



Colonial Foundation Annual Report

For the year ended 30 June 2024

Colonial Foundation Trust ABN: 42 062 119 572

Trustee: Colonial Foundation Limited ACN: 075 441 815



Colonial Foundation

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About Colonial Foundation

Colonial Foundation Trust makes philanthropic grants to drive positive social change in Australia by partnering with organisations that empower all Australians to achieve the most out of life and develop a healthy, fair and innovative society.

Our strategy is to drive significant impact through high-value grants that extend over multiple years providing sustained support in building the capacity of our partner organisations. Our grants benefit Australians across a wide range of sectors, including medical research, education, the natural environment, arts and culture, and regional & rural Australia.

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 insurance protection for the widows and children of miners working in the Victorian gold rush.

In 1996, after more than one hundred years as a mutual life insurance society, CMLA 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.

Since its establishment, Colonial Foundation Trust has committed to provide more than \$195 million of philanthropic grants.

Chair's report

I am pleased to present Colonial Foundation Trust's Annual Report for the financial year ended 30 June 2024.

STRATEGY

During the year, the Foundation continued to pursue its Purpose of driving positive social change in Australia by partnering with organisations that empower all Australians to achieve the most out of life and develop a healthy, fair and innovative society.

Our granting strategy focuses on three themes, namely:

Advancing and Applying Knowledge to Fight Disease

- Supporting essential medical research to find solutions for the diagnosis, treatment and prevention of non-communicable diseases.
- Supporting initiatives that translate this research into clinical practice.

Advancing and Applying Knowledge to Overcome Inequity through Education

- Supporting initiatives that deliver equitable access to education for all students, regardless of age, with a particular focus on digital education.

Advancing Regional & Rural Australia

- Reducing inequity in comparison with urban Australia
- Ensuring environmental sustainability
- Building community and social cohesion

We continued to apply our distinctive approach to grant-making, characterised by:

- Striving for significant impact,
- High-value multi-year grants,
- Collaborating with recipient organisations and fellow foundations,
- Supporting the positive Environmental, Social and Governance impacts of recipient organisations, and
- Providing sustained support in building the capacity of the recipient organisation.

Over the year to June 2024, the Foundation provided grants totalling \$9.6 million to nine organisations. These grant payments were all part of multi-year grant programs either initiated early during the current year or continuing from prior years.

PEOPLE

The year to June 2024, provided a period of stability in terms of Board and Executive management with no changes to the composition of either. I look forward to the continued positive engagement of this successful team.

OPERATIONS

Effective investment management resulted in the Foundation generating strong investment earnings over the year and the total value of Trust Funds at 30 June 2024 increasing to \$27 . million from \$25 . million at the end of the prior year, after distributing \$9.6 million in grants.

The Foundation has continued its track record of highly efficient operations with the operating expense ratio for the year at 0.32% of average total net assets, well within our target range.

Overall, throughout the year-ended June 2024, the Foundation has continued to successfully execute its strategy, generating a positive social impact through partnerships with highly effective charitable organisations. 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 positive impact of the Foundation in the coming year.

ANDREA WATERS
Chair

Grants review

The Foundation continued to fund its multi-year grant partners, providing funding totalling \$9.6 million to nine organisations during the current year.



NEW OR EXPANDED GRANT PROGRAMS:

During the year ended June 2024, the Foundation initiated or extended the following grant programs:



WEHI & Royal Melbourne Hospital – Colonial Foundation Diagnostics Centre

CURRENT YEAR GRANT VALUE	\$1.5M
TOTAL GRANT PROGRAM	\$21M GRANTED OVER SEVEN YEARS COMMENCING IN 2024



Using cutting-edge ‘spatial biology’ technologies to deliver enhanced diagnosis and personalised care for patients with inflammatory diseases, like rheumatoid arthritis and inflammatory bowel disease.

Following the success of the Colonial Foundation Healthy Ageing Centre, the Colonial Foundation Diagnostics Centre has been initiated through a new \$21 million philanthropic grant. The grant will establish a pioneering research centre to advance precision diagnosis for diseases that affect millions of Australians. The Colonial Foundation Diagnostics Centre will use cutting-edge ‘spatial biology’ technologies to deliver enhanced diagnosis and, in turn, personalised care for patients with inflammatory diseases, like rheumatoid arthritis and inflammatory bowel disease.

The centre, co-led by WEHI and the Royal Melbourne Hospital, and funded by the Colonial Foundation, builds on an existing partnership. The new centre builds on the achievements of the Colonial Foundation Healthy Ageing Centre, which the three organisations established in 2019 to pursue a blood test for dementia. The Colonial Foundation Diagnostics Centre expands this focus to include inflammatory diseases.

Around one-in-ten Australians have a chronic inflammatory disease, like rheumatoid arthritis, inflammatory bowel disease, multiple sclerosis and lupus. Over 400,000 Australians have dementia, two thirds of whom are women.

Diagnostic tests that better detect, categorise and monitor these diseases are sorely needed. Improved diagnostics would help patients along their treatment journeys which can be long due to imprecise testing options currently available.

The centre will combine the RMH’s clinical capabilities with WEHI’s nation-leading, comprehensive suite of spatial biology technologies, and the skilled scientists who use them, to enable precision medicine and improve patient outcomes.

Spatial biology (or spatial omics) is a revolutionary approach to understanding disease, that uses sophisticated imaging to allow scientists to explore cells in tissue samples without disturbing how they would be naturally positioned in the body. This provides a deeper understanding of disease progression and helps identify potential treatment targets

The vision is to develop new kinds of diagnostic tests to detect common inflammatory diseases and dementia, and even to determine which patients are most at risk of organ transplant rejection. It’s hoped that these tests will revolutionise how these conditions are detected and treated.



Hunter Medical Research Institute

CURRENT YEAR GRANT VALUE	\$2.0M
TOTAL GRANT PROGRAM	\$12M GRANTED OVER FIVE YEARS COMMENCING IN 2022



Reducing the burden of Diabetes in regional and rural communities

During the year, the Foundation reaffirmed its support for the Hunter Medical Research Institute and increased its annual funding amount from \$1.5m to \$3.0m.

The Hunter Medical Research Institute, based in Newcastle, NSW, is improving access to diabetes care in rural and regional areas with the Diabetes Alliance Program+ (DAP+). The program focuses on bringing the program of care directly to vulnerable communities across the Hunter New England health district, including through the creation of a bus, equipped to be a clinic on wheels,

The program is especially important for rural communities with limited access to general practitioners. It takes 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.

A key part of the program's research is seeking 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 focused on proving 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.

Following the set-up phase, the program is now well underway and already delivering positive results.



Regional Australia Institute

CURRENT YEAR GRANT VALUE	\$1.0M
TOTAL GRANT PROGRAM	\$6M GRANTED OVER SIX YEARS COMMENCING IN 2020



Eliminating the inequity between regional and urban Australia

During the year, the Foundation agreed to extend its funding program with Regional Australia Institute (RAI) for a further three years at \$1m per annum, ending in 2027. 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. The Foundation's grant supports RAI's organisational capacity to develop evidence-based research leading to better economic and social policy outcomes to transform Australia's Regions. RAI is also actively engaging government at all levels and industry groups to promote business development and employment in Regional Australia.

In 2022, RAI developed the Regionalisation Ambition 2032 - a framework designed to help direct the actions of government, industry, and the community towards achieving a greater proportion of Australians living prosperously in the regions by 2032 and beyond. This framework continues to be used as an effective tool in guiding and measuring progress.

RAI continues to successfully lift the profile of Regional Australia and raise the awareness of the opportunities and challenges faced by the regions through key research reports and a variety of conventions and forums targeting business and government at all levels.



A New Approach (ANA)

CURRENT YEAR GRANT VALUE	\$0.2M
TOTAL GRANT PROGRAM	\$1M GRANTED OVER FIVE YEARS COMMENCING IN 2024



Eliminating inequity between regional and urban Australia through arts and culture

The Foundation recently commenced a funding relationship with A New Approach (ANA).

ANA recognises that access to arts and culture provides proven benefits to our families, our communities and ourselves. Fostering belonging, social cohesion and community; improving health and learning; prompting innovation and productivity and assisting in recovery from disaster or disruption are all known, evidenced benefits of arts and cultural participation. However, access to these arts and culture-based benefits are not readily available to everyone, especially in regional and remote Australia.

Effective and efficient policy is needed to ensure all Australians, whoever they are and wherever they live, can participate in, and contribute, to our national creative and cultural life. ANA identifies practical policy solutions to increase arts and cultural access, including for regional and remote communities.

ANA's research, policy analysis and engagement program identifies and practically advances evidence-led, pragmatic steps to ensure:

- Increased access for Australians to the proven benefits of creative participation and expression, including belonging, social cohesion; health and wellbeing; and learning and innovation.
- Sustainable cultural and creative industries, providing employment, economic benefits and trade opportunities.
- Fit-for-purpose policy settings and effective use of the cultural funding by all three levels of government, including better cross-government and cross-portfolio coordination.
- Enhancing Australia's reputation as a successful multicultural liberal democracy by fostering globally significant creative and cultural practise, institutions and expression.

GRANT PROGRAMS UNDERWAY:

The Foundation has maintained its long-term funding to capable and effective partner organisations. These have included:

Partner	Targeted Impact	Current Year Grant Payment	Total Grant Program
Watertrust Australia	Improved government policy in the management of water and catchments	\$0.50 million	\$5m granted over ten years commencing in 2021
Ganbina	Improved model of Education for Indigenous school students	\$0.25 million	\$1.5m granted over six years commencing in 2020
The Australian Ballet	Improved access to Arts Education for disadvantaged school students	\$0.42 million	\$4.1m granted over fourteen years commencing in 2013



CLOSED GRANT PROGRAMS:

During the year ended June 2024, the Foundation successfully concluded the following grant programs:



Orygen Limited

CURRENT YEAR GRANT VALUE	\$0.5M
TOTAL GRANT RELATIONSHIP	\$66.0M GRANTED OVER TWENTY-FIVE YEARS COMMENCING IN 2001



Improved treatment and prevention of youth mental ill-health

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

The Foundation has provided funding of \$66.0 million over more than twenty years in support of Orygen. With mental ill-health increasingly being the leading cause of disability and death among Australians aged 15-25, the Foundation's support has enabled a profound positive impact on mental health services for young people across Australia.

Our funding has enabled increased awareness and advocating for more and better funding to support youth affected by poor mental health. Orygen has leveraged the Foundation's funding to generate over a billion dollars of Australian Government support for the youth mental health sector.

With the organisation now well established and the Foundation having achieved its desired impact of vastly improving the understanding, treatment and prevention of youth mental ill-health, the Foundation has closed its funding program.



WEHI & Royal Melbourne Hospital – Colonial Foundation Healthy Ageing Centre

CURRENT YEAR GRANT VALUE	\$3.0M
TOTAL GRANT PROGRAM	\$15M GRANTED OVER FIVE YEARS COMMENCING IN 2020



Developing diagnostic tests for the early detection of neurodegenerative conditions that could cause Dementia

Commencing in 2019, the Foundation's funding helped establish the Colonial Foundation Healthy Ageing Centre (CFHAC), located within the WEHI complex in the world-renowned Melbourne Biomedical Precinct. CFHAC brings together researchers from WEHI and pathologists and clinicians from Royal Melbourne Hospital focusing on a research program to develop new diagnostic tests for the early detection of Dementia and other neurological conditions. Early detection of the Dementia is crucial because by the time symptoms occur, most of the damage cannot be reversed. Diagnosis for dementia is a long and costly process involving extensive and arduous medical and cognitive assessments. CFHAC focused on changing this by building research infrastructure and recruiting talented staff to enable a world-leading platform that integrates high throughput protein analyses into routine clinical care. The establishment of this centre has catalysed research into neurodegeneration and ageing across WEHI and RMH and enabled the development of a unique network of medical researchers, clinicians, neuropsychiatrists, pathologists, patient advocacy groups and philanthropists, working together to make a vision of enhanced care for patients a reality.

CFHAC's achievements include building the world's largest dataset of proteomics (protein-focused analysis) of clinical samples of age-related diseases, and discovering a potential new blood test for early-stage dementia.

CFHAC's discovery work is already being successfully applied in the hospital setting.

The success of this Centre has fostered the establishment of the new Colonial Foundation Diagnostics Centre.



Melbourne Indigenous Transition School

CURRENT YEAR GRANT VALUE	\$0.275M
TOTAL GRANT PROGRAM	\$3.3M GRANTED OVER TEN YEARS COMMENCING IN 2016



Equitable access to education opportunities

In 2016, Colonial Foundation joined a new initiative seeking to develop an innovative education model enabling young Indigenous students from remote and regional communities in Australia, access to Australia's best schools. The MITS model was the first of its kind, providing Year 7 students with a twelve month intensive education in an environment that celebrated Indigenous culture and learning, paving their way for a more successful transition into scholarship positions at high-performing Melbourne schools.

MITS's unique model recognises the innate capabilities of many young Indigenous students, the strong desire of students and their families to receive an education outside of their home community and the willingness of Melbourne schools to offer scholarship opportunities to Indigenous students.

This grant enabled the School and its students to build capacity, particularly in the formative years of the School's establishment. In 2016, MITS opened to its first 22 Year 7 students from remote Top End and regional Victoria, with students attending school in MITS's classrooms at the Richmond Football Club and boarding on Richmond Hill. The students attended regular schooling at a founding group of eight Melbourne Partner Schools.

Over the past ten years, the School has matured into a highly effective education model. The model has expanded to include both a Year 7 and Year 8 school program with approximately 100 students. In addition, the number of Boarding houses has increased from one to three.

MITS has successfully built an education model that creates pathways to greater opportunity for Indigenous students from remote and regional communities, so that they may lead lives full of choice and opportunity.

Trustee Board Directors

MS ANDREA WATERS, CHAIR

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

She was previously a Director of Citywide Service Solutions Pty. Ltd., Bennelong Funds Management Group, Cash Converters International Limited (CCV), CareSuper, The Lord Mayors Charitable Foundation, Chartered Accountants Australia & New Zealand and Cancer Council Victoria.

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

BBus, GDGP

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, Mr Fitzsimmons 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.

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).

Trustee Board Directors continued.

MR TOM HARLEY

BBus, MLitt

Tom Harley joined the Board in December 2022. He is Managing Director of Dragoman Pty Ltd, a political risk strategic advisory business he founded in 2009. He is a political scientist with an economics and finance background.

Mr Harley has extensive business experience; from 2008 to 2018, he was Non-Executive Chairman of Dow Chemical (Australia) and Senior Advisor to the Dow Chemical Company's Executive Leadership Team (globally). He was previously a senior executive at BHP where he was: President of Corporate Development (for the whole group) and head of Mergers and Acquisitions for BHP's Petroleum Group. Prior to his work in petroleum, he was involved in BHP's financial restructuring and funding in BHP's Corporate Treasury.

Mr Harley is a non-executive director of Biotech start-up Proto-Axiom, one of the Australian representatives on the APEC Business Advisory Council (ABAC). He is Chairman of the Australia Saudi Business Council and Chair of the Edward Wilson Trust. He has previously served as President of the Victorian Arts Centre Trust, Chairman of the Australian Heritage Council, President of UNICEF Australia and Chair of the Menzies Research Centre.

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. Ms Reynolds 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.

Ms Reynolds is currently Chief Executive Officer of State Trustees Limited and a councillor at Genazzano FCJ College. Until recently she was a Non-Executive Director of Teachers Mutual Bank and Chair of their Technology and Innovation Committee. In addition to her qualifications, she has completed the Advanced Management Program at INSEAD, France.

MS METTE SCHEPERS

BCom, CA, GAICD

Mette Schepers joined the Board in December 2022. She has over 30 years international senior executive and Board experience in banking and professional services. In that capacity, she has provided commercial and operational leadership at Mercer, ANZ, Fleet Partners and the Nous Group. Her early career was spent with PwC in Australia and The Netherlands. During her career she has also worked extensively in the For-Purpose sector in a voluntary capacity, including the Arts Institute of Chicago, 3MBS and PBS community radio in Melbourne and regional and rural environmental rehabilitation projects.

Ms Schepers is an Independent Non-Executive Director at Judo (ASX: JDO) and member of their Board Risk and Audit committees. She is also a Non-Executive Director of Spatial Vision (and Chair of the Remuneration Committee) and Non-Executive Director of the Public Interest Journalism Initiative (and Chair of the Finance and Risk Committee).

Ms Schepers is a Chartered Accountant. She holds a Bachelor of Commerce (MLB), a graduate diploma in Applied Finance and Investments (now FINSIA), graduate diploma in mobile banking from Illinois Institute of Tech and an Associate Degree in Design (Furniture) from RMIT.

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 2024 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:

Prof Geoffrey Donnan, AO Director since 5 June 2019

Mr Colin Galbraith, AM Director since 4 March 2013

Ms Andrea Waters Director since 19 February 2018

Mr Michael Fitzsimmons Director since 15 October 2020

Ms Melissa Reynolds Director since 1 July 2021

Ms Mette Schepers Director since 2 December 2022

Mr Tom Harley Director since 2 December 2022

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 surplus of the Trust, before distributions, for the year ended 30 June 2024 was \$30,225,000 (2023: surplus of \$29,594,000).

Distributions

Distributions of \$9,645,000 (2023: \$9,225,000) 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 (CONTINUED)

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 3 and forms part of the Trustee's report for the financial year ended 30 June 2024.

This report is made with a resolution of the board of directors.

Chair: _____
Ms Andrea Waters

Dated this 7th day of November 2024



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 2024 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

7 November 2024

COLONIAL FOUNDATION TRUST

ABN: 42 062 119 572

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$ '000	2023 \$ '000
Revenue			
Dividend and distribution income		5,963	6,565
Interest income		1,610	1,412
Net foreign exchange gain		-	10
Other income		<u>421</u>	<u>587</u>
Total revenue		<u>7,994</u>	<u>8,574</u>
Changes in fair value of investments			
Fair value gains on investments		23,078	23,329
Impairment losses arising from financial assets		<u>(1)</u>	<u>(1,516)</u>
		<u>31,071</u>	<u>30,387</u>
Expenses			
Employee expenses		(361)	(322)
Audit and accounting fees		(111)	(107)
Rental and rental outgoings		(25)	(15)
Investment advisory fees		(103)	(95)
Depreciation expense	9, 10	(125)	(126)
Finance costs		(34)	(37)
Other expenses from ordinary activities		<u>(87)</u>	<u>(91)</u>
Total expenses		<u>(846)</u>	<u>(793)</u>
Surplus before income tax expense		30,225	29,594
Income tax expense	1(e)	<u>-</u>	<u>-</u>
Net surplus for the year before distributions		<u>30,225</u>	<u>29,594</u>
Distributions to philanthropic activities		<u>(9,645)</u>	<u>(9,225)</u>
Surplus for the year after distributions		<u>20,580</u>	<u>20,369</u>
Other comprehensive income			
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>20,580</u>	<u>20,369</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 2024

	Note	2024 \$ '000	2023 \$ '000
Current assets			
Cash and cash equivalents	5	19,843	18,032
Other receivables	6	1,852	2,433
Other financial assets	7	-	25,262
Prepayments		<u>8</u>	<u>18</u>
Total current assets		<u>21,703</u>	<u>45,745</u>
Non-current assets			
Other receivables	6	63	55
Investments	8	253,499	209,324
Plant and equipment	9	109	128
Lease assets	10	<u>584</u>	<u>686</u>
Total non-current assets		<u>254,255</u>	<u>210,193</u>
Total assets		<u>275,958</u>	<u>255,938</u>
Current liabilities			
Trade and other payables	11	117	618
Employee benefits	12	103	59
Lease liabilities	10	<u>99</u>	<u>90</u>
Total current liabilities		<u>319</u>	<u>767</u>
Non-current liabilities			
Lease liabilities	10	600	699
Employee benefits	12	<u>-</u>	<u>13</u>
Total non-current liabilities		<u>600</u>	<u>712</u>
Total liabilities		<u>919</u>	<u>1,479</u>
Net assets		<u>275,039</u>	<u>254,459</u>
Trust funds			
Trust funds		<u>275,039</u>	<u>254,459</u>
Total trust funds		<u>275,039</u>	<u>254,459</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 2024

	Endowed Funds \$ '000	Accumulated Surplus \$ '000	Total \$ '000
Balance as at 1 July 2022	142,827	91,263	234,090
Surplus for the year before distributions	-	29,594	29,594
Other comprehensive income for the year	-	-	-
Distributions to philanthropic activities	-	(9,225)	(9,225)
Balance as at 30 June 2023	<u>142,827</u>	<u>111,632</u>	<u>254,459</u>
Balance as at 1 July 2023	142,827	111,632	254,459
Surplus for the year before distributions	-	30,225	30,225
Other comprehensive income for the year	-	-	-
Distributions to philanthropic activities	-	(9,645)	(9,645)
Balance as at 30 June 2024	<u>142,827</u>	<u>132,212</u>	<u>275,039</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 2024

	Note	2024 \$ '000	2023 \$ '000
Cash flow from operating activities			
Imputation credits refunded		869	2,484
Distributions and fee rebates received		5,997	10,346
Interest received		1,677	1,311
Interest paid		(33)	(36)
Cash paid to suppliers and employees		<u>(1,282)</u>	<u>(405)</u>
Net cash provided by operating activities	13(a)	<u>7,228</u>	<u>13,700</u>
Cash flow from investing activities			
Purchase of plant and equipment		(3)	(10)
Proceeds from the sale of plant and equipment		-	1
Proceeds from other financial assets		25,262	(25,262)
Proceeds from the sale of investments		295	37,475
Acquisition of investments		<u>(21,234)</u>	<u>(19,049)</u>
Net cash provided / (used in) by investing activities		<u>4,320</u>	<u>(6,845)</u>
Cash flow from financing activities			
Lease repayments		(90)	(81)
Distributions paid to philanthropic activities		<u>(9,645)</u>	<u>(9,225)</u>
Net cash used in financing activities		<u>(9,735)</u>	<u>(9,306)</u>
Reconciliation of cash			
Net increase / (decrease) in cash held		1,813	(2,451)
Cash at the beginning of the financial year		18,032	20,473
Foreign exchange differences on cash holdings		<u>(2)</u>	<u>10</u>
Cash at the end of the financial year	5	<u><u>19,843</u></u>	<u><u>18,032</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 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES

General information

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 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 *Australian Charities and Not-for-profits Commission Regulations 2022*, 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 124:	Related Party Disclosures (to the extent required by the <i>Australian Charities and Not-for-profits Commission Regulations 2022</i> and the ACNC Commissioner's discretion)
AASB 1048:	Interpretation of Standards
AASB 1054:	Australian Additional Disclosures

COLONIAL FOUNDATION TRUST

ABN: 42 062 119 572

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

Apart from items described in note 2(ii), the following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation and presentation of the financial report:

Rounding of Amounts

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

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.

(a) 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.

COLONIAL FOUNDATION TRUST
ABN: 42 062 119 572

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Foreign currency transactions and balances (Continued)

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where exchange rate for the 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.

(b) 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

(c) 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

COLONIAL FOUNDATION TRUST
ABN: 42 062 119 572

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Employee benefits (Continued)

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.

(d) 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.

(e) Income tax

No provision for income tax has been raised as the Trust is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(f) 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.

COLONIAL FOUNDATION TRUST
ABN: 42 062 119 572

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) 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.

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)

COLONIAL FOUNDATION TRUST
ABN: 42 062 119 572

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments (Continued)

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.

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.

Trade and other receivables

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.

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.

(h) 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.

COLONIAL FOUNDATION TRUST
ABN: 42 062 119 572

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Leases (Continued)

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.

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.

(i) Comparatives

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

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

i) Accounting standards and interpretations 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.

ii) New standards and interpretations effective in the current financial year

The Trust adopted Disclosure of Accounting policy: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054, and 1060) from 1 January 2023. Although the amendments of accounting policies did not result in any change to the accounting policies themselves, they impacted the accounting policy information disclosure in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments, also provide guidance on the application of materiality to disclosure of accounting policies,

COLONIAL FOUNDATION TRUST
ABN: 42 062 119 572

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in financial statements.

The Manager reviewed the accounting policies and made updates to the information disclosed in Note 2.4 material accounting policies.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Trust's accounting policies, management makes various judgements that can significantly affect the amounts recognised in the financial statements. In addition, the determination of carrying amounts of some assets and liabilities require estimation of the effects of uncertain future events. Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of those assets and liabilities affected by the assumption.

	2024	2023
NOTE 4: REMUNERATION OF AUDITORS		
<i>KPMG (Melbourne)</i>		
- Audit of the financial report	35,000	34,000

	2024	2023
	\$ '000	\$ '000
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	<u>19,843</u>	<u>18,032</u>

NOTE 6: OTHER RECEIVABLES

CURRENT

Other receivables		
- Accrued interest	50	117
- Accrued dividend and distribution income	1,248	1,339
- Unsettled sales of investments	(51)	93
- GST recoverable	7	20
- Tax withholding refundable	56	-
- Imputation credits refundable	<u>542</u>	<u>864</u>
	<u>1,852</u>	<u>2,433</u>

NON CURRENT

Other receivables		
- Imputation credits refundable	<u>63</u>	<u>55</u>

COLONIAL FOUNDATION TRUST
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$ '000	\$ '000

NOTE 7: OTHER FINANCIAL ASSETS

Other financial assets at fair value

Fixed term deposits	-	25,262
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NOTE 8: INVESTMENTS

At fair value through profit and loss:

Investments in equity and debt securities	253,499	209,324
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NOTE 9: PLANT AND EQUIPMENT

Plant and equipment

Plant and equipment at cost	196	193
Accumulated depreciation	(87)	(65)
Total plant and equipment	109	128

(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	128	142
Additions	3	10
Disposals	-	(1)
Depreciation expense	(22)	(23)
Closing carrying amount	109	128

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)

Buildings		
Buildings under lease	584	686

Reconciliations

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

COLONIAL FOUNDATION TRUST
ABN: 42 062 119 572

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$ '000	\$ '000

NOTE 10: LEASE ASSETS AND LEASE LIABILITIES (CONTINUED)

Reconciliations (Continued)

Buildings under lease

Opening carrying amount	686	789
Depreciation	<u>(102)</u>	<u>(103)</u>
Closing carrying amount	<u><u>584</u></u>	<u><u>686</u></u>

(b) Lease liabilities

CURRENT

Lease liabilities	<u>99</u>	<u>90</u>
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NON CURRENT

Lease liabilities	<u>600</u>	<u>699</u>
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Total carrying amount of lease liabilities	<u><u>699</u></u>	<u><u>789</u></u>
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(c) Lease expenses and cashflows

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.

Interest expense on lease liabilities	33	36
Expense relating to short term leases	-	-
Depreciation expense on lease assets	102	103
Cash outflow for leases	123	117

NOTE 11: TRADE AND OTHER PAYABLES

CURRENT

Payables and accrued expenses	<u>117</u>	<u>618</u>
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NOTE 12: EMPLOYEE BENEFITS

CURRENT

Employee benefits	<u>103</u>	<u>59</u>
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NON CURRENT

Employee benefits	<u>-</u>	<u>13</u>
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COLONIAL FOUNDATION TRUST
ABN: 42 062 119 572

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$ '000	\$ '000

NOTE 13: CASH FLOW INFORMATION

(a) Reconciliation of cash flow from operating activities

Surplus for the year before distributions	30,225	31,110
Adjustments and non-cash items		
Depreciation	125	126
Fair value gains on investments	(23,078)	(23,329)
Net Foreign exchange loss / (gains)	2	(10)
Management fees reinvested	(14)	(13)
Changes in operating assets and liabilities		
Decrease in trade and other receivables	428	5,302
Decrease / (increase) in prepayments	10	(11)
(Decrease) / increase in trade and other payables	(501)	511
Increase in employee benefits	<u>31</u>	<u>14</u>
Cash flows from operating activities	<u><u>7,228</u></u>	<u><u>13,700</u></u>

NOTE 14: COMMITMENTS

The Trust does not have any present obligations at the end of the reporting period other than the lease commitments noted below.

(a) Lease commitments contracted for:

Payable		
- not later than one year	99	90
- later than one year and not later than five years	600	598
- later than five years	<u>-</u>	<u>101</u>
	<u><u>699</u></u>	<u><u>789</u></u>

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:

- (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.

COLONIAL FOUNDATION TRUST

ABN: 42 062 119 572

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024****NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)****(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.

	2024		2023	
	AUD \$ '000	USD \$ '000	AUD \$ '000	USD \$ '000
Investments - equity and debt securities	6,109	4,074	6,172	4,091
Cash denominated in USD	<u>251</u>	<u>168</u>	<u>251</u>	<u>166</u>
	<u>6,360</u>	<u>4,242</u>	<u>6,423</u>	<u>4,257</u>

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2024 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2024, of the Trust, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2024, of the Trust.

COLONIAL FOUNDATION TRUST
ABN: 42 062 119 572

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 17: 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 have determined that the Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the Trust declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 19 - 35, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (a) complying with Australian Accounting Standards as detailed in Note 1 to the financial statements and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
 - (b) giving a true and fair view of the financial position as at 30 June 2024 and performance for the year ended on that date of the Trust in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Director: _____  _____

Ms Andrea Waters

Dated this 7th day of November 2024



Independent Auditor's Report

To the Trustee of Colonial Foundation Trust

Opinion

We have audited the **Financial Report**, of the Colonial Foundation (the Trust).

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 2024, 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 Regulations 2022 (ACNCR)*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2024.
- 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 material accounting policies.
- iv. Directors' declaration of the trustee company

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.

We confirm that the independence declaration required by the *ACNC Act 2012*, which has been given to the Trustee of the Trust on 7 November 2024, would be in the same terms if given to the Trustee as at the time of this Auditor's Report.

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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 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.

Other information

Other Information is financial and non-financial information in Colonial Foundation Trust's annual report 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 Notes 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 members.
- 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 in blue ink that reads 'KPMG'.

KPMG

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

Adrian Nathanielsz

Partner

Melbourne

13 November 2024