

SABEMO FOUNDATION

ABN 96 698 269 909

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

SABEMO FOUNDATION
ABN 96 698 269 909

CONTENTS

	Page No.
Auditor's Independence Declaration	2
Statement of Profit or Loss	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Notes to the Financial Statements	6
Directors' Declaration	9
Compilation Report	10
Independent Auditor's Report	11
Statement of Profit and Loss & Other Comprehensive Income	13

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE
AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012 TO THE
TRUSTEE OF SABEMO FOUNDATION**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck
Accountants and Advisors
ABN 16 021 300 521

C. J. Martin

C.J. Martin
Director

Sydney,
Dated this 22 December 2020

SABEMO FOUNDATION
ABN 96 698 269 909

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue		426,808	571,565
Other income		3,101	22,762
Other expenses		<u>(178,170)</u>	<u>(25,647)</u>
Surplus before income tax		251,739	568,680
Income tax expense		<u>-</u>	<u>-</u>
Surplus for the year		<u><u>251,739</u></u>	<u><u>568,680</u></u>
Surplus attributable to members of the entity		<u><u>251,739</u></u>	<u><u>568,680</u></u>

The accompanying notes form part of these financial statements.

SABEMO FOUNDATION
ABN 96 698 269 909

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	2	378,609	374,290
Accounts receivable and other debtors	3	10,118	14,738
TOTAL CURRENT ASSETS		388,727	389,028
NON-CURRENT ASSETS			
Financial assets	4	1,544,502	1,602,962
TOTAL NON-CURRENT ASSETS		1,544,502	1,602,962
TOTAL ASSETS		1,933,229	1,991,990
NET ASSETS		1,933,229	1,991,990
MEMBERS' FUNDS			
Surplus		1,933,229	1,991,990
TOTAL MEMBERS' FUNDS		1,933,229	1,991,990

The accompanying notes form part of these financial statements.

SABEMO FOUNDATION
ABN 96 698 269 909

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Surplus	Total
	\$	\$
Balance at 1 July 2018	1,529,806	1,529,806
Comprehensive income		
Surplus for the year	568,680	568,680
Grants	(106,496)	(106,496)
Total comprehensive income for the year attributable to members of the association	462,184	462,184
Balance at 30 June 2019	1,991,990	1,991,990
Balance at 1 July 2019	1,991,990	1,991,990
Comprehensive income		
Surplus for the year	251,739	251,739
Grants	(310,500)	(310,500)
Total comprehensive income for the year attributable to members of the association	(58,761)	(58,761)
Balance at 30 June 2020	1,933,229	1,933,229

The accompanying notes form part of these financial statements.

SABEMO FOUNDATION
ABN 96 698 269 909

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

The Financial statements cover Sabemo Foundation as an individual entity. The financial statements are presented in Australian dollars, which is Sabemo Foundation's functional and presentation currency.

Sabemo Foundation is a private ancillary fund, established and domiciled in Australia.

Basis of preparation

In the trustees opinion, the Foundation is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the requirements of the Private Ancillary Fund regulations and the Australian Charities and Not-For-Profits Commission Act 2012 (ACNC Act 2012) to prepare and distribute financial statements to the members of Sabemo Foundation. The trustees have determined that the accounting policies adopted are appropriate to meet the needs of the members of Sabemo Foundation.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

(a) Income Tax

As the Foundation is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- (a) the initial recognition of goodwill; or
- (b) the initial recognition of an asset or liability in a transaction which:
 - (i) is not a business combination; and
 - (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

SABEMO FOUNDATION
ABN 96 698 269 909

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Cash on Hand

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.

(c) Critical Accounting Estimates and Judgements

The preparation of the financial statements 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.

SABEMO FOUNDATION
ABN 96 698 269 909

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
2. CASH ON HAND		
NAB bank account number 56-503-3109	17,161	5,263
Netwealth cash account	361,448	369,027
	<u>378,609</u>	<u>374,290</u>
3. ACCOUNTS RECEIVABLE AND OTHER DEBTORS		
CURRENT		
Distributions receivable	<u>10,118</u>	<u>14,738</u>
4. FINANCIAL ASSETS		
NON-CURRENT		
Financial assets mandatorily measured at fair value through profit or loss	(a) <u>1,544,502</u>	<u>1,602,962</u>
(a) Financial assets mandatorily measured at fair value through profit or loss		
:		
Shaw Managed Accounts SMA00286632	-	17,000
Netwealth WRAP049568	<u>1,544,502</u>	<u>1,585,962</u>
Total Financial assets mandatorily measured at fair value through profit or loss	<u>1,544,502</u>	<u>1,602,962</u>
5. EVENTS AFTER THE REPORTING PERIOD		
No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.		

SABEMO FOUNDATION
ABN 96 698 269 909

STATEMENT BY MEMBERS OF THE COMMITTEE

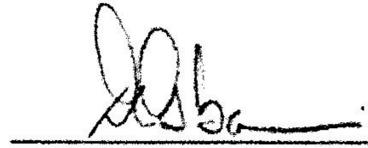
The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In accordance with a resolution of the committee of Sabemo Foundation, the members of the committee declare that the financial statements as set out on pages 3 to 8:

1. present a true and fair view of the financial position of Sabemo Foundation as at 30 June 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Associations Incorporation Reform Act 2012; and
2. at the date of this statement there are reasonable grounds to believe that Sabemo Foundation will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the committee by:

Director  
John Moratelli

Director  
David Osborn

Dated: 21/12/2020

**SABEMO FOUNDATION
ABN 96 698 269 909**

**COMPILATION REPORT
TO SABEMO FOUNDATION**

We have compiled the accompanying special purpose financial statements for the year ended 30 June 2020 of Sabemo Foundation, as set out on pages 3 to 8. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1 to the financial statements. The special purpose financial statements are only suitable for the purpose set out in Note 1 to the financial statements and may not be suitable for any other purpose.

The Responsibility of the Committee

The committee of Sabemo Foundation is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet its needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the committee, we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110: Code of Ethics for Professional Accountants.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the committee who is responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

**William Buck (NSW) Pty Ltd - ABN: 95 002 381 991
Chartered Accountants
Level 29, 66 Goulburn Street
SYDNEY, NSW, 2000**



Andrew Slattery

SYDNEY

Dated: 22 December 2020

Sabemo Foundation

Independent auditor's report to 30 June 2020 to the Directors of the trustee company

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sabemo Foundation (the "Foundation"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Foundation,

- (i) Presents fairly the financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, the Private Ancillary Fund Guidelines 2019 and the Australian Charities and Not-for-profits Commission Act 2012.

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 are independent of the Foundation in accordance with the auditor independence requirements of the Accounting Professional and 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.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Foundation to meet the requirements of the trust deed and the information needs of the director of the trustee company. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the trust deed and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The director of the trustee company is responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements 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 independent auditor's report.

A handwritten signature in black ink that reads 'William Buck'.

William Buck
Accountants & Advisors
ABN: 16 021 300 521

A handwritten signature in black ink that reads 'C.J. Martin'.

C.J Martin
Partner

Sydney, 22 December 2020

SABEMO FOUNDATION
ABN 96 698 269 909

STATEMENT OF PROFIT AND LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
INCOME		
Donations Received	350,000	500,000
Profit on sale of non-current assets	3,101	22,762
Dividends received	4,590	51,185
Interest received	332	1,955
Franking credits refunded	20,906	15,604
Movement in net market values	(154,216)	(2,698)
Other revenue	1,479	2,821
Trust distributions received	49,502	-
	275,694	591,629
LESS EXPENDITURE		
Audit & Accountancy fees	3,344	3,135
Advice fees & admin fees	8,852	13,443
Conference costs	660	637
Communication costs	210	-
Filing fees	493	437
Other deductions	7,946	1,521
Postage	-	30
Subscriptions	1,683	1,650
Travelling expenses	767	2,096
	23,955	22,949
SURPLUS BEFORE INCOME TAX EXPENSE	251,739	568,680
Retained Surplus at the beginning of the financial year	1,991,990	1,529,806
TOTAL AVAILABLE FOR APPROPRIATION	2,243,729	2,098,486
Grants	310,500	106,496
RETAINED SURPLUS AT THE END OF THE FINANCIAL YEAR	1,933,229	1,991,990

The accompanying notes form part of these financial statements.