

# **Sydney Community Foundation Tax Deductible Fund**

**ABN 77 528 860 176**

Annual report for the financial year ended  
30 June 2019

# Sydney Community Foundation Tax Deductible Fund

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Annual report  
for the financial year ended 30 June 2019

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# Sydney Community Foundation Tax Deductible Fund

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## Trustee's report

The directors of Sydney Community Foundation ("the trustee") submit herewith the annual financial report for the financial year ended 30 June 2019 of Sydney Community Foundation Tax Deductible Fund ("the trust").

The names of the directors of the trustee during or since the end of the financial year are:

### **Name**

Michael Lynch  
Michael Hogan (Retired December 2018)  
Diana D'Ambra  
David Knowles  
Corinne Kemp  
Julianne Sanders  
Wayne Stokes  
Jenny Green  
Georgina Byron  
Alexandra Shehadie (Resigned 24 July 2018)  
Larissa Behrendt (Appointed 27 May 2019)

The above-named directors held office during and since the end of the financial year except as noted.

### **Principal activities**

The trust, which has Deductible Gift Recipient status ("DGR") for tax purposes, is set up to receive donations from various sources. The trustee pools the donations received and invests these funds, distributing at least 80% of the income earned on the invested funds to DGR 1 charities. When making decisions as to the distribution of the grants and possible recipients, the trustee will take into consideration the preferences of the original donors. Through the trust's sub fund Sydney Women's Fund the foundation grants to programs for women and their children to further the purpose of Sydney Community Foundation to build strong communities.

During the period there was no significant change in the nature of those activities.

### **Review of operations**

During the year, funds received from donors amounted to \$776,651 (2018: \$918,671). Grants of \$617,638 (2018: \$622,934) were made during the year. After deducting expenses, the trust was left with a surplus of \$187,187 (2018: \$145,546). The donations received through the trust's "Foundations" program are invested by the trust with the intention of passing on the income from the investment to a recognised DGR.

From 1 November 2018 services to Sydney Community Foundation have been provided by staff employed by Be Kind Sydney Ltd, a DGR1 Public Benevolent Institute established as a related company of Sydney Community Foundation Trustee Company.

### **Changes in state of affairs**

There were no significant changes in the state of affairs of the trust during the financial year.

### **Subsequent events**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the trust, the results of those operations, or the state of affairs of the trust in future financial years.

# Sydney Community Foundation Tax Deductible Fund

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## Trustee's report (continued)

### Future developments

The directors of the trustee anticipate that total donations to the trust will increase in the future, as lump sum donations from individuals committed to donate to Sydney Community Foundation Tax Deductible Fund are anticipated together with a broadening of the donor base to other individual and corporate donors. This will allow an increase in grants given from the trust during the next financial year.

### Indemnification of officers and auditors

During or since the financial period, the trust has not indemnified or made a relevant agreement to indemnify an auditor of the trust or of any related body corporate against a liability incurred as such an auditor. In addition, the trust has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an auditor.

### Auditor's independence declaration

The auditor's independence declaration is included on page 3 of the annual report.

This Trustee's report is signed in accordance with a resolution of directors of the trustee.

On behalf of the Directors



Michael Lynch  
Chair



Diana D'Ambra  
Director

Sydney, NSW  
23 September 2019

**Auditor's Independence Declaration**

To the Trustee of Sydney Community Foundation Tax Deductible Fund:

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Sydney Community Foundation Tax Deductible Fund for the year ended 30 June 2019.



**Sydney, NSW**  
**23 September 2019**

**S Grivas**  
**Director**

**h**l**b.com.au**

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Liability limited by a scheme approved under Professional Standards Legislation.

## **Independent Auditor's Report to the Trustee of Sydney Community Foundation Tax Deductible Fund**

### **Opinion**

We have audited the financial report of Sydney Community Foundation Tax Deductible Fund ("the trust") which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' ("the directors") declaration.

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 Act 2012* including:

- (a) giving a true and fair view of the trust's financial position as at 30 June 2019 and of its financial performance and cash flows for the year then ended;
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*;
- (c) the financial report agrees to the underlying financial records of the trust, that have been maintained in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations for the year ended 30 June 2019; and
- (d) monies received by the trust, as a result of fundraising appeals conducted during the year ended 30 June 2019, have been accounted for and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the trust and trustee in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors, would be in the same terms if given as at the time of this auditor's report.

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

### **Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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 and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### **Responsibilities of the Directors for the Financial Report**

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Charitable Fundraising Act 1991* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the trust's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- 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 trustee's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management'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 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 trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**HLB Mann Judd Assurance (NSW) Pty Ltd**  
**Chartered Accountants**

**Sydney, NSW**  
**23 September 2019**



**S Grivas**  
**Director**

# Sydney Community Foundation Tax Deductible Fund

## Responsible persons' declaration

This general purpose financial report, which complies with Australian Accounting Standards – Reduced Disclosure Requirements, has been prepared to satisfy the directors of the trustee's reporting requirements under the *Charitable Fundraising Act 1991*.

The directors of the trustee declare that:

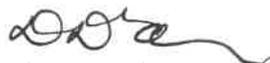
- (a) in the directors' opinion, there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-Profits Commission Regulation 2013*, including compliance with accounting standards – reduced disclosure requirements and giving a true and fair view of the financial position and performance of the trust;

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

On behalf of the directors of the Trustee



Michael Lynch  
Chair



Diana D'Ambra  
Director

Sydney, NSW  
23 September 2019

# Sydney Community Foundation Tax Deductible Fund

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## Statement of profit or loss and other comprehensive income for the financial year ended 30 June 2019

	<u>Note</u>	<u>2019</u> \$	<u>2018</u> \$
Income	3	1,174,037	1,370,161
Grants made	3	(617,638)	(622,934)
Administration expenses		(369,212)	(601,681)
Surplus before income tax		187,187	145,546
Income tax expense		-	-
<b>Surplus for the year</b>		<b>187,187</b>	<b>145,546</b>
<b>Other comprehensive income</b>			
Fair value movement on investments		46,182	668
<b>Total comprehensive income for the year</b>		<b>233,369</b>	<b>146,214</b>
<b>Surplus attributable to members of the entity</b>		<b>233,369</b>	<b>146,214</b>

Notes to the financial statements are included on pages 11 to 18.

# Sydney Community Foundation Tax Deductible Fund

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## Statement of financial position as at 30 June 2019

	<b>Note</b>	<b>2019</b> <b>\$</b>	<b>2018</b> <b>\$</b>
<b>Current assets</b>			
Cash and cash equivalents	8(a)	846,817	756,653
Trade and other receivables	4	40,774	70,397
Other financial assets	5	627,518	512,655
<b>Total current assets</b>		<b>1,515,109</b>	<b>1,339,705</b>
<b>Non-current assets</b>			
Other financial assets	5	1,265,355	1,179,710
<b>Total non-current assets</b>		<b>1,265,355</b>	<b>1,179,710</b>
<b>Total assets</b>		<b>2,780,464</b>	<b>2,519,415</b>
<b>Current liability</b>			
Trade and other payables	6	138,933	111,253
<b>Total liability</b>		<b>138,933</b>	<b>111,253</b>
<b>Net assets</b>		<b>2,641,531</b>	<b>2,408,162</b>
<b>Accumulated funds</b>			
Retained surplus	7	2,641,531	2,395,268
Available for sale reserve		-	12,894
<b>Total accumulated funds</b>		<b>2,641,531</b>	<b>2,408,162</b>

Notes to the financial statements are included on pages 11 to 18.

# Sydney Community Foundation Tax Deductible Fund

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## Statement of changes in equity for the financial year ended 30 June 2019

	<u>Note</u>	<u>Retained surplus \$</u>	<u>Available for sale investment reserve \$</u>	<u>Total \$</u>
Balance at 1 July 2017		2,249,722	12,226	2,261,948
Surplus for the year	7	145,546	-	145,546
Other comprehensive income for the year		-	668	668
<b>Total comprehensive income for the year</b>		<u>145,546</u>	<u>668</u>	<u>146,214</u>
<b>Balance at 30 June 2018</b>		<u>2,395,268</u>	<u>12,894</u>	<u>2,408,162</u>
Balance at 1 July 2018 – as previously reported		2,395,268	12,894	2,408,162
Impact of adoption of AASB 9		12,894	(12,894)	-
Restated – at 1 July 2018		<u>2,408,162</u>	<u>-</u>	<u>2,408,162</u>
Surplus for the year	7	187,187	-	187,187
Other comprehensive income for the year	7	46,182	-	46,182
<b>Total comprehensive income for the year</b>		<u>233,369</u>	<u>-</u>	<u>233,369</u>
<b>Balance at 30 June 2019</b>		<u>2,641,531</u>	<u>-</u>	<u>2,641,531</u>

Notes to the financial statements are included on pages 11 to 18.

# Sydney Community Foundation Tax Deductible Fund

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## Statement of cash flows for the financial year ended 30 June 2019

	<b>Note</b>	<b>2019</b> <b>\$</b>	<b>2018</b> <b>\$</b>
<b>Cash flows from operating activities</b>			
Contributions received		1,184,005	1,389,659
Investment income received		50,449	18,712
Interest received		8,598	-
Payments to suppliers and employees		(998,562)	(1,641,303)
Net cash provided by/(used in) operating activities	8(b)	244,490	(232,932)
<b>Cash flows from investing activities</b>			
Purchase of other financial assets		(154,326)	-
Payments for plant and equipment		-	(900)
Net cash used in investing activities		(154,326)	(900)
<b>Net increase/(decrease) in cash and cash equivalents</b>		90,164	(233,832)
<b>Cash and cash equivalents at the beginning of the financial year</b>		756,653	990,485
<b>Cash and cash equivalents at the end of the financial year</b>	8(a)	846,817	756,653

Notes to the financial statements are included on pages 11 to 18.

## Notes to the financial statements for the financial year ended 30 June 2019

### 1. General information

Sydney Community Foundation Tax Deductible Fund (“the trust”) is a trust, domiciled and operating in Australia. The trustee of Sydney Community Foundation Tax Deductible Fund is Sydney Community Foundation.

Sydney Community Foundation Tax Deductible Fund’s registered office and its principal place of business is as follows:

#### Registered office and principal place of business

52 Victoria Street  
Paddington  
NSW 2021

The trust, which has Deductible Gift Recipient status (“DGR”) for tax purposes, is set up to receive donations from various sources. The trustee will pool the donations received and invest these funds, distributing at least 80% of the income earned on the invested funds to other DGRs. When making decisions as to the distribution of the grants and possible recipients, the trustee will take into consideration the preferences of the original donors.

### 2. Significant accounting policies

#### Financial reporting framework

This financial report is a general purpose financial report, which has been prepared in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and Australian Accounting Standards – Reduced Disclosure Requirements (“RDR”). For the purposes of preparing the financial statements, the trust is a not-for-profit entity.

#### Statement of compliance

This general purpose financial report has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards – RDR. A statement of compliance with IFRS cannot be made due to the application of not for profit sector specific requirements listed in Australian Accounting Standards and adoption of RDR.

#### Basis of preparation

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

#### Critical accounting judgements and key sources of estimation uncertainty

In the application of the trust’s accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical accounting judgement and key sources of estimation that would materially affect the financial statements.

#### Standards and other Interpretations affecting amounts reported in the current period

The trust has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period.

New or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Other than noted at Note 2(h), the adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the trust.

# Sydney Community Foundation Tax Deductible Fund

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## Notes to the financial statements for the financial year ended 30 June 2019

### 2. Significant accounting policies (continued)

The following Accounting Standards and Interpretations are most relevant to the trust:

#### *AASB 9 Financial Instruments*

The trust has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

There are no other new and revised Standards and Interpretations adopted in these financial statements affecting the reported results or financial position.

#### **Significant accounting policies**

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

##### **(a) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

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

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

The trust is registered for GST.

##### **(b) Revenue**

###### Contributions received and trust outgoings

Contribution income represents donations paid into the trust by companies and individuals. Trust outgoings represent donations paid out to recognised Deductible Gift Recipients ("DGRs"). Grants received and contributions are recognised in accordance with AASB 1004 when control passes. Income is deferred where the trust does not control the funds until spent.

###### Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

##### **(c) Income tax**

The trust does not pay income tax as it qualifies for exemption under Section 50-5 of *the Income Tax Assessment Act 1997*. Consequently the directors consider that no income tax is payable.

# Sydney Community Foundation Tax Deductible Fund

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## Notes to the financial statements for the financial year ended 30 June 2019

### 2. Significant accounting policies (continued)

#### (d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in bank and investments in money market instruments with a maturity of less than 3 months, net of outstanding bank overdrafts.

#### (e) Financial assets

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The trust has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on 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 asset, or, where appropriate, a shorter period.

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided. Under AASB 9, other financial assets are classified into the following specified categories: financial assets at amortised cost, financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income.

#### Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the trust intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### Impairment of financial assets

The trust recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the trust's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

# Sydney Community Foundation Tax Deductible Fund

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## Notes to the financial statements for the financial year ended 30 June 2019

### 2. Significant accounting policies (continued)

#### Impairment of financial assets (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

#### (f) **Financial liabilities**

Financial liabilities are classified as other financial liabilities.

#### Other financial liabilities

Other financial liabilities, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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 through the expected life of the financial liability, or, where appropriate, a shorter period.

#### (g) **Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Other payables include employee benefits.

#### Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Liability for long service leave is measured based on remuneration rates as at balance date for all employees with five or more years of service. The directors believe that this method provides an estimate of the liability that is not materially different from the estimate that would be obtained by using the present value basis of measurement. Related on-costs have also been included in the liability.

When long service leave entitlements vest after ten years of service they are shown as current liabilities.

# Sydney Community Foundation Tax Deductible Fund

## Notes to the financial statements for the financial year ended 30 June 2019

### (h) Adoption of AASB 9

The trust has applied AASB 9 and has elected not to restate comparative information. Accordingly, the information presented for 30 June 2018 has not been restated. The impact of the adoption of AASB 9, as compared to the previously applicable standard, AASB 139 *Financial Instruments: Recognition and Measurement*, is as follows:

	AASB 139 30 June 2019 \$	Impact of change	AASB 9 30 June 2019 \$
Retained surplus - opening	2,395,268	12,894	2,408,162
Total comprehensive income	187,187	46,182	233,369
Available-for-sale reserve	59,076	(59,076)	-
Retained surplus - closing	<u>2,641,531</u>	<u>-</u>	<u>2,641,531</u>

There would be no impact on other balances or results for the comparative financial periods if the trust had elected to restate comparative financial information.

On initial application date, an election has been made to designate available-for-sale financial assets that are non-derivative equity instruments at fair value through other comprehensive income (FVTOCI). Previously recognised fair value adjustments in the available-for-sale reserve are transferred from the reserve to retained surplus. As from the initial application date further gains or losses will be recognised in other comprehensive income.

An adjustment of \$12,894 has been made to retained surplus and the available-for-sale reserve as at 1 July 2018 and has been recognised in the Statement of Changes in Equity for the year ended 30 June 2019.

### 3. Surplus for the year

The surplus before tax for the year include the following items of income and expense:

	2019 \$	2018 \$
<b>(a) Income</b>		
Donations received	776,651	918,671
Fee income	7,094	41,659
Interest income	8,598	30,689
Investment income	47,694	46,142
Other income	334,000	333,000
	<u>1,174,037</u>	<u>1,370,161</u>
<b>(b) Expenses</b>		
Grants made	<u>617,638</u>	<u>622,934</u>

### 4. Trade and other receivables

	2019 \$	2018 \$
Trade and other receivables	40,774	67,641
Franking credits	-	2,756
	<u>40,774</u>	<u>70,397</u>

# Sydney Community Foundation Tax Deductible Fund

## Notes to the financial statements for the financial year ended 30 June 2019

### 5. Other financial assets

	2019	2018
	\$	\$
<b>Current</b>		
Term Deposit	627,518	512,655
<b>Non-Current</b>		
Investments – at fair value through other comprehensive income	1,265,355	1,179,710

The directors consider that the carrying amounts of financial assets recorded on the financial statements approximate their fair values.

Some of the trust's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair value of these financial assets are determined:

Financial asset	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	30/6/2019	30/6/2018		
	\$	\$		
Non derivative financial asset at fair value through other comprehensive income	1,265,355	1,179,710	Level 1	Quoted bid prices in an active market

### 6. Trade and other payables

	2019	2018
	\$	\$
Trade and other payables	109,433	52,436
Deferred revenue	20,000	37,500
Accruals	9,500	9,500
Provision for annual leave	-	11,817
	138,933	111,253

### 7. Retained surplus

	2019	2018
	\$	\$
Balance at beginning of financial year	2,395,268	2,249,722
Impact of adoption of AASB 9	12,894	-
Surplus for the year	187,187	145,546
Other comprehensive income for the year	46,182	-
	2,641,531	2,395,268

The net surplus includes donations received for inclusion in the Tax Deductible Fund operated by Sydney Community Foundation. Donations received in this fund are invested with the intention of passing on the income and, if thought fit by the Trustees, all or part of the capital of the Trust Fund to eligible charities that have Deductible Gift Recipient status.

### 8. Notes to the statement of cash flows

#### (a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments with a maturity of less than 3 months, net of outstanding bank overdrafts.

# Sydney Community Foundation Tax Deductible Fund

## Notes to the financial statements for the financial year ended 30 June 2019

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2019 \$	2018 \$
Cash and cash equivalents	846,817	756,653

**(b) Reconciliation of surplus for the period to net cash flows provided by/(used in) operating activities**

	2019 \$	2018 \$
Surplus for the year	187,187	145,546
Depreciation	-	900
Provision for annual leave	(11,817)	-
<i>Changes in net assets and liabilities:</i>		
(Increase)/decrease in assets:		
Trade and other receivables	29,622	77,721
Increase/(decrease) in liabilities:		
Trade and other payables	39,498	(394,083)
Net cash provided by/(used in) operating activities	244,490	(232,932)

### 9. Remuneration of auditors

	2019 \$	2018 \$
Audit of the financial report	10,000	9,750

The auditor of Sydney Community Foundation Tax Deductible Fund is HLB Mann Judd Assurance (NSW) Pty Ltd.

### 10. Operating commitments

	2019 \$	2018 \$
<i>Lease commitments</i>		
Within one year	-	14,560

During the year, the trust entered into an open ended management fee agreement with a related party. The management fee is determined by applying the percentage of time spent by individual staff members on work for the trust by the then-current salary of the relevant staff member. The fee for the year ended 30 June 2019 was \$100,000. Future fees cannot be reliably measured at 30 June 2019.

# Sydney Community Foundation Tax Deductible Fund

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## Notes to the financial statements for the financial year ended 30 June 2019

### 11. Key management personnel compensation

The directors and other members of key management personnel of the trustee during the year were:

**Name**

Michael Lynch  
Michael Hogan (Retired December 2018)  
Diana D' Ambra  
David Knowles  
Corinne Kemp  
Julianne Sanders  
Wayne Stokes  
Jenny Green  
Georgina Byron  
Alexandra Shehadie (Resigned 24 July 2018)  
Larissa Behrendt (Appointed 27 May 2019)  
Jane Jose

Aggregate paid or payable to directors of Sydney Community Foundation for the trust was \$nil (2018: \$Nil).

### 12. Related party disclosures

**(a) Key management personnel compensation**

Aggregate paid or payable to key management personnel was \$54,750 (2018: \$161,197).

**(b) Transactions with other related parties**

During the financial year, the trust's other related parties include the Trustee and Be Kind Sydney Ltd.

Aggregate paid or payable to a related party was \$322,000 (2018: \$Nil)

### 13. Information to be furnished under the Charitable Fundraising Act 1991

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Total costs of fundraising/gross income from fundraising	8.02%	11.80%
Cost of fundraising	62,303	108,421
Fundraising income	776,651	918,671
Net surplus from fundraising/gross income from fundraising	24.10%	15.84%
Net surplus	187,187	145,546
Fundraising income	776,651	918,671

The trust does not provide any charitable services other than the activities detailed in above.