



ANNUAL FINANCIAL REPORT

OF

SAN FOUNDATION INC.

AS TRUSTEE FOR

SAN FOUNDATION TRUST

(FORMERLY THE SYDNEY ADVENTIST HOSPITAL FOUNDATION TRUST)

ABN 73 479 353 649

FOR THE YEAR ENDED

30 JUNE 2020

SAN FOUNDATION INC.
As Trustee For
SAN FOUNDATION TRUST
(Formerly THE SYDNEY ADVENTIST HOSPITAL FOUNDATION TRUST)
ABN 73 479 353 649

FINANCIAL STATEMENT & REPORTS

YEAR ENDED 30 JUNE 2020

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SAN FOUNDATION INC.
As Trustee For
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STATEMENT BY TRUSTEE

In the opinion of San Foundation Inc. (Trustee), in its capacity as trustee of San Foundation Trust (Trust):

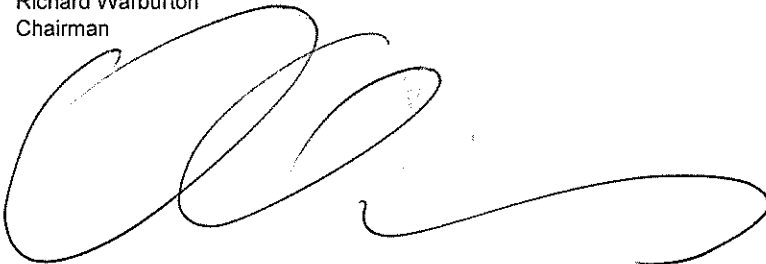
- a) the Statement of Comprehensive Income and supporting notes present fairly all income and expenditure of the Trust for the year ended 30 June 2020; and
- b) the Statement of Financial Position and supporting notes present fairly the state of affairs of the Trust during the year ended 30 June 2020; and
- c) the financial statements and notes to the Trust comply with the Australian Charities and Not-for-Profits Commission Regulation 2013; and
- d) the provision of the Charitable Fundraising Act 1991 (NSW) Act, the regulations under that Act and the conditions attached to the authority granted under the Act have been complied with by the Trust; and
- e) the internal controls exercised are appropriate and effective in accounting for all income received and applied by the Trust from any of its fundraising appeals; and
- f) there are reasonable grounds to believe that the Trust is able to pay all of its debts as and when they become due and payable.

Date at Sydney this 13th day of November 2020.

Signed in accordance with a resolution of the Trustee.



.....
Richard Warburton
Chairman



.....
Dieter Adamsas
Treasurer



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Trustee of Sydney Adventist Hospital Foundation Trust

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2020 there have been:

- i. 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
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

SAN FOUNDATION INC.
As Trustee For
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Fundraising income	3.1	5,704,098	12,048,552
Finance income	3.2	229,590	147,745
Other income		1,979	1,842
Dividend income		-	20,692
TOTAL REVENUE		<u>5,935,667</u>	<u>12,218,831</u>
Other operating expenses	3.3	(108,099)	(47,930)
Fundraising and program expenses	3.4	(964,451)	(874,014)
Office lease expenses	3.5	(15,675)	(18,945)
Impairment of shareholdings	7	(10,000)	-
Applied for charitable purposes		(4,984,654)	(4,419,137)
TOTAL EXPENSES		<u>(6,082,879)</u>	<u>(5,360,026)</u>
TOTAL COMPREHENSIVE INCOME		<u>(147,212)</u>	<u>6,858,805</u>

The Statement of Comprehensive Income should be read in conjunction with
the accompanying notes to the financial statements

SAN FOUNDATION INC.
As Trustee For
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ABN 73 479 353 649

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	5	12,965,535	13,044,660
Trade and other receivables	6	60,530	92,661
TOTAL CURRENT ASSETS		<u>13,026,065</u>	<u>13,137,321</u>
NON-CURRENT ASSETS			
Shareholdings	7	-	10,000
Right of use asset	8	57,115	-
TOTAL NON-CURRENT ASSETS		<u>57,115</u>	<u>10,000</u>
TOTAL ASSETS		<u>13,083,180</u>	<u>13,147,321</u>
CURRENT LIABILITIES			
Trade and other payables	9	121,941	92,653
Lease liability	2(h)	-	-
TOTAL CURRENT LIABILITIES		<u>121,941</u>	<u>92,653</u>
NON-CURRENT LIABILITIES			
Lease liability	2(h)	53,783	-
TOTAL NON-CURRENT LIABILITIES		<u>53,783</u>	<u>-</u>
TOTAL LIABILITIES		<u>175,724</u>	<u>92,653</u>
NET ASSETS		<u>12,907,456</u>	<u>13,054,668</u>
EQUITY			
Accumulated funds		12,907,455	13,054,667
Settled sum	1	1	1
TOTAL EQUITY		<u>12,907,456</u>	<u>13,054,668</u>

The Statement of Financial Position should be read in conjunction with
the accompanying notes to the financial statements

SAN FOUNDATION INC.
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Settled Funds	Accumulated Funds	Total
	\$	\$	\$
Balance as at 30 June 2018	<u>1</u>	<u>6,195,862</u>	<u>6,195,863</u>
Net surplus for the year	-	6,858,805	6,858,805
Balance as at 30 June 2019	<u>1</u>	<u>13,054,667</u>	<u>13,054,668</u>
Net deficit for the year	-	(147,212)	(147,212)
Balance as at 30 June 2020	<u>1</u>	<u>12,907,455</u>	<u>12,907,456</u>

The Statement of Changes in Equity should be read in conjunction with
the accompanying notes to the financial statements

SAN FOUNDATION INC.
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
Cash from operating activities:			
Receipts		5,747,765	12,048,552
Interest received		229,590	147,730
Dividend received		-	20,692
Payments		<u>(6,056,480)</u>	<u>(5,405,940)</u>
Net cash (used by) / provided by operating activities	11(b)	<u>(79,125)</u>	<u>6,811,034</u>
Net (decrease) / increase in cash and cash equivalents		(79,125)	6,811,034
Cash and cash equivalents at the beginning of the period		<u>13,044,660</u>	<u>6,233,626</u>
Cash and cash equivalents at the end of the period	11(a)	<u><u>12,965,535</u></u>	<u><u>13,044,660</u></u>

The Statement of Cash Flows should be read in conjunction with
the accompanying notes to the financial statements

SAN FOUNDATION INC.
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. REPORTING ENTITY

San Foundation Trust ("the Trust") is a Not-for-profit organisation domiciled in Australia. The address of the Trust's registered office is 185 Fox Valley Road, Wahroonga, NSW, 2076.

The principal object of the Trust is to provide for a public charitable fund having deductible gift recipient status to which donations may be made for distribution to the beneficiary. The sole beneficiary is listed in clause 1.1 of the Trust Deed as Adventist Healthcare Limited ABN 76 096 452 925. (formerly known as Sydney Adventist Hospital Ltd).

In the opinion of the Directors, the Trust is not a reporting entity on the basis that the financial report is prepared for the benefit of the Directors.

Date of Settlement

The Trust is constituted by The Sydney Adventist Hospital Foundation Trust Deed between Australasian Conference Association Limited as Founder and San Foundation Inc. as Trustee.

The Sydney Adventist Hospital Foundation Trust Deed was amended on 28 July 2020 and included a change in name of the Trust to San Foundation Trust.

Settled Sum

The sum of \$1 was remitted to San Foundation Inc. ("the Trustee") by the settlor on the date of settlement for the purposes of the Trust.

2. BASIS OF PREPARATION

Statement of Compliance

The financial report is a special purpose financial report which has been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commissions Regulations, the provisions of the Trust Deed and with the requirements of the Charitable Fundraising Act 1991 (NSW) and its regulations. For the purpose of preparing the financial statements, the Trust is a not-for-profit entity.

The special purpose financial statements include only the disclosure requirements of the following AASBs and those disclosures considered necessary by the directors to meet the needs of the members:

AASB 15 Revenue from Contracts with Customers

AASB 16 Leases

AASB 101 Presentation of Financial Statements

AASB 107 Statement of Cash Flows

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1048 Interpretation and Application of Accounting Standards

AASB 1054 Australian Additional Disclosures.

AASB 1058 Income of Not-For-Profit Entities

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. BASIS OF PREPARATION (continued)

Financial Reporting Framework

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a. Income Tax

The Trust is exempt from income tax as a charitable entity under subdivision 50-B of the *Income Tax Assessment Act 1997*.

b. Fundraising income

Revenue arising from fundraising appeals and other donations, including bequests, is recognised when the Trust receives the monies or where the Trust has a unconditional commitment from the contributor, on an accruals basis.

Pledges received for donations that are to be made over a number of years are recognised as revenue in the relevant year that the donation is received.

The Trust has applied AASB 1058 Income of Not-For-Profit Entities when recognising fundraising income. Fundraising income was received for no consideration and to further the objectives of San Foundation Inc.

Rendering of services

San Foundation Inc. earned entrant fees and sponsorship revenues for the 2019 Run for Life event. Revenues from services are recognised when the service is performed (the date of the event). Entrant fees and sponsorships received prior to the event are recognised as a "sufficiently specific performance obligation" under AASB 15 Revenue from Contracts with Customers and recognised as an other payable in the financial statements.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

c. Operating expenses

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

d. Cash and cash equivalents

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. BASIS OF PREPARATION (continued)

e. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a net basis. The GST component of the cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

f. Financial Assets

Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'trade and other receivables'. Trade and other receivables are measured at amortised cost using the effective interest method less impairment.

Investments

The Trusts investments are categorised as held at fair value through profit or loss. These are initially recognised mandatorily at fair value through the profit or loss plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method.

The Trust has no power or control over its investments and therefore the investments would not be consolidated in the Trust financial statements.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the profit or loss and reflected in an allowance account. When the Trust considers there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of the impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit and loss.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. BASIS OF PREPARATION (continued)

f. Financial Assets

Impairment of financial assets (continued)

The Trust has considered the impacts of the COVID-19 Pandemic ("COVID-19") on the financial assets reported in the financial statements.

The Trusts shareholding in San College of Education Pty Ltd was assessed as being impaired during the year ended 30 June 2020. No other asset impairment has been recognised by the Trust.

g. Financial instruments issued by the Trust

Trade and other payables

Trade payables are recognised initially at their fair value, which is the amount expected to be paid, and subsequently at amortised cost. These amounts represent liabilities for services provided prior to the end of the period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Other payables are accruals for services provided in relation to the period.

h. New standards and interpretations

AASB 16 Leases

AASB 16 Leases introduces a single on-balance sheet accounting model for leases. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

In financial years 2018-2019 and 2019-2020, the Trust paid Adventist Healthcare Limited to occupy an office at 185 Fox Valley Road, Wahroonga.

In the prior year, the Trust elected to use the short term exemption under AASB 16 Leases due to a letter of intent, provided by Adventist Healthcare Limited to San Foundation Inc., to sign a memorandum of understanding by 30 June 2020. The memorandum of understanding contained the provision of an office by Adventist Healthcare Limited to San Foundation Inc. for fundraising activities at nil cost.

At the date of signing, the memorandum of understanding remains in draft and no other lease arrangements have been finalised. San Foundation Inc. continues to be invoiced regularly to occupy the office. On this basis, the Trust adopted AASB 16 Leases at 1 July 2019 and has accounted for the lease within the financial statements as required. The office lease has been assumed to continue in its current form for 5 years from 1 July 2019 with nil rent charged in FY2021. This rent free period was communicated by Adventist Healthcare Limited on 22 October 2020.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
3. OTHER INCOME AND EXPENSES		
Profit/(Loss) from ordinary activities includes the following items of revenue and expense:		
3.1 Fundraising income		
Donations	5,656,137	12,024,304
Bequests	28,895	180
Run for Life entrant fees and sponsorships	19,066	24,068
	<u>5,704,098</u>	<u>12,048,552</u>
The expenses associated with delivering the events are included in Note 3.4 Events.		
3.2 Finance income		
Interest received	229,590	147,745
	<u>229,590</u>	<u>147,745</u>
3.3 Other operating expense		
Legal expenses	29,665	-
Accounting expenses	19,400	15,750
Administration expenses	59,034	32,180
	<u>108,099</u>	<u>47,930</u>
3.4 Fundraising and program expenses		
Accountability and administration	737,214	598,269
Bank charges	6,672	7,406
Promotion and publicity	168,007	205,835
Events	52,558	62,504
	<u>964,451</u>	<u>874,014</u>
3.5 Office lease expenses		
Occupancy expenses	(207)	18,945
Lease interest	3,060	-
Depreciation of right to use asset	12,822	-
	<u>15,675</u>	<u>18,945</u>
Lease interest and depreciation on the right to use asset are due to the adoption of AASB 16 Leases by the Trust at 1 July 2019. Refer Note 2h.		
4. REMUNERATION OF AUDITORS		
Audit of the financial report	19,400	15,750
The auditor of San Foundation Inc. is KPMG (2019: KPMG).	<u>19,400</u>	<u>15,750</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
5. CASH AND CASH EQUIVALENTS		
Cash on hand	150	233
Westpac operating account	20,574	49,496
Westpac trust account	12,944,811	1,043,367
CMF investment	-	11,847,173
CMF trust account	-	104,391
	12,965,535	13,044,660
6. TRADE AND OTHER RECEIVABLES		
Trade debtors	-	45
Donor commitments but cash not yet received	10,680	57,008
GST	49,850	35,608
	60,530	92,661
7. SHAREHOLDINGS		
Shares in San College of Education Pty Ltd	-	10,000
	-	10,000
<p>San College of Education Pty Ltd ("SanCE") is a training provider registered with the Australian Standards Quality Authority to provide Vocational Education and Training courses. The registered training organisation licence was renewed on 11 July 2019 for 7 years.</p> <p>As stated in Note 2f., the value of the shares in SanCE were reduced to nil. The entity is currently conducting a reduced number of limited sized courses due to the COVID-19 pandemic. The entity is significantly funded by an intercompany loan from Adventist Healthcare Limited.</p> <p>The voluntary deregistration of SAHF Enterprises Pty Ltd remains in progress. The carrying amount of the investment in SAHF Enterprises Pty Ltd was reduced to nil on 30 June 2018.</p>		
8. RIGHT OF USE ASSET		
Office lease	69,937	-
Accumulated depreciation	(12,822)	-
	57,115	-
<p>A right of use asset and accumulated depreciation are due to the adoption of AASB 16 Leases by the Trust at 1 July 2019. Refer Note 2h.</p>		
9. TRADE AND OTHER PAYABLES		
Trade payables	688	1,224
Adventist Healthcare Ltd	61,469	48,310
Run for Life entrant fees and sponsorships	-	3,958
Accrued expenses and other payables	59,784	39,161
	121,941	92,653
10. EMPLOYEE PROVISIONS		
<p>All employees are employed by Adventist Healthcare Limited. San Foundation Inc. is not liable for employee provisions.</p>		

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

11. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2020	2019
	\$	\$
<u>Cash on hand</u>	150	233
<u>Cash at bank</u>		
Operating account	20,574	49,496
Trust account	12,944,811	1,043,367
Cash Management facilities	-	11,951,564
	<u>12,965,385</u>	<u>13,044,427</u>
Total cash and cash equivalent	<u>12,965,535</u>	<u>13,044,660</u>

(b) Reconciliation of (loss)/profit for the period to net cash flows from operating activities

(Loss)/ Profit for period	(147,212)	6,858,805
<u>Changes in net assets and liabilities:</u>		
Decrease/(increase) in trade and other receivables	32,131	(25,797)
(Increase) in right of use asset	(57,115)	-
Increase/(decrease) in trade and other payables	29,288	(21,974)
Increase in lease liability	53,783	-
Impairment of shareholdings	10,000	-
Net cash flows from operating activities	<u>(79,125)</u>	<u>6,811,034</u>

12. SEGMENT INFORMATION

San Foundation Inc. operated wholly in Australia, and operates in one business segment being the raising of funds for Sydney Adventist Hospital.

13. SUBSEQUENT EVENTS

On 9 September 2020, the Trustee received notification from the Australian Taxation Office that its deductible gift recipient status and charity tax concessions have been transferred to the Trustee for San Foundation Trust (ABN 53 320 740 321). Transactions, including donations received, will be reported under this ABN commencing financial year 2020-2021.

The uncertainty around COVID-19 is expected to continue to present social and economic challenges in the next financial year and the resulting impact on all aspects of the economy, including charities, is uncertain. Since the reporting date, there have been no significant changes to the expected donations received by the Trust. The Trust has taken a number of measures to monitor and mitigate the effects of COVID-19 such as communication with donors and social distancing and working from home for employees. The Trust will continue to follow advice from various government policies and Adventist Healthcare Limited.

No other matters or circumstances have arisen since 30 June 2020 which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future.

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ADDITIONAL INFORMATION FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991 (NSW)
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
a) <i>Details of aggregate gross income and total expenses for fundraising appeals</i>		
<u>Proceeds from fundraising appeals (Note 3.1)</u>		
Donations	5,656,137	12,024,304
Bequests	28,895	180
Run for Life entrant fees and sponsorships	19,066	24,068
Gross proceeds from fundraising appeals	<u>5,704,098</u>	<u>12,048,552</u>
 <u>Expenses from fundraising appeals (Note 3.4)</u>		
Donations	964,451	874,014
Bequests	-	-
Total expenses for fundraising appeals	<u>964,451</u>	<u>874,014</u>
Net surplus from fundraising appeals	<u>4,739,647</u>	<u>11,174,538</u>
 b) <i>Statement showing how funds received are applied for charitable purposes</i>		
Net surplus from fundraising appeals	<u>4,739,647</u>	<u>11,174,538</u>
Applied for charitable purposes as follows:		
Sydney Adventist Hospital	4,984,654	4,419,137
Other operating expenses	108,099	47,930
Office lease expenses	15,675	18,945
Impairment of investment	10,000	-
Total expenses	<u>5,118,428</u>	<u>4,486,012</u>
(Shortfall)/ surplus	<u>(378,781)</u>	<u>6,688,526</u>
 (Shortfall)/ surplus was met/ increased by the following sources		
Finance income	229,590	147,745
Other income	1,979	1,842
Dividend income	-	20,692
	<u>231,569</u>	<u>170,279</u>
 Net (shortfall)/ surplus transferred to accumulated funds for future use	<u>(147,212)</u>	<u>6,858,805</u>

For the purposes of the *NSW Charitable Fundraising Act 1991* all fundraising activities were related to appeals.

c) *Comparison by percentage*

Total Cost of Public Fundraising/Revenue from the Australian Public	17%	7%
Net Surplus from Fundraising/Revenue from the Australian Public	83%	93%



Independent Auditor's Report

To the Trustee of Sydney Adventist Hospital Foundation Trust

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report**, of Sydney Adventist Hospital Foundation Trust (the Trust).

In our opinion, the accompanying Financial Report of the Trust is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Regulations including:

- i. giving a true and fair view of the Trust's financial position as at 30 June 2020, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards* to the extent described in Note 2 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2020.
- ii. Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Statement by Trustee.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Trust in accordance with the auditor independence requirements of the *ACNC Act 2012* 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 fulfilled our other ethical responsibilities in accordance with the Code.



Emphasis of matter – basis of preparation and restriction on use

We draw attention to Note 2 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared for the purpose of fulfilling the Directors financial reporting responsibilities under the *ACNC Act 2012* and *Charitable Fundraising (NSW) Act 1991*. As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Trustee of the Trust and ACNC and should not be used by any other party. We disclaim any assumption of responsibility for any reliance on this Auditor's Report, or on the Financial Report to which it relates to any person other than the Trustee of the Trust and ACNC.

Other information

Other Information is financial and non-financial information in Sydney Adventist Hospital Foundation Trust's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

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. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Trustees for the Financial Report

The Trustees are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Regulations.
- iii. Determining that the basis of preparation described in Notes 2 to the Financial Report is appropriate to meet the requirements of the ACNC, and the *Charitable Fundraising (NSW) Act 1991*. The basis of preparation is also appropriate to meet the needs of the members.
- iv. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- v. Assessing the Trust's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Trust's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Trust to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the Trust regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.



We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- i. the Financial Report gives a true and fair view of the Sydney Adventist Hospital Foundation Trust's financial result of fundraising appeal activities for the financial year ended 30 June 2020;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2019 to 30 June 2020, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2019 to 30 June 2020 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

KPMG

Sydney

13 November 2020