



Colonial Foundation Trust

ABN: 42 062 119 572

Trustee: Colonial Foundation Limited

ACN: 075 441 815

Annual report

For the year ended 30 June 2021

**COLONIAL FOUNDATION TRUST
ANNUAL REPORT 2021**

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COLONIAL FOUNDATION TRUST

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ABOUT COLONIAL FOUNDATION

The Colonial Mutual Life Assurance Society Ltd (“CMLA”) was established in 1873 by Thomas Jacques Martin. Historical records indicate that CMLA was established to provide protection for the widows and children of miners working in the Victorian gold rush.

In 1996, CMLA, after 123 years as a mutual life insurance society, demutualised and, in 1997, was listed on the Australian Stock Exchange as “Colonial Limited”. As part of the demutualisation and to reflect in some way its origin as a mutual society, formed to provide a service to its members and the communities it served, the Colonial Foundation Trust was created.

Colonial Foundation Limited was formed to act as Trustee of the Trust.

Following the merger of Colonial Limited with the Commonwealth Bank of Australia in June 2000, Colonial Foundation Limited became fully independent, with the responsibility of carrying out the broadly defined charitable objectives of the Colonial Foundation Trust.

Since its establishment, the Colonial Foundation Trust has committed to donate more than \$153 million of philanthropic grants to date, to over 75 charitable organisations.

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I am pleased to present Colonial Foundation Trust's Annual Review for the financial year ended 30 June 2021.

During the year-ended June 2021, the Foundation continued its granting strategy, focusing on its purpose and on achieving an impact in the targeted areas outlined below.

The infographic is set against a grey background with a large red arrow pointing from left to right. On the left side of the arrow, the **Vision** is stated: "All Australians living a fair, healthy and fulfilling life". In the center of the arrow, the **Purpose** is described: "We are committed to engendering positive social change in Australia by partnering with and assisting organisations that empower Australians to achieve the most out of life and develop a healthier, more innovative and more creative society". Below the purpose, the **Distinctive Approach** is outlined: "Drive significant impact through a very limited number of high-value grants that extend over multiple years providing sustained support in building the capacity of the recipient organisation". On the right side of the infographic, under the heading **Targeted Impact**, three key areas are listed in red boxes: **Healthy Ageing**, **Youth Opportunity**, and **Rural & Regional Vitality**. Each area includes a list of specific activities and outcomes.

Purpose

We are committed to engendering positive social change in Australia by partnering with and assisting organisations that empower Australians to achieve the most out of life and develop a healthier, more innovative and more creative society

Vision

All Australians living a fair, healthy and fulfilling life

Distinctive Approach

Drive significant impact through a very limited number of high-value grants that extend over multiple years providing sustained support in building the capacity of the recipient organisation

Targeted Impact

Healthy Ageing

Ease the disabilities of ageing through -

- Supporting essential medical research to **find solutions** to neurodegenerative disorders
- Supporting innovative or critical projects that **improve the quality of healthcare** for the Aged

Youth Opportunity

Empower young Australians through -

- Supporting translational research that **improves youth mental health**
- Supporting education that **maximises** their **potential**
- Providing opportunities for them to discover and **be inspired** by the Arts

Rural & Regional Vitality

Support Rural and Regional communities through -

- Initiatives that **improve** local economic and social **sustainability**
- Innovation that **preserves** or **improves management** of our natural resources

In implementing this, we have continued to apply our distinctive approach to grant-making, characterised by:

- Large value grants,
- Continuing over multiple years, and
- Assisting in building the capacity of the recipient organisation.

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Granting

Over the year to June 2021, despite the impact of Covid-19, the Foundation provided grants totalling \$7.0 million to nine organisations. All payments made during the year were part of multi-year grants either agreed during the current year or continuing from prior years.

Major Grant Partners

We continued to fund our long-term major grant partners, Orygen and WEHI (formerly known as Walter & Eliza Hall Research Institute).

Orygen remains our longest grant relationship and continues to successfully pursue its purpose of striving for all young people to enjoy optimal mental health as they grow into adulthood.

This year saw part of the Foundation's funding used to seed the establishment of the Orygen Youth Mental Health Foundation in order to focus efforts on increasing awareness of, and public donations for, Orygen. The FY2021 grant payment of \$2.9 million is the fifth annual payment as part of a five-year partnership agreement.

WEHI is establishing itself as a major partnership for the Foundation through the Colonial Foundation Healthy Ageing Centre, located within the WEHI complex in the world-renowned Melbourne Biomedical Precinct. The FY2021 grant payment of \$1.5 million was part of a \$15.0 million funding agreement that extends to FY2024.

New Focus - Rural & Regional Australia

Late in the prior year, the Foundation commenced a focus on Rural & Regional Australia with an initial grant to Watertrust Australia. Watertrust Australia Ltd is the new name for the National Water & Catchment Policy Centre established in the prior year. The FY2021 grant payment of \$0.5 million is the first annual payment of a ten-year commitment of \$5.0 million.

The current year saw this new focus extended with a grant of \$0.75 million to Ganbina in support of their successful school to work transition program for Indigenous students, primarily in Regional Victoria. The grant will be provided over three years, with the first payment made in June 2021.

In addition, the Foundation committed to providing a grant of \$3.0 million to the Regional Australia Institute. The grant will be provided over three years commencing in August 2021 and will support growing the organisation's capacity as Australia's only independent think tank solely focused on regional Australia and using evidence-based research and community engagement to develop better policy outcomes to transform Australia's future.

In addition, the Foundation provided a one-off grant of \$0.5 million to Haven Foundation as a contribution to the development of long-term supported accommodation (self-contained accommodation units) in Regional Victoria for people suffering from severe and persistent mental illness (e.g. schizophrenia) who are at the risk of homelessness.

Youth

The Foundation has maintained its funding of key organisations supporting Australia's Youth Education. These organisations include The Australian Ballet, Melbourne Indigenous Transition School (MITS) and Australian Youth Orchestra. These organisations were significantly affected by the Covid-19 lockdowns, particularly in Victoria. It is to their credit that they have restructured their operations to sustain their respective organisations throughout the pandemic. For example, MITS reacted innovatively to the COVID-19 lockdowns by relocating the school temporarily to the Northern Territory.

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The Foundation has continued its support of these organisations throughout the lockdowns with the following grant payments during the current year:

- The Australian Ballet 'Out There in Schools' education program - \$0.4 million;
- Melbourne Indigenous Transition School - \$0.45 million; and
- Australian Youth Orchestra 'Young Symphonists and Chamber Players Groups Training Programs' - \$0.2 million.

Grant Profile - Orygen

Focus:	Youth Opportunity
Targeted Impact:	Translational research that improves youth mental health

Colonial Foundation provided seed funding in 2001 that led to the establishment of Orygen, a unique collaborative partnership of a philanthropic organisation (Colonial Foundation), one of Australia's leading universities (University of Melbourne) and a major healthcare organisation (Melbourne Health), acting in concert as members/owners of the organisation. Orygen is now considered a world leader in youth mental health research and knowledge translation.

The Foundation has committed funding of \$65.0 million over a twenty-year period in support of Orygen's operations focused on the development of a comprehensive research base and service platform in youth mental health, for Australia. Orygen has leveraged the Foundation's funding to generate nearly a billion dollars of Australian Government support for the youth mental health sector.

With mental ill-health the leading cause of disability and death among Australians aged 15-24, the Foundation's support is having a profound impact on mental health services for young people across Australia. Our funding has enabled raising awareness of the issue and advocating for more and better funding to support youth affected by poor mental health. This culminated in the Productivity Commission and Victorian Royal Commission reviews of the mental health system and funding, as well as the construction of a state-of-the-art new building for Orygen. The outcome of these reviews is enabling Orygen to become a leading service provider addressing youth mental health in Australia.

Grant Profile - WEHI

Focus:	Healthy Ageing
Targeted Impact:	Medical research to find solutions to neuro-degenerative disorders

In 2019, in pursuit of our objective to support medical research designed to find solutions to the disabilities of ageing, Colonial Foundation committed to fund \$15.0 million to WEHI over five years. This grant establishes the Colonial Foundation Healthy Ageing Centre and enables a research program – led by researchers at WEHI – to develop new diagnostic tests for the early detection of dementia.

Dementia is a major health challenge in Australia. Without breakthroughs in diagnostics and therapies, the number of dementia patients is expected to more than double by 2050. Early detection of the disease is crucial because by the time symptoms occur, most of the damage cannot be reversed.

The research team, led by Associate Professor Andrew Webb, is establishing a biological model for healthy ageing, and profiling the molecular information of more than 20,000 patients recruited to the study. The project is currently building prototype robots to automate the handling of samples from patients, and combines the collaborative expertise of scientists, clinicians, neuropsychiatrists, engineers and computational researchers.

The Centre's goal is developing diagnostic tests for the early detection of neurodegenerative conditions that could cause dementia in people as young as 40. They aim to provide doctors across Australia with accredited tools and tests that make a positive difference to the quality of life for patients and their loved ones.

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Grant Profile - Watertrust Australia

Focus:	Rural & Regional Vitality
Targeted Impact:	Innovation that preserves or improves management of our natural resources

There is an urgent need to develop an effective and workable long-term water and catchment policy to safeguard Australia's freshwater water security and ensure sustainable management of these critical resources. In 2020, Colonial Foundation joined an initiative that seeks to address this by creating a new national and fully independent water and catchment policy centre, known as Watertrust Australia.

The initiative acknowledges that there are a wide range of stakeholders affected by Australia's water policy and seeks to contribute to developing policy that is inclusive and developed with the input of all relevant stakeholders. The Centre is independent of any special interest and focuses on helping communities and governments reset the water reform agenda by deploying proven models of participatory and deliberative policy co-design. The Centre plans to engage with a wide range of stakeholders, including policymakers, politicians, government agencies, academic experts, farmers, First Peoples, land and water managers, corporations, financiers and regional and urban communities in the collaborative design of water and catchment policy. In doing so, it is expected that innovative policy will be developed that engages collective intelligence and unify all stakeholders in its implementation.

The Centre's establishment and operations are being funded by a collaboration of more than fifteen philanthropic organisations, collectively committing more than \$30 million over ten years. The collaboration comprises some of Australia's leading philanthropic foundations, including Colonial Foundation.

The current year has seen the Centre establish its operations, housed in the Australian Academy of Science in Canberra. This has included the appointment of a Chief Executive Officer and an independent Board of Directors.

Grant Profile - Regional Australia Institute

Focus:	Rural & Regional Vitality
Targeted Impact:	Innovation that improves local economic and social sustainability

The Regional Australia Institute (RAI) is Australia's only independent think tank solely focused on regional Australia. Since its inception in 2011, RAI has worked in partnership with government, academia, and community and industry organisations to develop a deep portfolio of research and policy work. This work and these associated relationships have successfully positioned the RAI at the forefront of the regional Australia conversation. RAI is the voice for the regions.

The COVID-19 driven wide-spread shift to working from home has presented a unique opportunity for the regions. It has also put a renewed focus on the liveability and prosperity of our regional communities. The RAI sees the opportunity to build on these society-wide changes and the subsequent need for a regionally focused economic, social and political agenda.

Colonial Foundation is funding the growth of RAI's internal capability and capacity to support regional communities, particularly in the current environment of wide-spread changes in Australia's demography.

Grant Profile - Ganbina

Focus:	Rural & Regional Vitality
Targeted Impact:	Innovation that improves local economic and social sustainability

Ganbina provides a successful Indigenous school to work transition program, primarily focused on the Goulburn Valley in Victoria. They mentor young Indigenous people, from the ages of six to 25 years old, to make sure they gain the education, skills and life experiences they need to unlock their full potential. Their program includes learning support, life skills training, cultural appreciation, career guidance and financial assistance. It also includes enterprise and employment programs to provide meaningful long-term employment.

Ganbina is an independent organisation, free from any political, religious or other affiliations. It was formed in 1997 and operates entirely on support received from philanthropic trusts, corporate sponsors, and donors.

Colonial Foundation has contributed to sustaining their operation by providing core capacity funding.

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COVID-19

The COVID-19 pandemic has and continues to disrupt the lives of Australians. Fortunately, the development of vaccines and anti-viral drugs is providing a way for us to live with this virus and substantially reduce the significant impact it has had on our lives. The communities that we support have been severely disrupted. Throughout this entire period, we have sought to address the impact on our grant partners, primarily by continuing to fulfil existing grant commitments. In addition, we have actively engaged with our grant partners to understand the COVID-19 impact on their operations and the issues they face in addressing the impact and adopted a flexible approach to our funding requirements.

The COVID-19 pandemic impact on the Australian and global economies resulted in uncertain economic conditions and volatile investment markets. The latter significantly impacted the Foundation's investment assets and investment income during the early months of the pandemic. Since then, investment markets have recovered substantially, thereby enabling the Foundation to sustain a strong level of granting.

With our office being based in Melbourne, the numerous lockdown restrictions have required changes to the way we operate, including working from home for extended periods. Throughout, we have ensured that the safety and well-being of our staff remained a high priority.

People

Colonial Foundation's former Chairman, David Adam, passed away in May 2021 at the age of 90. David had a brilliant legal and business career which he combined with making a wonderful contribution to Australia through his leadership of many community organisations. David's stellar business career included being Chairman of Colonial Limited, where he oversaw its demutualisation and later takeover by CBA.

David's contribution to the conception and creation of Colonial Foundation as a significant, perpetual and independent charitable trust was visionary. As Chairman of Colonial Foundation, David helped lead its focus on high value partnerships providing sustained support to build capacity. David was passionate about youth mental health - Colonial's long partnership with Orygen (where David also served as Chairman) has witnessed Orygen's development into a centre of excellence recognised not only in Australia but throughout the World.

In November 2020, a longstanding Director of the Trustee Board, Jane Harvey, retired from the Board. Jane joined the Board in 2007 and was a respected member of the Board providing valued insights to the Foundation's philanthropic activities during her tenure. In addition to her service as a Board member, Jane also represented the Foundation as a member of the Orygen Board and chaired its Audit & Risk Committee. Jane's contribution to the Foundation and its purpose has been significant and highly regarded.

Over the past twelve months, we have been fortunate to invite new Directors to join the Trustee Board. Michael Fitzsimmons joined in October 2020, and Melissa Reynolds joined at the start of July 2021.

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Operations

The investment market turmoil of the prior year largely recovered in the current year. This resulted in the total value of Trust Funds at 30 June 2021 growing to \$269.2 million from \$227.4 million at the end of the prior year. This has enabled the Foundation to maintain its long-term grant commitments throughout the period of economic uncertainty.

The Foundation has continued its track record of highly efficient operations with the operating expense ratio for the year at 0.35% of average total net assets. The recruitment of new Trustee Directors has seen an increase in recruitment fees during the current year and is the main driver of the variance from the prior year.

Covid-19 has meant that the year-ended June 2021 has been a tumultuous year; however, the Foundation has performed well. I would like to thank my fellow directors and the executive team for their contribution to this success. I look forward to reporting on the further progress of the Foundation in the coming year.



Alan Beanland
Chairman

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TRUSTEE DIRECTORS

Mr Alan Beanland - BSc, FAICD

Chairman

Alan Beanland joined the Board in October 2010. He has extensive international experience across four continents as a Director, Senior Executive, Consultant and Business Developer within the Information Technology and Finance sectors. He has also advised major Australian and Asian Groups on their international business expansion activities.

Mr Beanland is the current Chairman of Orygen - The National Centre of Excellence in Youth Mental Health, a past Chairman of Credit Union Australia Limited (now renamed Great Southern Bank) and Superpartners Pty Limited; and was previously a Non-Executive Director of Spotless Group Limited, Dragon Mountain Gold Limited and Hancock Victorian Plantations Limited amongst other companies.

Professor Geoffrey Donnan AO – MBBS, MD, FRACP, FRCP (Edin), FAHMS

Geoffrey Donnan joined the Board in June 2019. He is a Professor of Neurology at The University of Melbourne, Co-Chair of the Australian Stroke Alliance, and the former Director of The Florey Institute of Neuroscience and Mental Health. He actively continues his research at the Royal Melbourne and Austin Hospitals, where his primary interests are neuroimaging and clinical trials. He has made significant contributions to the understanding of stroke including establishment of new risk factors, the duration and evolution of viable brain tissue after stroke, and the ischaemic penumbra. More recently, he has co-chaired thrombectomy trials in acute ischemic stroke and established Australia's first mobile stroke ambulance with Professor Stephen Davis.

Professor Donnan has previously served as a board member of the Stroke Foundation, Brain Foundation, Prince Henry's Institute of Medical Research, The Florey Institute of Neuroscience and Mental Health, Australian Clinical Trials Alliance (ACTA), Melbourne Academic Centre for Health (MACH), World Stroke Organization and World Neurology Foundation.

Mr Colin Galbraith AM - LL.B (Hons) and LL.M (University of Melbourne)

Colin Galbraith joined the Board in March 2013 and is a Senior Advisor to Gresham Partners Limited. Mr Galbraith joined Gresham in 2006 after retiring from the partnership of the law firm Allens Arthur Robinson.

Mr Galbraith is a Trustee of the Royal Melbourne Hospital Neuroscience Foundation. Formerly, he was a Director of the Commonwealth Bank of Australia, LatAm Autos Limited, the Australian Institute of Company Directors and CARE Australia (which he also chaired).

Mr Robert Garnsworthy – BEc (Monash University)

Robert Garnsworthy joined the Board in June 2015. He worked for 17 years with Shell Australia holding executive positions in Shell's Canadian and London offices. Mr Garnsworthy joined the Colonial Group of companies in 1994 and was Managing Director of Colonial's United Kingdom office up to 1998, thereafter, Managing Director of Colonial International from 1998 through to 2000.

Mr Garnsworthy was CEO of Norwich Union Australia from 2000 to 2003. Previous Board roles include Colonial First State, Portfolio Partners and CGU Insurance.

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TRUSTEE DIRECTORS

Ms Melissa Reynolds - BEc, MCom, GAICD

Melissa Reynolds joined the Board in July 2021. She is an accomplished senior executive with over 30 years' experience in ASX-listed financial services, energy and media companies, including Executive roles at AGL Energy, National Australia Bank and Sensis. Melissa has significant strategic, commercial and operational leadership expertise, including digital transformations, and has worked with the Not-For-Profit sector in a commercial context across several decades.

Melissa is currently a Non-Executive Director at Teachers Mutual Bank Limited and a member of their Risk & Compliance and Remuneration Committees. In addition to her qualifications, Melissa has completed the Advanced Management Program at INSEAD, France.

Ms Andrea Waters – BCom, FCA, GAICD

Andrea Waters joined the Board in February 2018. She is a Fellow of Chartered Accountants Australia & New Zealand, a member and accredited facilitator of the Australian Institute of Company Directors and a former partner with KPMG (until 2012) specialising in Financial Services Audit.

For the past nine years, Ms Waters has been a professional Non-Executive Director and is currently a director of MyState Limited (MYS), Genworth Mortgage Insurance Australia Limited (GMA), Grant Thornton Australia Limited, Bennelong Funds Management Group and Citywide Service Solutions Pty. Ltd. She was previously a Director of Cash Converters International Limited (CCV), CareSuper, The Lord Mayors Charitable Foundation, Chartered Accountants Australia & New Zealand and Cancer Council Victoria.

Mr Michael Fitzsimmons – BBus (Accounting), Grad Dip (Investments), SF FIN

Michael Fitzsimmons joined the Board in October 2020. He has had a successful career in institutional investing, with more than 30 years' of experience managing equity portfolios for some of Australia's largest investment institutions.

In 1998, Michael co-founded JCP Investment Partners (JCP) in a joint venture with Jardine Fleming Asset Management (and later JP Morgan AM). He was JCP's Senior Portfolio Manager, Chief Investment Officer, and Managing Director from 1999 until 2018. Before this, Michael was the Head of Australian Equities at ANZ Funds Management. He is a Senior Fellow of the Financial Services Institute of Australasia (FINSIA).

Michael retired as an executive in 2018 and is currently studying for a Masters degree at Deakin University and managing his family farm and vineyard in Central Victoria.

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TRUSTEE'S REPORT

The Directors of the Trustee present their report together with the financial report of Colonial Foundation Trust (the "Trust") for the financial year ended 30 June 2021 and auditor's report thereon.

Trustee Directors

The Trustee is Colonial Foundation Limited. The Directors of the Trustee at any time during or since the end of the financial year were:

Mr Alan Beanland	Director since 27 October 2010
Prof Geoffrey Donnan, AO	Director since 5 June 2019
Mr Colin Galbraith, AM	Director since 4 March 2013
Mr Robert Garnsworthy	Director since 23 February 2015
Mrs Jane Harvey	Director since 16 July 2007, retired 30 November 2020
Ms Andrea Waters	Director since 19 February 2018
Mr Michael Fitzsimmons	Director since 15 October 2020
Ms Melissa Reynolds	Director since 1 July 2021

Trust management

The Chief Executive Officer (Mr André Carstens) has responsibility for the operational management of the Trust in accordance with the strategies, policies and processes adopted by the Trustee Directors and operates under authorities delegated by the Trustee Directors.

Principal activities

The principal activities of the Trust during the course of the financial year have been those of investing and philanthropic activities in accordance with the Trust Deed. There were no significant changes in the scope of the activities of the Trust during the year.

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TRUSTEE'S REPORT

Review and results of operations

The net surplus of the Trust, before distributions, for the year ended 30 June 2021 was \$48,850,000 (2020: deficit of \$4,983,000). In the current year, a combination of factors including vaccine rollouts, government stimulus and a low interest rate environment have contributed to the market value of the Trust's investments recovering strongly from the initial economic impact of the COVID-19 pandemic that resulted in 2020's deficit. Nevertheless, there is still uncertainty on the ultimate impact COVID-19 will have on world economies.

It is also worth noting that the application of the new accounting standard AASB 16 Leases ("AASB 16") in the prior year has resulted in the reclassification of the Trust's lease costs within the Statement of Surplus or Deficit and Other Comprehensive Income, specifically rent and rental outgoings, depreciation expense, and finance costs. AASB 16 removes the distinction between operating and finance leases, requiring lessees to bring operating leases onto the balance sheet for the first time. The lessee is required to measure and recognise a lease liability and corresponding lease asset. The lessee then recognises depreciation on the lease asset and interest on the lease liability.

AASB 16 applies to the Trust's property lease whereby lease costs that were previously expensed as rent, with no asset or liability recognised, are now recorded within depreciation and finance costs. The remaining \$5,000 in rent and rental outgoings in the Statement of Surplus or Deficit and Other Comprehensive Income relates primarily to rental outgoings in 2021.

Lastly, other expenses (2021: \$110,000; 2020: \$63,000) were higher than the prior year predominantly due to recruitment fees paid on the appointment of two new directors during the year.

Distributions

Distributions of \$7,031,000 (2020: \$7,400,000) were paid to philanthropic activities during the year.

Likely developments

The Trust will continue to operate in accordance with the terms of the Trust Deed, as amended.

After balance date events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Trustee, to significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

Rounding off

Amounts in the Trustee's report and in the financial report have been rounded to the nearest one thousand dollars unless otherwise stated.

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TRUSTEE'S REPORT

Auditor's independence declaration

The auditor's independence declaration is set out on page 13 and forms part of the Trustee's report for the financial year ended 30 June 2021.

This report is made with a resolution of the Trustee Directors:



Chairman: _____

Mr Alan Beanland

30 November 2021



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 Colonial 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 2021 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.

KPMG

Adrian Nathanielsz

Partner

Melbourne

30 November 2021

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STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$ '000	2020 \$ '000
Revenue			
Dividend and distribution income		7,400	8,628
Interest income		135	185
Other income		533	1,073
Net foreign exchange gain		<u>15</u>	<u>122</u>
Total revenue		<u>8,083</u>	<u>10,008</u>
Changes in fair value of investments			
Fair value gains/(losses) on investments		<u>41,625</u>	<u>(14,177)</u>
Expenses			
Employee expenses		(299)	(298)
Audit and accounting fees		(102)	(88)
Rent and rental outgoings		(5)	(92)
Investment advisory fees		(177)	(206)
Depreciation expense		(122)	(52)
Finance costs		(43)	(15)
Other expenses from ordinary activities		<u>(110)</u>	<u>(63)</u>
Total expenses		<u>(858)</u>	<u>(814)</u>
Surplus/(deficit) before income tax expense		48,850	(4,983)
Income tax expense	1(g)	<u>-</u>	<u>-</u>
Net surplus/(deficit) for the year before distributions		<u>48,850</u>	<u>(4,983)</u>
Distributions to philanthropic activities		<u>(7,031)</u>	<u>(7,400)</u>
Surplus/(deficit) for the year after distributions		<u>41,819</u>	<u>(12,383)</u>
Other comprehensive income			
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>41,819</u>	<u>(12,383)</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$ '000	2020 \$ '000
Current assets			
Cash and cash equivalents	5	7,574	22,329
Trade and other receivables	6	4,079	16,247
Other financial assets	7	-	2,300
Prepayments		<u>16</u>	<u>11</u>
Total current assets		<u>11,669</u>	<u>40,887</u>
Non-current assets			
Trade and other receivables	6	140	-
Investments	8	257,518	186,486
Plant and equipment	9	150	164
Lease assets	10	<u>892</u>	<u>995</u>
Total non-current assets		<u>258,700</u>	<u>187,645</u>
Total assets		<u>270,369</u>	<u>228,532</u>
Current liabilities			
Trade and other payables	11	154	88
Employee benefits	12	44	31
Lease liabilities	10	<u>73</u>	<u>61</u>
Total current liabilities		<u>271</u>	<u>180</u>
Non-current liabilities			
Lease liabilities	10	<u>870</u>	<u>943</u>
Total non-current liabilities		<u>870</u>	<u>943</u>
Total liabilities		<u>1,141</u>	<u>1,123</u>
Net assets		<u>269,228</u>	<u>227,409</u>
Trust funds			
Trust funds		<u>269,228</u>	<u>227,409</u>
Total trust funds		<u>269,228</u>	<u>227,409</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED 30 JUNE 2021

	Endowed Funds \$ '000	Accumulated Surplus \$ '000	Total \$ '000
Balance as at 1 July 2019	142,827	96,965	239,792
Deficit for the year before distributions	-	(4,983)	(4,983)
Other comprehensive income for the year	-	-	-
Distributions to philanthropic activities	-	(7,400)	(7,400)
Balance as at 30 June 2020	<u>142,827</u>	<u>84,582</u>	<u>227,409</u>
Balance as at 1 July 2020	142,827	84,582	227,409
Surplus for the year before distributions	-	48,850	48,850
Other comprehensive income for the year	-	-	-
Distributions to philanthropic activities	-	(7,031)	(7,031)
Balance as at 30 June 2021	<u>142,827</u>	<u>126,401</u>	<u>269,228</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$ '000	2020 \$ '000
Cash flow from operating activities			
Imputation credits refunded		1,125	2,480
Distributions and fee rebates received		6,493	10,109
Interest received		158	212
Interest paid		(43)	(15)
Cash paid to suppliers and employees		(890)	(878)
Government grants		<u>48</u>	<u>-</u>
Net cash provided by operating activities	13(a)	<u>6,891</u>	<u>11,908</u>
Cash flow from investing activities			
Purchase of plant and equipment		(7)	(164)
Proceeds from the sale of plant and equipment		1	-
Proceeds from/(acquisition of) other financial assets		2,300	(2,300)
Proceeds from the sale of investments		58,952	85,362
Acquisition of investments		<u>(75,815)</u>	<u>(73,760)</u>
Net cash (used in) / provided by investing activities		<u>(14,569)</u>	<u>9,138</u>
Cash flow from financing activities			
Lease repayments	10(c)	(61)	(25)
Distributions paid to philanthropic activities		<u>(7,031)</u>	<u>(7,400)</u>
Net cash used in financing activities		<u>(7,092)</u>	<u>(7,425)</u>
Reconciliation of cash			
Net (decrease) / increase in cash held		(14,770)	13,621
Cash at the beginning of the financial year		22,329	8,708
Foreign exchange differences on cash holdings		<u>15</u>	<u>-</u>
Cash at the end of the financial year	5	<u><u>7,574</u></u>	<u><u>22,329</u></u>

The accompanying notes form part of these financial statements.

COLONIAL FOUNDATION TRUST

ABN: 42 062 119 572

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Colonial Foundation Trust (the "Trust") is a Trust domiciled in Australia. The Trust is a not-for-profit entity and primarily is involved in investing and philanthropic activities in accordance with the Trust Deed, as amended.

The Directors of the Trustee have determined that the Trust is not a reporting entity on the basis that, in the opinion of the Trustee, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report was approved by the Directors of the Trustee as at the date of the Trustee's report.

The financial report has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of:

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 Standards
AASB 1054:	Australian Additional Disclosures

The financial statements do not comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the Trust's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 3 to the financial statements.

COLONIAL FOUNDATION TRUST

ABN: 42 062 119 572

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency transactions and balances

Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Trust's functional and presentation currency.

Transactions and balances

Transactions undertaken in foreign currencies are recognised in the Trust's functional currency, using the spot rate at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are restated to the spot rate at the reporting date.

All exchange gains or losses are recognised in the statement of surplus or deficit and other comprehensive income for the period in which they arise.

(c) Rounding of amounts

The amounts in the financial statements and in the Trustee's report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

(d) Plant and equipment

Each class of plant and equipment is measured at cost less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Depreciation

The depreciable amount of plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Plant and equipment at cost	3 to 10 years	Straight line

COLONIAL FOUNDATION TRUST

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the undiscounted amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in the statement of surplus or deficit and other comprehensive income in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the Trust does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(iii) Retirement benefit obligations

Defined contribution superannuation plan

The Trust makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The Trust's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the undiscounted amounts expected to be paid when the obligation is settled and are presented as current liabilities in the statement of financial position.

COLONIAL FOUNDATION TRUST

ABN: 42 062 119 572

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Revenue

Interest income is recognised as it accrues in the statement of surplus or deficit, using the effective interest method.

Dividend and distribution income is recognised in the statement of surplus or deficit on the date that the Trust's right to receive payment is established.

The Trust's revenue also includes:

- imputation credits receivable on dividend and distribution income;
- net foreign currency gains or losses on financial assets.

Net gains or losses on financial assets at FVTPL are disclosed as Changes in Fair Value of Investments in the Statement of Surplus or Deficit and Other Comprehensive Income.

(g) Income tax

The Colonial Foundation Trust is exempt from paying income tax as it is endorsed by the Australian Taxation Office as an Income Tax Exempt Charity.

(h) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Financial instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

COLONIAL FOUNDATION TRUST

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (Continued)

Classification of financial assets

Financial instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Trust may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. All financial assets are initially measured at fair value adjusted for transaction costs.

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories:

- Financial assets at amortised cost
- Financial assets at FVTPL
- Financial assets at FVOCI

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets at FVOCI are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in other comprehensive income.

Trade and other receivables and contract assets

The Trust makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Trust uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (Continued)

Impairment of financial assets

The Trust recognises a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Financial liabilities

Financial liabilities measured subsequently at amortised cost

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

(j) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low-value assets), the Trust recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Trust, and an estimate of costs to be incurred by the Trust in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Trust's incremental borrowing rate.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leases (Continued)

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in the statement of surplus or deficit and other comprehensive income (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low-value assets

Lease payments made in relation to leases of 12-months or less and leases of low-value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(k) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Trust. The Trust has decided not to early adopt any of these new and amended pronouncements. Management has assessed that none of these standards will have a material impact on the Trust's financial statements in the period of initial application.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Private equity investments

The valuation of private equity investments is considered a key estimate for the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

COLONIAL FOUNDATION TRUST

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
NOTE 4: AUDITOR'S REMUNERATION		
Statutory audit services – KPMG	\$ <u>30,500</u>	\$ <u>29,000</u>

	2021 \$ '000	2020 \$ '000
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	<u>7,574</u>	<u>22,329</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

CURRENT

Other receivables		
- Accrued distributions	3,494	2,592
- Unsettled sales of investments	-	12,471
- GST recoverable	17	36
- Accrued interest	-	23
- Imputation credits refundable	<u>568</u>	<u>1,125</u>
	<u>4,079</u>	<u>16,247</u>

NON CURRENT

Other receivables		
- Imputation credits refundable	<u>140</u>	<u>-</u>

NOTE 7: OTHER FINANCIAL ASSETS

CURRENT

Fixed term deposits	<u>-</u>	<u>2,300</u>
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NOTE 8: INVESTMENTS

NON CURRENT

At fair value through profit and loss:

Investments in equity and debt securities	251,224	179,275
Investments in private equity partnerships	<u>6,294</u>	<u>7,211</u>
	<u>257,518</u>	<u>186,486</u>

COLONIAL FOUNDATION TRUST
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$ '000	\$ '000

NOTE 9: PLANT AND EQUIPMENT

Plant and equipment

Plant and equipment at cost	192	187
Accumulated depreciation	<u>(42)</u>	<u>(23)</u>
Total plant and equipment	<u><u>150</u></u>	<u><u>164</u></u>

(a) Reconciliations

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the financial year

Plant and equipment

Opening carrying amount	164	30
Additions	7	164
Disposals	(2)	(12)
Depreciation expense	<u>(19)</u>	<u>(18)</u>
Closing carrying amount	<u><u>150</u></u>	<u><u>164</u></u>

NOTE 10: LEASE ASSETS AND LEASE LIABILITIES

The Trust entered into a lease relating to the office property at Level 4, 111 Collins St Melbourne VIC which commenced from 1 March 2020. The lease has a non-cancellable lease period of 10 years with no options to extend at the end of the lease.

(a) Lease assets (Right-of-use)

Land and buildings		
Buildings under lease	<u>892</u>	<u>995</u>

Reconciliations

Reconciliation of the carrying amount of lease assets at the beginning and end of the financial year:

Buildings under lease

Opening carrying amount	995	-
Additions	-	1,029
Depreciation	<u>(103)</u>	<u>(34)</u>
Closing carrying amount	<u><u>892</u></u>	<u><u>995</u></u>

COLONIAL FOUNDATION TRUST
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$ '000	\$ '000
NOTE 10: LEASE ASSETS AND LEASE LIABILITIES (CONTINUED)		
(b) Lease liabilities		
CURRENT		
Lease liabilities	<u>73</u>	<u>61</u>
NON CURRENT		
Lease liabilities	<u>870</u>	<u>943</u>
Total carrying amount of lease liabilities	<u>943</u>	<u>1,004</u>
(c) Lease expenses and cashflows		
Interest expense on lease liabilities	43	15
Expense relating to short term leases	-	92
Depreciation expense on lease assets	103	34
Cash outflow for leases	61	25
NOTE 11: TRADE AND OTHER PAYABLES		
CURRENT		
Payables and accrued expenses	124	88
Unsettled purchases of investments	<u>30</u>	<u>-</u>
	<u>154</u>	<u>88</u>
NOTE 12: EMPLOYEE BENEFITS		
CURRENT		
Employee entitlements	<u>44</u>	<u>31</u>

COLONIAL FOUNDATION TRUST

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$ '000	2020 \$ '000
NOTE 13: CASH FLOW INFORMATION		
(a) Reconciliation of cash flow from operating activities		
Surplus / (deficit) for the year before distributions	48,850	(4,983)
Adjustments and non-cash items		
Depreciation	122	52
Loss on disposal of plant and equipment	1	13
Fair value (gains)/losses on investments	(41,625)	14,177
Net Foreign exchange gains	(15)	(122)
Management fees reinvested	(43)	(79)
Changes in operating assets and liabilities		
(Increase) / decrease in trade and other receivables	(443)	2,807
(Increase) / decrease in prepayments	(5)	12
Decrease in other assets	-	25
Increase / (decrease) in trade and other payables	36	(3)
Increase in employee benefits	<u>13</u>	<u>9</u>
Cash flows from operating activities	<u><u>6,891</u></u>	<u><u>11,908</u></u>

NOTE 14: COMMITMENTS

The Trust had the following commitments representing the uncalled elements in respect of the Trust's investments. The uncalled commitments relate to the Trust's private equity investments. Due to the nature of these investments, the exact timing of future capital calls is unknown.

- Goldman Sachs Private Equity Partners IX Private Equity Fund	1,657	1,813
- Goldman Sachs Private Equity Partners X Private Equity Fund	<u>1,468</u>	<u>1,606</u>
	<u><u>3,125</u></u>	<u><u>3,419</u></u>

COLONIAL FOUNDATION TRUST

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 15: FINANCIAL RISK MANAGEMENT

The Trust is exposed to the following financial risks in respect to the financial instruments that it held at the end of the reporting period:

- (b) Currency risk
- (a) Market risk

This note presents information about the Trust's exposure to each of the above risks, the Trust's objectives, policies and processes for measuring and managing risk.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Trust's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

(b) Currency risk

The Trust is exposed to currency risk on investments that are denominated in a currency other than the respective functional currencies of the Trust, primarily the Australian dollar (AUD), but also the United States dollar (USD). The currencies in which these transactions are primarily denominated are AUD and USD.

The Trust's exposure to foreign currency risk was as follows, based on notional amounts.

	2021		2020	
	AUD \$ '000	USD \$ '000	AUD \$ '000	USD \$ '000
Investments – Goldman Sachs Private Equity Partners	4,778	3,592	5,694	3,912
Investments - equity and debt securities	16,126	12,123	-	-
Cash denominated in USD	<u>816</u>	<u>613</u>	<u>-</u>	<u>-</u>
	<u>21,720</u>	<u>16,328</u>	<u>5,694</u>	<u>3,912</u>

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2021 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2021, of the Trust, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2021, of the Trust.

COLONIAL FOUNDATION TRUST

ABN: 42 062 119 572

DIRECTORS' DECLARATION OF THE TRUSTEE COMPANY

The Directors of the Trustee declare that:

1. the Trust is not a reporting entity. The financial report has been prepared as a special purpose financial report in accordance with the accounting policies described in Note 1 to the financial statements;
2. the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012;
3. the Trust has operated during the year ended 30 June 2021 in accordance with the provisions of the Trust Deed dated 20 September 1996; and
4. 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.

Signed in accordance with a resolution of the Directors of the Trustee made pursuant to s 60.15 of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Chairman: _____

Mr Alan Beanland

30 November 2021



Independent Auditor's Report

To the Trustee of Colonial Foundation Trust

Opinion

We have audited the **Financial Report**, of the Colonial 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*, including:

- i. giving a true and fair view of the Trust's financial position as at 30 June 2021, 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 1 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 2021.
- ii. Statement of Surplus or Deficit and Other Comprehensive Income, Statement of Changes in Trust Funds, and Statement of Cash Flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Trustee's declaration of the Trust.

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 (including Independence Standards)* (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 1 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared for the purpose of fulfilling the Trustee's financial reporting responsibilities under the *ACNC Act 2012*. 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 the Trust's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Trustee is 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 Trustee for the Financial Report

The Trustee is responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- ii. Determining that the basis of preparation described in Note 1 to the Financial Report is appropriate to meet the requirements of the ACNC. The basis of preparation is also appropriate to meet the needs of the Trustee.
- iii. 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.
- iv. Assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. 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 scepticism 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 Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- iv. Conclude on the appropriateness of the Trustee's 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 Trustee of the registered 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.

A handwritten signature of 'KPMG' in blue ink, written in a cursive style.

KPMG

A handwritten signature in blue ink, appearing to be 'Adrian Nathanielsz'.

Adrian Nathanielsz

Partner

Melbourne

30 November 2021