



**THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND**

ABN 94 609 182 072

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		\$	\$
Donations	3	1,441,889	752,067
Bequests	3(a)	29,618	-
Government Grants	3(b)	15,000	-
Interest		<u>277</u>	<u>125</u>
Revenues from Ordinary Activities		1,486,784	752,192
Project Payments	4	(966,042)	(419,074)
Project Support Costs	5	(107,909)	(58,229)
Other Operating Expenses	5	<u>(188,549)</u>	<u>(136,351)</u>
Total Expenses		(1,262,500)	(613,654)
Result from Ordinary Activities		224,284	138,538
Other Comprehensive Income for the year		<u>-</u>	<u>-</u>
Total Comprehensive Income for the year		<u>224,284</u>	<u>138,538</u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		\$	\$
Current Assets			
Cash and Cash Equivalents	6	789,508	628,249
Receivables	7	11,893	400
Total Current Assets		801,401	628,649
Non-Current Assets			
		-	-
Total Non-Current Assets			
		-	-
Total Assets			
		801,401	628,649
Current Liabilities			
Provision for Annual Leave		16,016	6,272
Payables	8	14,554	75,830
Total Current Liabilities		30,570	82,102
Non-Current Liabilities			
		-	-
Total Non- Current Liabilities			
		-	-
Total Liabilities			
		30,570	82,102
Net Assets			
		770,831	546,547
Distributable Funds			
Funds Available for Distribution	9	770,731	546,447
Settlement Sum	10	100	100
Total Distributable Funds		770,831	546,547

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND
STATEMENT OF CHANGES IN DISTRIBUTABLE FUNDS
FOR THE YEAR ENDED 30 JUNE 2022

	<u>Funds</u> <u>Available for</u> <u>Distribution</u> <u>\$</u>	<u>Settlement</u> <u>Sum</u> <u>\$</u>	<u>Total</u> <u>\$</u>
At 30 June 2020	407,909	100	408,009
Result from Continuing Operations for the year	138,538	-	138,538
At 30 June 2021	<u>546,447</u>	<u>100</u>	<u>546,547</u>
Result from Continuing Operations for the year	224,284	-	224,284
At 30 June 2022	<u>770,731</u>	<u>100</u>	<u>770,831</u>

The above Statement of Changes in Distributable Funds should be read in conjunction with the accompanying notes.

THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		\$	\$
Cash Flows from Operating Activities			
Donations received		1,441,889	752,067
Bequests		29,618	-
Interest received		277	125
Other Income		15,000	-
Project Paid		(966,042)	(419,074)
Payments to suppliers and employees		<u>(359,483)</u>	<u>(101,255)</u>
Net Cash from Operating Activities	12(b)	<u>161,259</u>	<u>231,863</u>
Net Increase in Cash and Cash Equivalents		<u>161,259</u>	<u>231,863</u>
Cash and Cash Equivalents at the beginning of the year		<u>628,249</u>	<u>396,386</u>
Cash and Cash Equivalents at the end of the year	12(a)	<u>789,508</u>	<u>628,249</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1. Reporting Entity

The Archbishop of Sydney's Overseas Ministry Fund (the Fund) is a not-for-profit entity domiciled in Australia. The address of the Fund's principal office is Level 2, St Andrew's House, Sydney Square, George Street Sydney. The Fund's ABN is 94 609 182 072.

The Fund, was established in August 2000, and was set up for the purpose of providing assistance for ministry training and development in overseas countries. Donations to the Fund are not tax deductible. In April 2021, the Overseas Ministry Fund established THE ARCHBISHOP OF SYDNEY'S OVERSEAS MINISTRY FUND - SCHOOL BUILDING FUND which has tax deductible status and is established to provide the capital costs of construction, renovation and development of theological colleges approved by the School Building Fund Committee

1(a). Basis of Preparation

These consolidated financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012. They have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures made by the Australian Accounting Standards Board.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures. In the prior year the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Fund as a result of the change in the basis of preparation.

These financial statements were authorised for issue by the Fund's board of directors on 30 August 2022.

THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

2. Summary of Significant Accounting Policies

(a) Basis of Measurement

The financial statements have been prepared under the historical cost basis except where stated.

Going concern basis

The financial report has been prepared on a going concern basis.

Critical accounting estimates

The preparation of financial statements in conformity with AASB requires the use of certain critical accounting estimates. There were no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements requiring separate disclosure.

Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Fund's functional currency.

(b) Changes in accounting policies

The Fund has initially adopted the following standard from 1 July 2021:

- AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

AASB 1060 has been adopted retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The above standard did not have any impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods.

(c) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash on call and short term deposits with banks or other financial institutions.

(d) Revenue Recognition

Income is brought to account on an accruals basis.

Donations and bequests are recognised as revenue when the Fund gains control of the contribution or the right to receive the contribution, it is probable that economic benefits will flow to the Fund and amounts can be measured reliably.

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with.

Interest income is recognised as it accrues, taking into account the interest rates applicable on the financial asset. Income on loans is recognised in accordance with the terms of the relevant agreement.

(e) Administration Expenses

Administration costs, classified as Fund Management Services, are paid to the Archbishop's of Sydney's Anglican Aid. The Fund Management Services charges have been apportioned equitably to each of the three Funds administered by the Archbishop of Sydney's Anglican Aid. Ministry staff were transferred in from the Anglican Aid to OMF from 1 July 2021.

(f) Income Tax

The Archbishop of Sydney's Overseas Ministry Fund is exempt from income tax as it is an income tax exempt charity under section 50-5 of the Income Tax Assessment Act 1997.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST. Except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable.

THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

2. Summary of Significant Accounting Policies (Cont'd)

(h) Financial Instruments

(i) Recognition and initial measurement

The Fund initially recognises Receivables on the date on which they are originated. All other financial assets and financial liabilities are initially recognised when the Fund becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms 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 Fund 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.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Summary of Significant Accounting Policies (Cont'd)

(h) Financial Instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost of FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, if it is a derivative or it is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised on profit or loss. Other financial liabilities are subsequently measured at amortised costs using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(i) Receivables

These amounts represent donation income recorded in the books and records of the Fund prior to the end of the financial period which are not yet received.

(j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Fund prior to the end of the financial period which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

**THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
3. Donations		
Donations Received - Designated Purposes	796,700	534,149
Donations Received - School Building Fund	349,123	-
Donations Received - General Purposes	296,066	217,918
	<u>1,441,889</u>	<u>752,067</u>

Designated purpose donations are those donations made to a specific program.

	<u>2022</u>	<u>2021</u>
	\$	\$
3(a) Bequests		
Bequests	<u>29,618</u>	<u>-</u>

A bequest was received during the year. The value of the bequest was not above \$50,000 therefore 100% of the bequest was allocated towards the operation and management of the Fund.

	<u>2022</u>	<u>2021</u>
	\$	\$
3(b) Government Grants		
Government COVID-19 Support Package	<u>15,000</u>	<u>-</u>

	<u>2022</u>	<u>2021</u>
	\$	\$
4. Project Payments		
Projects Paid - Education and Training	632,588	419,074
Projects Paid - School Building	333,454	-
	<u>966,042</u>	<u>419,074</u>

**THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
5. Operating Expenses and Project Support Costs		
Fund Management Service Fee	-	179,709
Fee Covers:		
Fundraising Costs	21,461	29,361
Personnel Costs	222,453	125,527
Personnel Costs Attributable to Project Support	(99,380)	(52,964)
Project Support Costs	58,229	58,229
Other Expenses	89,182	19,556
Audit Fee	4,457	4,590
Bank Fees	56	8
Other	-	10,273
Operating Expenses	<u><u>296,458</u></u>	<u><u>194,580</u></u>
Less: Project Support Costs	<u>(107,909)</u>	<u>(58,229)</u>
Total Operating Expenses Support Costs	<u><u>188,549</u></u>	<u><u>136,351</u></u>

Fund Management Service Fees represent disbursements and or management costs recharged by The Archbishop of Sydney's Anglican Aid, as Trustee of the Fund for the provision of administration, marketing and staffing support. The fee is applied proportionally on the basis of the income of the Funds. Ministry staff were transferred in from the Anglican Aid from 1 July 2021 and payroll expenses for the ministry staff were paid by OMF.

Project Support Costs are those costs (including Personnel Costs) directly associated with the delivery of programs.

Superannuation expenses of \$19,780 was paid into employees' defined superannuation funds during the financial year.

	<u>2022</u>	<u>2021</u>
	\$	\$
6. Cash and Cash Equivalents		
Deposits at Call	<u>789,508</u>	<u>628,249</u>
	<u><u>789,508</u></u>	<u><u>628,249</u></u>
7. Receivables		
The Archbishop of Sydney's Anglican Aid	11,893	-
GST Rebate	-	400
	<u><u>11,893</u></u>	<u><u>400</u></u>
8. Payables		
Trade Creditors	959	-
ATO BAS Payable	13,595	-
The Archbishop of Sydney's Overseas Relief and Aid Fund	-	260
The Archbishop of Sydney's Anglican Aid	-	75,570
	<u><u>14,554</u></u>	<u><u>75,830</u></u>

**THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

	<u>2022</u>	<u>2021</u>		
	\$	\$		
9. Funds Available for Distribution				
Balance at beginning of period	546,447	407,909		
Result from Continuing Operations	224,284	138,538		
Balance at end of period	<u>770,731</u>	<u>546,447</u>		
	<u>\$</u>	<u>\$</u>		
	<u>\$</u>	<u>\$</u>	<u>Total</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance at beginning of period	263,147	-	283,330	546,477
				407,909
Donations	796,700	349,123	296,066	1,441,889
Interest	-	-	277	277
Bequest Income	-	-	29,618	29,618
Other Income	-	-	15,000	15,000
Total Income	<u>796,700</u>	<u>349,123</u>	<u>340,961</u>	<u>1,486,784</u>
Less:				
Projects Paid	(611,248)	(333,454)	(21,340)	(966,042)
Transfer from General Funds	(5,277)	-	5,277	-
Expenses	-	-	(296,488)	(296,488)
Overhead Contribution	(81,382)	(17,456)	98,838	-
Total Outgoing	<u>(697,907)</u>	<u>(350,910)</u>	<u>(213,713)</u>	<u>(1,262,530)</u>
Balance at end of period	<u>361,940</u>	<u>(1,787)</u>	<u>410,578</u>	<u>770,731</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

General purpose funds are available for the use of operation and management of the Fund

10. Settlement Sum

The Fund was established with a Settlement Sum of \$100 as detailed in the Trust Deed.

**THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

11. Related Parties

The Overseas Ministry Fund is governed by its 9 members. 3 members are appointed by the Archbishop of Sydney and 6 members are elected by the Synod of the Sydney Diocese of the Anglican Church. The Archbishop of Sydney's Anglican Aid provides administration and staffing for the Fund and is also the Trustee for the Fund.

The Archbishop of Sydney's Overseas Ministry Fund acts the service provider for the Archbishop of Sydney's Overseas Relief and Aid Fund which reimburses for expenses incurred at an agreed percentage of overall general costs.

In addition, the Sydney Anglican Church provides a Cash Deposit Facility (DCIF). These funds are lodged "at call" and attract commercial interest rates. As at 30 June 2022, \$400,000 had been lodged with the DCIF.

The following persons were members of the Archbishop of Sydney's Overseas Ministry Fund Management Committee during the year.

The Rev Canon Malcolm Richards	The Rev Luther Symons
Ms Karen Andersen	The Rev Peter Sholl
Mrs Sally Bathgate	Dr Keith Walker
The Rev John Menear	Mr David Dennis
Mrs Michelle Chase	

Key Management Personnel Remuneration

The key management personnel was transferred in to the Fund from the Archbishop of Sydney's Anglican Aid at the start of the financial year. Their compensation for the year ended 30 June 2022 was \$160,706 (2021: \$164,534 was paid by the Archbishop of Sydney's Anglican Aid).

THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	<u>2022</u>	<u>2021</u>
	\$	\$

12. Cash Flow Information

(a) Reconciliation of Cash and Cash Equivalents

Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Deposits at Call	<u>789,508</u>	<u>628,249</u>
Cash and Cash Equivalents	<u>789,508</u>	<u>628,249</u>

(b) Reconciliation of Net Cash (used in) / from Operating Activities to the Result from Continuing Operations

Result from Continuing Operations	224,284	138,538
(increase)/Decrease in Receivables	(11,493)	11,223
Increase/(Decrease) in Trade and Other Payables	<u>(51,532)</u>	<u>82,102</u>
Net Cash from Operating Activities	<u>161,259</u>	<u>231,863</u>

13. Events After the Balance Sheet Date

There are no significant events that have occurred between the reporting date and the time the financial statements are authorised for issue.

THE ARCHBISHOP OF SYDNEY'S
OVERSEAS MINISTRY FUND

MEMBERS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2022

In the opinion of the Members of the Archbishop of Sydney's Overseas Ministry Fund:

- (a) the financial statements and notes that are set out on pages 3 to 16 are in accordance with the Australian Charities and Not For Profit Commission Act 2012, including:
 - (i) giving a true and fair view of the Entity's financial position as at 30 June 2022 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements and the Australian Charities and Not For Profit Commission Regulations 2013; and
- (b) there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable

Signed in accordance with a resolution of the Members:

Dated at Sydney 30th August 2022



Member

KAREN ANDERSEN



Member

MACCORMAC RICHARDS



Independent Auditor's Report

To the Synod of Anglican Church Diocese of Sydney

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report**, of the Archbishop of Sydney's Overseas Ministry Fund (the Fund).

In our opinion, the accompanying Financial Report of the Fund 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 Fund's financial position as at 30 June 2022, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013 (ACNCR)*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2022.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Declaration by the Members of the Fund

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 Fund 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.

Other information

Other Information is financial and non-financial information in the Archbishop of Sydney's Overseas Ministry Fund's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Members are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Members of the Fund for the Financial Report

The Members are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR.
- ii. 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.
- iii. Assessing the Fund'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 Fund 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 Fund's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members.
- iv. Conclude on the appropriateness of the Members' 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 Fund'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 Fund 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 Members of the registered Fund 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.

KPMG

KPMG

Warwick Shanks

Partner

Sydney

30 August 2022