



Colonial Foundation

Annual report

For the year ended 30 June 2022

Colonial Foundation Trust
ABN: 42 062 119 572

Trustee: Colonial Foundation Limited
ACN: 075 441 815

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About Colonial Foundation

ORIGIN

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.



VISION

Colonial Foundation has imagined a Vision of All Australians living a fair, healthy and fulfilling life.



PURPOSE

In achieving this Vision, the Foundation has set its Purpose as 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.



APPROACH

The Foundation’s approach to granting is to 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.

Grants Committed Since 1996
\$153 million

Trustee Board Directors

MR ALAN BEANLAND

BSc, FAICD

Chairman

Alan Beanland joined the Board in October 2010. He has extensive international experience across four continents in roles 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 former Chairman of Orygen Limited, 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

Professor 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 is a 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 major interests are in neuroimaging and clinical trials. He has made major contributions to the understanding of stroke including establishment of new risk factors, the duration and evolution of viable brain tissue after stroke, the ischaemic penumbra. More recently he has been co-chair of trials of thrombectomy in acute ischemic stroke with Professor Stephen Davis and the establishment of Australia's first mobile stroke ambulance.

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 MICHAEL FITZSIMMONS

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.

Trustee Board Directors continued.

MR COLIN GALBRAITH

*AM – LL.B (Hons) and LL.M
(University of Melbourne)*

Colin Galbraith joined the Board in March 2013. Mr Galbraith was a partner in the law firm Allens Arthur Robinson until 2006 and then Senior Adviser to Gresham Partners Limited until the end of 2021. Mr Galbraith is a Trustee of the Royal Melbourne Hospital Neuroscience Foundation and a Director of the Susan McKinnon Foundation.

Formerly, he was a Director of Commonwealth Bank of Australia, Australian Institute of Company Directors and CARE Australia (which he also chaired and in which he continues as a member of its Advisory Board).

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 ten years Ms Waters has been a professional Non-Executive Director and is currently a director of MyState Limited (MYS), Helia Mortgage Insurance Australia Limited, 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.

Chairman's report

I am pleased to present Colonial Foundation Trust's Annual Report for the financial year ended 30 June 2022.

TWENTY-FIFTH ANNIVERSARY YEAR

This year marked the Twenty-Fifth Anniversary of the Foundation's establishment in 1996.

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 in a wide range of areas.

These grants have been successful in positively impacting the lives of Australians in the fields of:

- Mental Health
- Education
- The Arts
- First Nations People
- Natural resource preservation
- Homelessness
- Drug & Alcohol Addiction
- Dementia
- Diabetes
- Youth Support
- Osteoporosis
- Parkinson's Disease

To mark the occasion, in contrast to the Foundation's normal granting approach, the Trustee Directors agreed to allocate a specific pool of funds to be granted to charitable organisations individually selected by each Trustee Director. The pool totalled \$200,000 and was spread across:

- Peninsula Home Hospice
- Rehab4rehab
- The Men's Table
- RMH Neuroscience Foundation
- Bendigo Health Foundation
- St Kilda Mums
- Australian Cancer Research Foundation
- Smith Family Foundation
- Royal Flying Doctor Service – Stroke Project

GRANT STRATEGY

During the year-ended June 2022, the Foundation continued its current granting strategy, focusing on its Purpose of achieving a positive impact in the targeted areas of:



HEALTHY AGEING
Dementia
Innovative healthcare



YOUTH OPPORTUNITY
Mental Health
Education
The Arts



REGIONAL & RURAL AUSTRALIA
Economic and social sustainability
Natural resource preservation

Chairman's report continued.

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

- Striving for significant impact,
- Large value grants,
- Continuing over multiple years, and
- Providing sustained support in building the capacity of the recipient organisation.

Over the year to June 2022, in addition to the 25th Anniversary Grants, the Foundation provided grants totalling \$8.8 million to nine organisations. All of these grant payments were part of multi-year grants either agreed during the current year or continuing from prior years.

COVID-19

The COVID-19 pandemic, that began in the previous financial year, continued its significant disruption of the communities that we support during the current financial year. Throughout this pandemic, we have sought to address the impact on our grant partners, primarily by continuing to fulfill existing grant commitments and adopting a flexible approach to our funding requirements.

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

PEOPLE

In May 2022, a longstanding Director of the Trustee Board, Rob Garnsworthy, retired from the Board. Rob joined the Board in February 2015 and also served as Chair of the Foundation's Investment Committee. Rob was a respected member of the Board providing highly valued insights to the Foundation's activities, both in philanthropy and investing, during his tenure. Rob's contribution to the Foundation achieving its Purpose has been significant and appreciated.

OPERATIONS

A number of compounding negative factors have led to significant investment market volatility and turmoil during the year. These included the financial impact of the COVID-19 pandemic and the resultant supply chain disruptions, the war in Ukraine and the resultant rapidly increasing energy pricing and finally surging inflation. This resulted in the total value of Trust Funds at 30 June 2022 falling to \$234.0 million from \$269.2 million at the end of the prior year. This has resulted in a negative impact on the Foundation's earnings for the current year.

The Foundation has continued its track record of highly efficient operations with the operating expense ratio for the year at 0.30% of average total net assets.

The year-ended June 2022 has been a year of increasing uncertainty, both in Australia and globally. Nevertheless, the Foundation has continued to successfully achieve its Purpose. I would like to thank my fellow directors and the executive team for their contribution to this success.

We look forward to reporting on the further progress of the Foundation in the coming year.



ALAN BEANLAND
Chairman

2022 Grants review

NEW GRANT PARTNERS

During the current year the Foundation commenced a funding relationship with a new grant partner, the Hunter Medical Research Institute, based in Newcastle, NSW.



Hunter Medical Research Institute

FOCUS	REGIONAL DIABETES CARE
GRANT VALUE	\$12.0 MILLION
GRANT PERIOD	FIVE YEARS COMMENCING IN 2022 – INITIAL PHASE (2 YEARS)

It is estimated that one in twenty Australians have diabetes and those in disadvantaged areas are more likely to develop the disease. It is one of the health system's biggest challenges, costing an estimated \$14.6 billion each year – and its unmanaged progression also leads to higher rates of heart attack, stroke and other cardiovascular complications.

The Hunter Medical Research Institute (HMRI) is improving access to diabetes care in rural and regional areas with the Diabetes Alliance Program+ (DAP+). The program will include the creation of a bus, equipped to be a clinic on wheels, to bring the program of care to vulnerable communities across the Hunter New England health district.

The medibus model of care is especially important for rural communities with limited access to general practitioners. The bus will take specialists such as diabetes nurses and podiatrists to rural and remote towns that may not have access to these services locally. These clinical teams provide training to local

providers, and directly care for patients in a way that empowers them to better manage their own medical condition. DAP+ is specifically designed to improve evidence-based diabetes care in rural and remote areas, so it makes sense, given the scale of Australia, to drive medical specialists to where they're needed most and deliver the program on the ground.

A key part of the research is to seek evidence that the program is making an impact on reducing the burden of this disease in rural and regional communities. This evidence will not only allow the continuation of delivering DAP+ but will also show its value for rollout in other parts of NSW and further afield.

The research is also hoped to show that the model of care can also easily be customised for rapid application to other chronic and complex health conditions, which could have a big impact on health outcomes for rural and remote communities.

HMRI's ground-breaking Diabetes Alliance Program Plus will address the limited access to proper Diabetes care in the Hunter New England Region

CONTINUING GRANT PARTNERS

The Foundation continued to fund its multi-year grant partners, providing funding totalling \$8 million during the current year to these organisations. These grant partners are profiled below.



WEHI (formerly Walter & Eliza Hall Research Institute)

FOCUS	DEMENTIA RESEARCH
GRANT VALUE	\$15.0 MILLION
GRANT PERIOD	FIVE YEARS COMMENCING IN 2020

This grant established the Colonial Foundation Healthy Ageing Centre located within the WEHI complex in the world-renowned Melbourne Biomedical Precinct. It has enabled 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 is establishing a biological model for healthy ageing and is well progressed in profiling the molecular information of more than 20,000 patients recruited to the study.

The Centre’s goal is to use this profile to develop 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.

The Colonial Foundation Healthy Ageing Centre at WEHI is developing new diagnostic tests for the early detection of Dementia

CONTINUING GRANT PARTNERS



Orygen Limited

FOCUS	YOUTH MENTAL HEALTH RESEARCH AND ADVOCACY
GRANT VALUE	\$2.0 MILLION
GRANT PERIOD	ONE YEAR

Colonial Foundation provided seed funding in 2001 to establish Orygen, a collaborative partnership between Colonial Foundation, University of Melbourne and Melbourne Health, acting in concert as members/owners of the organisation. Orygen was established with a purpose of striving for all young people to enjoy optimal mental health as they grow into adulthood.

The Foundation has provided funding of \$65.0 million over a twenty-year period in support of Orygen’s operations and youth mental health advocacy. With mental ill-health the leading cause of disability and death among Australians aged 15-24, the Foundation’s support has enabled a profound impact on mental health services for young people across Australia.

Orygen has leveraged the Foundation’s funding to generate nearly a billion dollars of Australian Government support for the youth mental health sector.

Our funding has enabled increased awareness and advocating for more and better funding to support youth affected by poor mental health. These views were supported by the Victorian Royal Commission review of the mental health system and funding. As a result, Orygen will become a leading service provider addressing youth mental health in Victoria.

Orygen is now considered a world leader in youth mental health research, knowledge translation and clinical care.

With Colonial’s support, Orygen has grown into a world leader in youth mental health advocacy, research and knowledge translation

CONTINUING GRANT PARTNERS



Regional Australia Institute

FOCUS	REGIONAL PROSPERITY
GRANT VALUE	\$3.0 MILLION
GRANT PERIOD	THREE YEARS COMMENCING IN 2021

The Regional Australia Institute (RAI) is Australia’s only independent think tank solely focused on regional Australia. It exists to ensure all levels of government, industry and community members have access to the information they need to make decisions impacting the future of 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 recent wide-spread shift to working from home or remotely has put a renewed focus on the liveability and prosperity of our regional communities. This has exacerbated the need for a regionally focused economic, social and political agenda.

The Foundation’s grant supports RAI organisational capacity to develop evidence-based research and community engagement leading to better policy outcomes to transform Australia’s Regions. RAI is also actively engaging industry groups to promote business development and employment in Regional Australia.

An important outcome of this research has been the recently released research paper, titled: Regionalisation Ambition 2032 – A Framework to Rebalance the Nation. This has been welcomed by the Federal Government as an important framework to inform regional policy development.

***The Regional Australia Institute
is the independent voice for
Regional Australia***

CONTINUING GRANT PARTNERS



WaterTrust Australia Limited

FOCUS	NATURAL RESOURCE PRESERVATION
GRANT VALUE	\$5.0 MILLION
GRANT PERIOD	TEN YEARS COMMENCING IN 2021

There remains 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 a greenfields initiative seeking to address this by creating a new national and fully independent water and catchment policy centre, known as WaterTrust Australia.

WaterTrust Australia’s operations are being funded by a collaboration of more than fifteen philanthropic organisations, collectively committing more than \$30 million over ten years.

The initiative acknowledges that there are a wide range of stakeholders affected by Australia’s water policy and their Vision is to convene the development of water and catchment policy and management decisions that citizens and decision-makers see as fairer, more reasonable, more consistent with the available evidence, and more legitimate.

The Centre is engaging 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.

WaterTrust Australia is the independent organisation seeking to help frame Australia’s future water and catchment policy

CONTINUING GRANT PARTNERS**YOUTH OPPORTUNITY GRANTS**

The Foundation has maintained its funding of key organisations supporting Australia's Youth Education, including Indigenous student education. These organisations include Melbourne Indigenous Transition School, Ganbina, The Australian Ballet and Australian Youth Orchestra.

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

Melbourne Indigenous Transition School	\$0.45 million
The Australian Ballet: 'Out There in Schools' education program	\$0.4 million
Ganbina: 'JOBS4U2 – Indigenous school to work transition program'	\$0.25 million
Australian Youth Orchestra: 'Young Symphonists and Chamber Players Groups Training Programs'	\$0.2 million

COLONIAL FOUNDATION TRUST

ABN: 42 062 119 572

TRUSTEE'S REPORT

The Directors of the Trustee present their report together with the financial report of Colonial Foundation Trust, (the "Trust"), for the year ended 30 June 2022 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, retired 31 May 2022

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.

Review and results of operations

The net deficit of the Trust, before distributions, for the year ended 30 June 2022 was \$26,137,000 (2021: surplus of \$48,850,000). The deficit is attributable to the negative movement in the fair value of the Trust's investment portfolio.

Distributions

Distributions of \$9,000,750 (2021: \$7,031,000) 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.

COLONIAL FOUNDATION TRUST

ABN: 42 062 119 572

TRUSTEE'S REPORT

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 of amounts

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

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 2022.

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

Chairman: 

Mr Alan Beanland

Dated this 1st day of December 2022



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 2022 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

1 December 2022

COLONIAL FOUNDATION TRUST

ABN: 42 062 119 572

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$ '000	2021 \$ '000
Revenue			
Dividend and distribution income		11,101	7,400
Interest income		80	135
Net foreign exchange gain		108	15
Other income		<u>2,219</u>	<u>533</u>
Total revenue		<u>13,508</u>	<u>8,083</u>
Changes in fair value of investments			
Fair value (losses) / gains on investments		<u>(38,900)</u>	<u>41,625</u>
		<u>(25,392)</u>	<u>49,708</u>
Expenses			
Employee expenses		(311)	(299)
Audit and accounting fees		(102)	(102)
Rental and rental outgoings		(6)	(5)
Investment advisory fees		(90)	(177)
Depreciation expense		(124)	(122)
Finance costs		(40)	(43)
Other expenses from ordinary activities		<u>(72)</u>	<u>(110)</u>
Total expenses		<u>(745)</u>	<u>(858)</u>
(Deficit) / surplus before income tax expense		(26,137)	48,850
Income tax expense	1(g)	<u>-</u>	<u>-</u>
Net (deficit) / surplus for the year before distributions		<u>(26,137)</u>	<u>48,850</u>
Distributions to philanthropic activities		<u>(9,001)</u>	<u>(7,031)</u>
(Deficit) / surplus for the year after distributions		<u>(35,138)</u>	<u>41,819</u>
Other comprehensive income			
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive (loss) / income for the year		<u>(35,138)</u>	<u>41,819</u>

The accompanying notes form part of these financial statements.

COLONIAL FOUNDATION TRUST

ABN: 42 062 119 572

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$ '000	2021 \$ '000
Current assets			
Cash and cash equivalents	5	20,473	7,574
Other receivables	6	7,828	4,079
Prepayments		<u>7</u>	<u>16</u>
Total current assets		<u>28,308</u>	<u>11,669</u>
Non-current assets			
Other receivables	6	58	140
Investments	7	205,826	257,518
Plant and equipment	8	142	150
Lease assets	9	<u>789</u>	<u>892</u>
Total non-current assets		<u>206,815</u>	<u>258,700</u>
Total assets		<u>235,123</u>	<u>270,369</u>
Current liabilities			
Trade and other payables	10	106	154
Employee benefits	11	51	44
Lease liabilities	9	<u>81</u>	<u>73</u>
Total current liabilities		<u>238</u>	<u>271</u>
Non-current liabilities			
Lease liabilities	9	788	870
Employee benefits	11	<u>7</u>	<u>-</u>
Total non-current liabilities		<u>795</u>	<u>870</u>
Total liabilities		<u>1,033</u>	<u>1,141</u>
Net assets		<u>234,090</u>	<u>269,228</u>
Trust funds			
Trust funds		<u>234,090</u>	<u>269,228</u>
Total trust funds		<u>234,090</u>	<u>269,228</u>

The accompanying notes form part of these financial statements.

COLONIAL FOUNDATION TRUST

ABN: 42 062 119 572

STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED 30 JUNE 2022

	Endowed Funds \$ '000	Accumulated Surplus \$ '000	Total \$ '000
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>
Balance as at 1 July 2021	142,827	126,401	269,228
Deficit for the year before distributions	-	(26,137)	(26,137)
Other comprehensive income for the year	-	-	-
Distributions to philanthropic activities	-	(9,001)	(9,001)
Balance as at 30 June 2022	<u>142,827</u>	<u>91,263</u>	<u>234,090</u>

The accompanying notes form part of these financial statements.

COLONIAL FOUNDATION TRUST

ABN: 42 062 119 572

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$ '000	2021 \$ '000
Cash flow from operating activities			
Imputation credits refunded		670	1,125
Distributions and fee rebates received		9,411	6,493
Interest received		64	158
Interest paid		(40)	(43)
Cash paid to suppliers and employees		(809)	(890)
Government grants		<u>-</u>	<u>48</u>
Net cash provided by operating activities	12(a)	<u>9,296</u>	<u>6,891</u>
Cash flow from investing activities			
Purchase of plant and equipment		(13)	(7)
Proceeds from the sale of plant and equipment		-	1
Proceeds from other financial assets		-	2,300
Proceeds from the sale of investments		52,167	58,952
Acquisition of investments		<u>(39,585)</u>	<u>(75,815)</u>
Net cash provided by / (used in) investing activities		<u>12,569</u>	<u>(14,569)</u>
Cash flow from financing activities			
Lease repayments		(73)	(61)
Distributions paid to philanthropic activities		<u>(9,001)</u>	<u>(7,031)</u>
Net cash used in financing activities		<u>(9,074)</u>	<u>(7,092)</u>
Reconciliation of cash			
Net increase / (decrease) in cash held		12,791	(14,770)
Cash at the beginning of the financial year		7,574	22,329
Foreign exchange differences on cash holdings		<u>108</u>	<u>15</u>
Cash at the end of the financial year	5	<u><u>20,473</u></u>	<u><u>7,574</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 2022**

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 publicly accountable 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 covers Colonial Foundation Trust as an individual entity. Colonial Foundation Trust is a Trust, formed and domiciled in Australia. Colonial Foundation Trust is a not-for-profit entity for the purpose of preparing the financial statements.

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
AASB 124:	Related Party Disclosures (to the extent required by the ACNC Regulation 2013 and the ACNC Commissioner's discretion)

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:

COLONIAL FOUNDATION TRUST
ABN: 42 062 119 572

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

Fair value measurement

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

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

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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 2022**

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 2022**

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 (As a lessee)

As a Lessee 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 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leases (Continued)

Lease liabilities (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 2022

	2022	2021
NOTE 4: REMUNERATION OF AUDITORS		
<i>KPMG (Melbourne)</i>		
- Audit of the financial report	\$ 32,500	\$ 30,500
	2022	2021
	\$ '000	\$ '000
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	<u>20,473</u>	<u>7,574</u>
NOTE 6: OTHER RECEIVABLES		
CURRENT		
Other receivables		
- Accrued interest	16	-
- Accrued dividend and distribution income	4,245	3,494
- Unsettled sales of investments	191	-
- GST recoverable	18	17
- Tax withholding refundable	874	-
- Imputation credits refundable	<u>2,484</u>	<u>568</u>
	<u>7,828</u>	<u>4,079</u>
NON CURRENT		
Other receivables		
- Imputation credits refundable	<u>58</u>	<u>140</u>
NOTE 7: INVESTMENTS		
NON CURRENT		
<i>At fair value through profit and loss:</i>		
Investments in equity and debt securities	204,309	251,224
Investments in private equity partnerships	<u>-</u>	<u>4,777</u>
	<u>204,309</u>	<u>256,001</u>
<i>At fair value through OCI:</i>		
Investments in private equity	<u>1,517</u>	<u>1,517</u>
	<u>205,826</u>	<u>257,518</u>

COLONIAL FOUNDATION TRUST

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$ '000	\$ '000

NOTE 8: PLANT AND EQUIPMENT

Plant and equipment

Plant and equipment at cost	201	192
Accumulated depreciation	<u>(59)</u>	<u>(42)</u>
Total plant and equipment	<u><u>142</u></u>	<u><u>150</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	150	164
Additions	13	7
Disposals	-	(2)
Depreciation expense	<u>(21)</u>	<u>(19)</u>
Closing carrying amount	<u><u>142</u></u>	<u><u>150</u></u>

NOTE 9: 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)

Buildings		
Buildings under lease	<u>789</u>	<u>892</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	892	995
Depreciation	<u>(103)</u>	<u>(103)</u>
Closing carrying amount	<u><u>789</u></u>	<u><u>892</u></u>

COLONIAL FOUNDATION TRUST
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$ '000	\$ '000
NOTE 9: LEASE ASSETS AND LEASE LIABILITIES (CONTINUED)		
(b) Lease liabilities		
CURRENT		
Lease liabilities	<u>81</u>	<u>73</u>
NON CURRENT		
Lease liabilities	<u>788</u>	<u>870</u>
Total carrying amount of lease liabilities	<u>869</u>	<u>943</u>
(c) Lease expenses and cashflows		
Interest expense on lease liabilities	40	43
Expense relating to short term leases	-	-
Depreciation expense on lease assets	103	103
Cash outflow for leases	113	108
NOTE 10: TRADE AND OTHER PAYABLES		
CURRENT		
Payables and accrued expenses	106	124
Unsettled purchases of investments	<u>-</u>	<u>30</u>
	<u>106</u>	<u>154</u>
NOTE 11: EMPLOYEE BENEFITS		
CURRENT		
Employee benefits	<u>51</u>	<u>44</u>
NON CURRENT		
Employee benefits	<u>7</u>	<u>-</u>

COLONIAL FOUNDATION TRUST

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$ '000	\$ '000
NOTE 12: CASH FLOW INFORMATION		
(a) Reconciliation of cash flow from operating activities		
(Deficit) / surplus for the year before distributions	(26,137)	48,850
Adjustments and non-cash items		
Depreciation	124	122
Loss on disposal of plant and equipment	-	1
Fair value losses / (gains) on investments	38,900	(41,625)
Net Foreign exchange gains	(108)	(15)
Management fees reinvested	(9)	(43)
Changes in operating assets and liabilities		
(Increase) / decrease in trade and other receivables	(3,479)	(443)
(Increase) / decrease in prepayments	9	(5)
Increase / (decrease) in trade and other payables	(18)	36
Increase / (decrease) in employee benefits	<u>14</u>	<u>13</u>
Cash flows from operating activities	<u><u>9,296</u></u>	<u><u>6,891</u></u>

NOTE 13: COMMITMENTS

The Trust in 2022 disposed of its investments in Goldman Sachs Private Equity Partners IX Private Equity Fund and Goldman Sachs Private Equity Partners X Private Equity Fund, releasing the Trust of any further commitments on these investments. In 2021 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.

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

COLONIAL FOUNDATION TRUST

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 14: 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:

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

	2022		2021	
	AUD \$ '000	USD \$ '000	AUD \$ '000	USD \$ '000
Investments – Goldman Sachs Private Equity Partners	-	-	4,778	3,592
Investments - equity and debt securities	5,366	3,696	16,126	12,123
Cash denominated in USD	<u>240</u>	<u>165</u>	<u>816</u>	<u>613</u>
	<u>5,606</u>	<u>3,861</u>	<u>21,720</u>	<u>16,328</u>

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2022 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2022, of the Trust, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2022, of the Trust.

COLONIAL FOUNDATION TRUST
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 16: TRUST DETAILS

The registered office of the Trust and Trustee is:

Colonial Foundation Limited
Level 4
111 Collins Street
Melbourne VIC 3000

The registered office of the auditor is:

KPMG Melbourne
Tower Two Collins Square
727 Collins Street
Melbourne VIC 3000

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 publicly accountable. 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 2022 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 subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Director: _____

Mr Alan Beanland

Dated this 1st day of December 2022



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 2022, 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 (ACNCR)*.

The **Financial Report** comprises:

- i. Statement of Financial Position as at 30 June 2022.
- 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 these requirements.



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 and ACNCR.
- 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 Trust'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', written in a cursive style.

Adrian Nathanielsz

Partner

Melbourne

1 December 2022