noting that during the current and prior financial years, annual payments of \$1 million were made both to Monash University and for the Children Brain Cancer Clinical trials respectively, as at 30 June 2023, the Foundation has no present contractual obligation relating to the remaining payments in respect of these commitments. There is one payment remaining as at 30 June 2023 for both the Monash University and for the Children Brain Cancer Clinical Trials, respectively (i.e. \$2 million total).

As at 30 June 2023 the Foundation did not have any contingent assets or contingent liabilities other than those noted above.

Note 12 Related parties

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

M Bullock (Chair)	Governor, Reserve Bank of Australia (appointed 10 November 2023)
P Lowe (Former Chair)	Former Governor, Reserve Bank of Australia (resigned 1 November 2023)
M Comyn	Managing Director & CEO, Commonwealth Bank of Australia
C Darvall AM	Company Director
SC Elliott	Managing Director & CEO, Australia and New Zealand Banking Group
MT Grounds	Company Director
WP Gurry AO	Company Director
PF King	Chief Executive Officer, Westpac Banking Corporation
RM McEwan	Chief Executive Officer, National Australia Bank Limited
S Green	Managing Director & CEO, Macquarie Bank
A Sweetman	Co-Country Head, UBS AG
PJ Robertson AO	Company Director

The Board of the Trustee has adopted a basic “dollar in – dollar out” concept for the Foundation, subject only to unavoidable expenses.

Accounting and legal services are provided to the Foundation by Australian Financial Markets Association Ltd and Gilbert & Tobin, respectively. Those firms do not receive any professional fees but are entitled to be recompensed for disbursements incurred by them (usually governmental charges such as registration and filing fees and fees paid to third parties in respect to the administration of the Foundation and the Trustee). No Trustee of the Foundation or person connected with the administration of the Foundation is given any benefit from the funds of the Foundation.

Special events are conducted by, on behalf of and for the benefit of the Foundation from time to time. Those special events are run, so far as possible, on a voluntary basis. The surpluses are contributed to the funds of the Foundation and are subject to the “dollar in – dollar out” concept.

All other donations are contributed to the funds of the Foundation without deduction.

No director of the Foundation has received or is entitled to receive remuneration during the financial year.

Paul Robertson, a director of the Foundation, is also a director and chairman of Social Ventures Australia Ltd (“SVA”). SVA is manager of the issuing trust which issued social bonds referred to in Notes 1 and 7 of the financial statements. Paul Robertson does not receive any remuneration as a director of SVA.

Note 13 Auditor’s remuneration

Auditing services are provided to the Foundation by PricewaterhouseCoopers. The firm undertakes the annual audit of the Foundation on a pro-bono basis.

Note 14 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Foundation disclosed in the balance sheet as at 30 June 2023 or on the results and cash flows of the Foundation for the year ended on that date.

Chair's declaration under the NSW Charitable Fundraising Act

Declaration furnished under the NSW Charitable Fundraising Act 1991. This declaration is made in accordance with the Authority Conditions 7(4) and 7(5) issued by the Minister under Section 19 of the Charitable Fundraising Act 1991.

I, Michele Bullock, Chair of the Financial Markets Foundation for Children Trust ("the Foundation") declare that in my opinion:

- (a) the financial statements give a true and fair view of all income and expenditure of the Foundation with respect to fundraising appeals;
- (b) the Balance Sheet gives a true and fair view of the state of affairs with respect to fundraising appeals;
- (c) the provisions of the *Charitable Fundraising Act 1991*, the regulations under the Act and the conditions attached to the authority have been complied with; and
- (d) the internal controls are appropriate and effective in accounting for all income received and applied by the Foundation from any of its fundraising appeals.



M Bullock
Chair

Sydney
10 November 2023

Statement by Trustee's Directors

In the opinion of the Directors of the Trustee, The Financial Markets Foundation for Children:

- a. the financial statements and notes of the Foundation for the financial year ended 30 June 2023, set out on pages 6 to 16, are in accordance with the *Australian Charities and Not For Profits Commission Act 2012*, including:
 - i. giving a true and fair view of their financial position as at 30 June 2023 and performance for the year ended on that date;
 - ii. complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not For Profits Commission Regulations 2013*; and
- b. there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

Note 1(a) includes a statement that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Signed for and on behalf of the Directors of the Trustee, The Financial Markets Foundation for Children, in accordance with a resolution of the Board.


Director

Sydney
10 November 2023



Independent auditor's report

To the unitholders of The Financial Markets Foundation for Children Trust

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of The Financial Markets Foundation for Children Trust (the Trust) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

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

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2023
- 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 significant accounting policies and other explanatory information
- the statement by trustee's directors.

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

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999

Liability limited by a scheme approved under Professional Standards Legislation.



Other information

The directors of the Trustee are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we 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 management and the directors of the Trustee for the financial report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the directors of the Trustee 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, Management is responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The directors of the Trustee are responsible for overseeing the Trust's financial reporting process.

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.



Report on the requirements of the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulation 2021 (NSW)*

We have audited the financial report of The Financial Markets Foundation for Children Trust as required by Section 24(2) of the *Charitable Fundraising Act 1991 (NSW)*. The directors of the Trustee are responsible for the preparation and presentation of the financial report in accordance with the *Charitable Fundraising Act 1991 (NSW)* and *Charitable Fundraising Regulations 2021 (NSW)*. Our responsibility is to express an opinion on the financial report based on our audit.

In our opinion, in all material respects:

- (a) The financial report of the Trust represents a true and fair view of the financial result of the fundraising appeals for the year ended 30 June 2023 and has been prepared in accordance with section 24(2)(a) of the *Charitable Fundraising Act 1991 (NSW)*.
- (b) The accounts and associated records have been properly kept during the financial year ended 30 June 2023 in accordance with:
 - i. sections 20(1), 22(1-2), 24(1-3) of the *Charitable Fundraising Act 1991 (NSW)*
 - ii. sections 14(2) and 17 of the *Charitable Fundraising Regulations 2021 (NSW)*.
- (c) The money received as a result of fundraising appeals conducted by the Trust during the financial year ended 30 June 2023 has been properly accounted for and applied in accordance with the above mentioned Act and Regulation.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written over the printed name.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Alexandra Richardson', written over the printed name.

Alexandra Richardson
Partner

Sydney
10 November 2023