

The Financial Markets Foundation for Children Trust

**Financial Report
For the year ended 30 June 2022**

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

The Financial Markets Foundation for Children
Financial Report – 30 June 2022

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This financial 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 Limited (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 2022, 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:

P Lowe (Chairman)	Governor, Reserve Bank of Australia
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

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

Results and review of operations

The Foundation generated a surplus before the approval of grants of \$1,389,546 (2022: \$1,271,256). The deficit after grants and donations was \$611,454 (2021 deficit: \$684,281).

Trustee's Report

(continued)

The carrying value of assets

The carrying value of the assets at the end of the financial year amounted to \$3,002,870 (2021: \$3,614,324).

Significant changes in state of affairs

In the opinion of the directors, the COVID 19 pandemic and the restrictions imposed by State and Federal Governments in response to the pandemic continue to result in changes to the operation of the Foundation. The COVID-19 pandemic affected material fundraising activities for the financial year and, as at 30 June 2022, the grants program continued to be suspended.

Matters subsequent to the end of the financial year

Subsequent to the end of the financial year, restrictions arising from the COVID-19 pandemic have had a significant impact on the Foundation's activities. Specifically, the research grants program continues to be suspended. The commitments of the Foundation have been recalibrated to reflect the fundraising activities that were able to be undertaken.

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 13 of the financial statements.

Likely developments

As the operational restrictions arising from the COVID-19 pandemic ease, it is likely that the Foundation will be able to engage in more fundraising activities in the 2022/23 and following financial years than it did in the 2021/22 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

XX November 2022

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Statement of Comprehensive Income

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Income			
Interest on cash and deposits		25,294	28,980
Interest on Social Bonds		2,500	22,155
Corporate donations		410,500	350,000
Proceeds related to Melbourne Ball		951,252	870,121
Total income		1,389,546	1,271,256
Expenses		-	-
Total expenses		-	-
Surplus arising in the year before grants and donations		1,389,546	1,271,256
Grants and Donations			
Research grants	2	(1,000,000)	(1,000,000)
University Chair grants	3	(1,000,000)	(1,000,000)
Grant bonus paid	2	(1,000)	-
Grants returned during the year		-	44,463
Total grants		(2,001,000)	(1,955,537)
Total comprehensive income for the year		(611,454)	(684,281)

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

Balance Sheet

As at 30 June 2022

	Notes	2022 \$	2021 \$
Current Assets			
Cash and cash equivalents	6	2,885,370	3,496,824
Total Current Assets		<u>2,885,370</u>	<u>3,496,824</u>
Non-Current Assets			
Social benefit bonds	10	117,500	117,500
Total Non-Current Assets		<u>117,500</u>	<u>117,500</u>
Total Assets		<u>3,002,870</u>	<u>3,614,324</u>
Total Liabilities		<u>-</u>	<u>-</u>
Net Assets		<u>3,002,870</u>	<u>3,614,324</u>
Trust Funds			
Settled sum		20	20
Undistributed funds	12	3,002,850	3,614,304
Total Trust Funds		<u>3,002,870</u>	<u>3,614,324</u>

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

Statement of Cash Flows

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from donors and other debtors		1,361,752	1,240,121
Interest received		27,794	66,790
Research grants and grant bonus paid	2	(1,001,000)	(1,482,934)
University Chair grants paid	3	(1,000,000)	(1,000,000)
Net cash flows from operating activities	11	(611,454)	(1,176,023)
Cash flows from investing activities			
Net cash flows from investing activities		-	3,631,000
Net increase/(decrease) in cash held		(611,454)	2,454,977
Cash and cash equivalents at the beginning of the financial year		3,496,824	1,041,847
Cash and cash equivalents at the end of the financial year		2,885,370	3,496,824

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 2022

	2022 \$	2021 \$
Total equity at the beginning of the financial year	3,614,324	4,298,606
Deficit arising in the year after approved grants	(611,454)	(684,281)
Total recognised income and expense for the year	(611,454)	(684,281)
Total equity at the end of the financial year	3,002,870	3,614,324

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

Notes to the Financial Statements

30 June 2022

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Notes to the Financial Statements

30 June 2022

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 (AIFRSs). 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, as modified by the revaluation of available-for-sale financial assets.

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 and material uncertainty

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.

The Foundation generated a deficit for the year of \$611,454 (2021: deficit of \$684,281) and at year end had a surplus of net assets of \$3,002,870 (2021: surplus of \$3,614,324). The Foundation does not have any bank or external debt.

The ability of the Foundation to maintain its ability to service commitments is dependent on the level of fundraising that the Foundation is able to undertake. The Foundation's Directors have undertaken a thorough assessment of going concern, including consideration of projected cash-flows and the projected balance sheet position for the period of twelve months from the date of the financial statements.

The COVID-19 pandemic has resulted in the cancellation of some fundraising activities that have historically been undertaken by the Foundation. The Directors acknowledge that due to the evolving nature of the pandemic, there is uncertainty as to when such fundraising activities may re-commence, although the easing of the operational restrictions arising from the COVID-19 pandemic leads the Directors to believe that additional fundraising activities may be conducted in the 2022/23 financial year compared to the 2021/22 financial year. The Foundation's commitments have been recalibrated accordingly, including through the suspension of the Foundation's grants program.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Foundation's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Directors believe that the Foundation will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis.

(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

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

Notes to the Financial Statements

30 June 2022

The Foundation recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Foundation's activities as described below.

Revenues are recognised for the major business activities as follows:

- (i) **Donations:** Revenue from donor organisations is recognised when there is a contractual right to receive funding. Otherwise revenue is recognised on receipt of cash.
- (ii) **Interest Revenue:** Interest income comprises interest on deposits held at call, coupon interest received and accrued. Coupons on social benefit bonds are recognised when the entitlement to a coupon has been established or informed.

(e) 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.

(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 bonds.

Coupon payments are recognised in interest income at each coupon date. Any impairments are recognised in profit and loss 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 2020 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

Research grants paid and payable are brought to account in the period in which they are approved by the Board of Directors and the grantee is notified via a letter of offer.

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 2022

Note 2 Research grants paid

Grants 2019	2022	2021
	\$	\$
Research grants paid in the year		
2019-083 Preterm birth and the risk of mental health disorders in childhood and adolescence: identifying targets to intervene early	-	71,342
2019-098 Investigating a Potential Point of Care Test for Neonatal Sepsis	-	47,500
2019-112 Discovery of a new treatment for childhood leukaemia	-	80,000
2019-127 Follow-up at two years of children at risk of neonatal hypoglycaemia randomised to prophylactic oral dextrose gel or placebo gel. (hPOD-FU@2YR) ¹	-	44,462
2019-137 Cord blood stem cell therapy for children at risk of heart failure death	-	80,000
2019-201 Gene therapy for infants with severe metabolic liver disorders using genome editing technology	-	80,000
2019-226 Acute Resuscitation In Paediatric SEpsis (ARISE-KIDS) – a randomised controlled trial to reduce morbidity and mortality due to sepsis in children	-	79,630
Total	-	482,934
Other 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	-
	\$1,001,000	\$1,000,000

¹ Note that this payment was refunded to the Foundation.

Note 3 University Chair grants paid

	2022 \$	2021 \$
University Chair grants/grant bonus 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

	2022 \$	2021 \$
Cash at bank and in hand	2,885,370	3,496,824

(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	2,885,370	3,002,870
Balances per statement of cash flows	<u>2,885,370</u>	<u>3,002,870</u>

(b) Cash at bank and on hand

Cash at bank had a floating interest rate at year end of 0.1% (2021: 0.1%).

Note 7 Capital indexed bonds

	2022 \$	2021 \$
Capital indexed bonds		
Opening balance	-	3,531,000
Maturity of bonds	-	(2,914,800)
Reduction of indexation for bonds maturing during the year	-	(616,200)
Total Capital indexed bonds	<u>-</u>	<u>-</u>

Note 8 Indexation Reserve

	2022 \$	2021 \$
Accumulated indexation of face value of capital indexed bonds	-	882,171
Movements		
Balance at beginning of year		616,200
Reduction for bonds maturing during the year		(616,200)
Balance at end of year	<u>-</u>	<u>-</u>

Notes to the Financial Statements

30 June 2022

Note 9 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 2022 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.

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.

- b) **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. The Noteholders approved a Circular Resolution to amend the terms of the Resolve Social Benefit Bond Implementation and Services Agreements to alter the program due to poor results in Year 2 of the program. The carrying value of the Bonds has been adjusted to reflect the principal amount that would be recovered if the program was not to continue.

Note 10 Cash flow information

	2022 \$	2021 \$
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>2,885,370</u>	<u>3,496,824</u>
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	(611,454)	(684,281)
Changes in assets and liabilities		
(Increase) / Decrease in receivables	-	35,655
Increase / (Decrease) in grants payable	<u>-</u>	<u>(527,397)</u>
Net cash inflow / (outflow) from operating activities	<u>(611,454)</u>	<u>(1,176,023)</u>

Note 11 Reconciliation of undistributed funds

	2022 \$	2021 \$
Undistributed Funds		
Undistributed funds at beginning of year	3,614,304	3,682,386
Deficit arising in the year after payment and approval of grants	(611,454)	(684,281)
Indexation on investments transferred from indexation reserve	-	616,200
Undistributed funds at year end	<u>3,002,850</u>	<u>3,614,304</u>

Note 12 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 whilst 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.

(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.

(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 2022 and 30 June 2021, 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.

(d) 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.

(e) Capital risk management

There are no externally imposed capital requirements.

(f) 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 13 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.

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 2022, the Foundation has no present contractual obligation relating to the remaining payments in respect of these commitments.

As at 30 June 2022 the Foundation did not have any contingent assets or contingent liabilities other than those noted above.

Note 14 Related parties

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, apart from the reimbursement of those disbursements.

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 10 of the financial statements. Paul Robertson does not receive any remuneration as a director of SVA.

Note 15 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.

Chairman'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, Philip Lowe, Chairman of the Financial Markets Foundation for Children ("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.



P Lowe
Chairman

Sydney
~~XX~~ November 2022

Statement by Trustee's Directors

In the opinion of the Directors of the Trustee, The Financial Markets Foundation for Children, the financial statements of the Foundation are drawn up so as to present fairly the financial position of the Foundation as at 30 June 2022 and the results of its operations and its cash flows for the financial year ended on that date.

There are reasonable grounds to believe that the trust will be able to pay its debts as and when they fall due.

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
XX November 2022
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Independent auditor's report

To the unitholders of The Financial Markets Foundation for Children Trust

Our opinion

In our opinion:

The accompanying financial report of The Financial Markets Foundation for Children Trust (the Foundation) 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 Foundation's financial position as at 30 June 2022 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 Regulation 2013*.

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2022
- the statement of comprehensive income for the year then ended
- the statement of cash flows for the year then ended
- the statement of changes in equity for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the trustee's 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 Foundation 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

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Material uncertainty related to going concern

We draw attention to Note 1(b) in the financial report, which indicates that the Foundation generated a deficit for the year of \$611,454 and at year end had a surplus of net assets of \$3,002,870. The COVID-19 pandemic has resulted in the cancellation of some fundraising activities that have historically been undertaken by the Foundation and there is uncertainty in relation to future fundraising activities. These conditions, along with other matters set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Foundation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 2022, 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.

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 the directors of the Trustee for the financial report

The directors of the Trustee of the Foundation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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, the directors of the Trustee are responsible for assessing the ability of the Foundation 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 of the Trustee either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 2015 (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 Act). The directors of the Foundation are responsible for the preparation and presentation of the financial report in accordance with the Act and the *Charitable Fundraising Regulation 2015 (NSW)* (the Regulation). 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 Foundation represents a true and fair view of the financial result of the fundraising appeals for the year ended 30 June 2022 and has been prepared in accordance with section 24(2)(a) of the Act.
- b) the accounts and associated records have been properly kept in accordance with sections 20(1), 22(1-2) and 24(1-3) of the Act during the year ended 30 June 2022.
- c) money received as a result of fundraising appeals conducted by the Foundation during the year ended 30 June 2022 has been properly accounted for and applied in accordance with the Act and the Regulation.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written over a light blue horizontal line.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Alexandra Richardson', written over a light blue horizontal line.

Alexandra Richardson
Partner

Sydney
11 November 2022

