

TSO Foundation Trust

ABN 29 136 095 566

**Annual Financial Report
31 December 2016**

TSO Foundation Trust

ABN 29 136 095 566

Contents	Page
Directors' Report	3
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	17
Independent Auditor's Report	18

TSO Foundation Trust
 ABN 29 136 095 566
Directors' Report for the period ended 31 December 2016

The directors of Tasmanian Symphony Orchestra Foundation Limited (ACN 131 401 440), the Trustee Company of TSO Foundation Trust (the Trust), present their report for the year ended 31 December 2016.

DIRECTORS

The directors of the trustee company, at any time during the financial period ended 31 December 2016 and until the date of this report, are:

Richard Shoobridge	Chair
John Upcher	Deputy Chair
Timothy Bugg AM	from 19 July 2016
John Canterford	
Donald Hempton	
Patricia Leary	
Michael Ralston	
Peter Stanton	
Susan Williams	deceased 4 January 2017

QUALIFICATIONS OF DIRECTORS

Director	Experience and Qualifications
Richard Shoobridge	Bachelor of Commerce, University of Melbourne Diploma of Agriculture (Lincoln College) Diploma of Valuation and Farm Management (Lincoln College) FCA FCPA Member, Australian Institute of Agricultural Science and Technology
John Upcher	LLB (Hons) University of Tasmania Member, Foundation of the Tasmanian Museum and Art Gallery
Timothy Bugg AM	Member Order of Australia Chairman of the International Legal Services Advisory Council Member of the Council of the International Section of the American Bar Association Member of the Australian Law Schools Standards Committee of the Council of Australian Law Deans Member of the Appeals Committee of the Royal Australasian College of Surgeons Chairperson of the Centre for Legal Studies Chairperson of the Allport Library and Museum of Fine Arts Management Committee Fellow of the Australian Academy of Law
John Canterford	Bachelor of Science, University of Melbourne Doctor of Philosophy, University of Melbourne FRACI FAusIMM Chartered Chemist Chartered Professional Metallurgist Member, Society Mining Engineers AIME Member, The Metallurgical Society AIME Member, Canadian Institute Mining Metallurgy Director, Process Technologies Australia Pty Ltd Life Member Canadian Institute Mining Metallurgy

TSO Foundation Trust
 ABN 29 136 095 566
 Directors' Report for the period ended 31 December 2016

QUALIFICATIONS OF DIRECTORS (continued)

Donald Hempton	MBBS (Hons) UNSW Former Board Member, Clifford Craig Medical Research Foundation Former Member Ethics Committee, Clifford Craig Medical Research Foundation
Patricia Leary	Chair, Tasmanian Police Board of Review Chair, Tasmanian Bushfire Appeal 2013 Distribution Committee Chair, Centenary of ANZAC Steering Committee Chair, Virtuosi Tasmania Inc.
Michael Ralston	Fellow of the Institute of Biomedical Science (UK) Fellow of the Australian Institute of Medical Scientists Fellow of the Royal College of Pathologists of Australasia (Hon) Fellow of the Faculty of Science of the RCPA (Founding Fellow) Director, RCPA Quality Assurance Programs P/L Member, Genetics Advisory Committee RCPA
Peter Stanton	Fellow of the Royal College of Physicians and Surgeons of Glasgow Fellow of the College of Surgeons of Hong Kong Fellow of the Royal Australasian College of Surgeons Professor Emeritus, University of Tasmania Member, Tasmanian Audit of Surgical Mortality Committee
Susan Williams	Bachelor of Arts Graduate Certificate of Education (Arts) Life Member, Friends of the Tasmanian Symphony Orchestra Co-Head of High School, The Friends' School Director, Australian Script Centre Member, the TSO Chorus

COMPANY SECRETARY
 John De Paoli B Comm., CPA

TSO Foundation Trust

ABN 29 136 095 566

Directors' Report for the period ended 31 December 2016

PRINCIPAL ACTIVITIES

The principal activity of the Trust during the period ended 31 December 2016 was to provide money, property and benefits to Tasmanian Symphony Orchestra Pty Ltd. There were no significant changes in the nature of the activities of the Trust during the period.

REVIEW AND RESULTS OF OPERATIONS

The operating profit for the year ended 31 December 2016 amounted to \$269,633 (2015: \$352,498).

CHANGES IN STATE OF AFFAIRS

In the opinion of the directors of the Trustee Company, there were no significant changes in the underlying state of affairs of the Trust that occurred during the year ended 31 December 2016.

LIKELY DEVELOPMENTS

The Trust will continue to receive donations and bequests.

DISTRIBUTIONS

A distribution of \$51,437 will be payable to Tasmanian Symphony Orchestra Pty Ltd during 2016 calculated as 4% of net assets as at 31 December 2016 (2015: \$42,345).

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

Since the end of the previous financial period, the Trust has not indemnified nor made a relevant agreement for indemnifying against liability any person who is or has been an officer of the corporate Trustee or auditor of the Trust.

Insurance premiums

During the financial period, the Trust has paid premiums in respect of directors' and officers' liability, legal expenses and insurance contracts for the period ended 5 September 2017 against a liability incurred as such a director and or officer to the extent permitted by the *Corporations Act 2001*. Since the end of the financial period, the Trust has paid or agreed to pay premiums in respect of such insurance contracts for the year ended 31 December 2017. Such insurance contracts insure persons who are or have been directors or officers of the Trustee against certain liabilities (subject to certain exclusions).

Directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

EVENTS SUBSEQUENT TO BALANCE DATE

No events have occurred subsequent to balance date that materially affect the financial report or the results of the operations or the state of affairs of the Trust in future financial years.

TSO Foundation Trust

ABN 29 136 095 566

Directors' Report for the period ended 31 December 2016

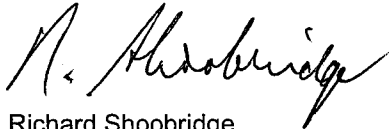
DIRECTORS' MEETINGS

The number of meetings of the Board of Directors of the trustee company during the financial period were:

Director	Board	
	Meetings Eligible	Meetings Attended
Richard Shoobridge	5	5
Susan Williams	5	5
John Upcher	5	5
Timothy Bugg AM	2	1
John Canterford	5	5
Donald Hempton	5	5
Patricia Leary	5	4
Michael Ralston	5	4
Peter Stanton	5	5

Directors who were absent from meetings were so with the consent of the Board. The business of the committees was dealt with during board meetings.

Signed in accordance with a resolution of the directors of the trustee company:



Richard Shoobridge
Director

Hobart, 24 April 2017

TSO Foundation Trust

ABN 29 136 095 566

Statement of profit or loss and other comprehensive income for the year ended 31 December 2016

	Note	Year ended	
		2016	2015
		\$	\$
REVENUES			
Donation revenue	4	219,620	37,590
Bequest revenue	4	27,964	300,000
Investment revenue	5	37,250	25,729
		284,834	363,319
EXPENSES			
Marketing expenses		4,711	-
Consultants		6,760	7,453
Other expenses from ordinary activities		3,730	3,368
		15,201	10,821
Net Profit before income tax		269,633	352,498
Income Tax	2(d)	-	-
Net Profit for the year		269,633	352,498
Other comprehensive income		-	-
Total comprehensive income for the year		269,633	352,498

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

TSO Foundation Trust
 ABN 29 136 095 566
 Statement of financial position as at 31 December 2016

	Note	2016	As at 2015
		\$	\$
CURRENT ASSETS			
Cash assets	8a	670,781	1,052,295
Other current assets	6	3,181	6,333
TOTAL CURRENT ASSETS		<u>673,962</u>	<u>1,058,628</u>
NON-CURRENT ASSETS			
Investments	9	619,389	-
TOTAL NON-CURRENT ASSETS		<u>619,389</u>	<u>-</u>
TOTAL ASSETS		<u>1,293,351</u>	<u>1,058,628</u>
CURRENT LIABILITIES			
Trade and other payables	7	7,435	-
TOTAL CURRENT LIABILITIES		<u>7,435</u>	<u>-</u>
TOTAL LIABILITIES		<u>7,435</u>	<u>-</u>
NET ASSETS		<u>1,285,916</u>	<u>1,058,628</u>
EQUITY			
Retained surplus		1,285,916	1,058,628
TOTAL EQUITY		<u>1,285,916</u>	<u>1,058,628</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

TSO Foundation Trust
 ABN 29 136 095 566
 Statement of changes in equity for the year ended 31 December 2016

	Retained earnings	Total Equity
	\$	\$
As at 1 January 2015	735,552	735,552
Total comprehensive income for the year	352,498	352,498
Distribution paid to Tasmanian Symphony Orchestra Pty Ltd	(29,422)	(29,422)
As at 31 December 2015	<u>1,058,628</u>	<u>1,058,628</u>
Total comprehensive income for the year	269,633	269,633
Distribution paid to Tasmanian Symphony Orchestra Pty Ltd	(42,345)	(42,345)
As at 31 December 2016	<u>1,285,916</u>	<u>1,285,916</u>

The above statement of changes in equity statement should be read in conjunction with the accompanying notes.

TSO Foundation Trust
 ABN 29 136 095 566
 Statement of cash flows for the year ended 31 December 2016

	Note	Year ended	
		2016	2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		247,584	337,590
Cash payments in the course of operations		(9,215)	(16,267)
Interest received		33,992	41,538
NET CASH FLOWS FROM OPERATING ACTIVITIES	8b	272,361	362,861
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution paid to Tasmanian Symphony Orchestra Pty Ltd		(42,345)	(56,504)
Proceeds/(payments) from/for investments		(611,530)	400,000
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(653,875)	343,496
NET INCREASE/(DECREASE) IN CASH HELD		(381,514)	706,357
CASH AT THE BEGINNING OF THE FINANCIAL PERIOD		1,052,295	345,938
CASH AT THE END OF THE FINANCIAL PERIOD	8a	670,781	1,052,295

The above statement of cash flows should be read in conjunction with the accompanying notes.

TSO Foundation Trust

ABN 29 136 095 566

Notes to and forming part of the Financial Statements for the year ended 31 December 2016

1. CORPORATE INFORMATION

The financial report of TSO Foundation Trust (the "Trust") for the period ended 31 December 2016 was authorised for issue in accordance with a resolution of directors of the Tasmanian Symphony Orchestra Foundation Limited on 24 April 2017.

TSO Foundation Trust is a Trust established for the purpose of providing money, property and benefits to Tasmanian Symphony Orchestra Pty Ltd. The address of the registered office is:

1 Davey Street
Hobart TAS 7000

The nature of the operations and principal activities of the Trust are described in the Directors' Report.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial report has been prepared on the basis of historical cost. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The financial report is presented in Australian dollars.

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 at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 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; and
- Level 3 inputs are unobservable inputs for the asset or liability.

b) Statement of compliance

Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Trust Deed, Accounting Standards and Interpretations, and complies with the requirements for Public Ancillary Funds.

For the purposes of preparing the financial report, the company is a not-for-profit entity.

TSO Foundation Trust

ABN 29 136 095 566

Notes to and forming part of the Financial Statements for the year ended 31 December 2016

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Revenue Recognition

Donation and Bequest Revenue

Donation and bequest revenue is recognised at the time of receipt.

Interest Revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

d) Taxation

Income Tax

The Trust is exempt from income tax as it is an exempt charitable institution in accordance with Subdivision 50-B of the *Income Tax Assessment Act 1997*.

e) Accumulation of net annual income

The Trustee must distribute an amount equal to at least 4% of the net value of the Fund, as at the end of the previous financial year.

f) Goods and Services Tax

Revenues, expenses, assets and distributions payable are recognised net of the amount of Goods and Services Tax (GST). Receivables and trade and other payables (excluding distributions) are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

g) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short term deposits with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h) Trade and other receivables

Trade and other receivables, which generally have 30 day terms, are recognised at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectable amounts.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the company will not be able to collect the debt.

The amount of impairment loss is recognised in the statement of comprehensive income within other expenses.

i) Investments

Investments are measured at either fair value through profit or loss, where changes in fair value are taken to the Income Statement, or at cost. These assets comprise investment and trust funds. The investments are managed as pooled funds by a number of independent portfolio managers. Funds are invested in cash deposits, Australian equities, overseas equities, alternatives, fixed interest securities and property trusts under an approved investment policy. Investments are initially recognised at cost, and subsequently carried at fair value.

TSO Foundation Trust

ABN 29 136 095 566

Notes to and forming part of the Financial Statements for the year ended 31 December 2016

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The Directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The accounting policies have been identified for which significant judgements, estimates and assumptions are made and are detailed in Note 2.

4. BEQUEST AND DONATION REVENUE

	Year ended	
	2016	2015
	\$	\$
Individual donations	219,620	37,590
	<u>219,620</u>	<u>37,590</u>
Bequests	27,964	300,000
	<u>27,964</u>	<u>300,000</u>

5. INVESTMENT REVENUE AND INCOME

Unrealised gains	7,859	-
Interest income	29,391	25,729
	<u>37,250</u>	<u>25,729</u>

6. OTHER ASSETS

Current

Accrued income	1,019	5,620
GST Paid	1,264	713
Prepayments	898	-
	<u>3,181</u>	<u>6,333</u>

TSO Foundation Trust

ABN 29 136 095 566

Notes to and forming part of the Financial Statements for the year ended 31 December 2016

	Year ended	
	2016	2015
	\$	\$

7. TRADE AND OTHER PAYABLES

Other payables and accruals	7,435	-
	<u>7,435</u>	<u>-</u>

The average credit period on purchases of most goods and services is 7 days. The Trust has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

8. STATEMENT OF CASH FLOWS

a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash assets as at the end of the financial year as shown in the statement of cash flows are as follows:

Cash and Cash Equivalents	670,781	1,052,295
	<u>670,781</u>	<u>1,052,295</u>

b) Reconciliation of profit for the year to net cash from operating activities

Net profit for the year	269,633	352,498
Unrealised gain on investments	(7,859)	-
	<u>261,774</u>	<u>352,498</u>

Change in assets and liabilities:		
(Increase) / decrease in trade and other receivables	4,050	15,096
(Increase) / decrease in prepayments	(898)	-
Increase / (decrease) in trade and other payables	7,435	(4,733)
Net cash flows from operating activities	<u>272,361</u>	<u>362,861</u>

TSO Foundation Trust

ABN 29 136 095 566

Notes to and forming part of the Financial Statements for the year ended 31 December 2016

	Year ended	
	2016	2015
	\$	\$
9. INVESTMENTS		
Non-current		
At fair value through profit or loss:		
Investment funds	619,389	-
	<u>619,389</u>	<u>-</u>

Investment funds are held in managed portfolios and cash management accounts.

The funds comprise:

Australian shares	192,529	-
International shares	156,708	-
International fixed interest	82,474	-
Alternatives	62,368	-
Australian fixed interest	60,070	-
Australian property	26,648	-
Other	24,045	-
Cash	14,547	-
	<u>619,389</u>	<u>-</u>

10. KEY MANAGEMENT PERSONNEL

a) Compensation of Key Management Personnel

No compensation of key management personnel has been made during the period ending 31 December 2016 (2015: nil).

11. RELATED PARTIES

a) Directors

The name of each person holding the position of director of Tasmanian Symphony Orchestra Foundation Limited during the financial period is:

R Shoobridge, S Williams, J Upcher, T Bugg, J Canterford, D Hempton, P Leary, M Ralston, P Stanton.

Detail of directors' remuneration is set out in note 10(a).

Unless otherwise stated directors have been in office for the financial year.

b) Other transactions and balances with key management personnel and their related parties

A director, Mr John Upcher, was a Director and Deputy Chair of Tasmanian Symphony Orchestra Pty Ltd (ABN 81 088 230 184). All dealings with Tasmanian Symphony Orchestra Pty Ltd are in the normal course of business. Tasmanian Symphony Orchestra Pty Ltd provided services to the Company during the period without charge.

A director, Mr John Upcher, was a Director and Deputy Chair of Tasmanian Symphony Orchestra Holdings Ltd (ABN 16 122 619 630). All dealings with Tasmanian Symphony Orchestra Holdings Ltd are in the normal course of business. Tasmanian Symphony Orchestra Holdings Ltd provided services to the Company during the period without charge.

TSO Foundation Trust

ABN 29 136 095 566

Notes to and forming part of the Financial Statements for the year ended 31 December 2016

11. RELATED PARTIES (continued)

b) Other transactions and balances with key management personnel and their related parties

During the period Tasmanian Symphony Orchestra Foundation Trust paid distributions of \$42,345 to Tasmanian Symphony Orchestra Pty Ltd (2015: \$56,504).

Some directors of the corporate Trustee and their related entities have made donations to the Trust. These donations are made at the discretion of the directors and their related entities and are not subject to any continuing obligations.

Sponsorship from director-related entities is on terms and conditions no more favourable than those offered to other sponsors.

12. EXPENDITURE COMMITMENTS

The Trust has no expenditure commitments.

13. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURE

a) Net fair value

The net fair values of financial assets and liabilities at the balance date are those disclosed in the statement of financial position and related notes. This is because either the carrying amounts approximate net fair value or because of their short term to maturity.

	Note	Fair value hierarchy as at 31 December 2016	
		Level 1 \$	Total \$
Financial assets			
Investments	9	619,389	619,389
Held to maturity investments: term deposits		<u>301,960</u>	<u>301,960</u>
		<u>921,349</u>	<u>921,349</u>
Financial liabilities			
Payables	7	<u>7,435</u>	<u>7,435</u>
		<u>7,435</u>	<u>7,435</u>

The Trust does not hold any financial assets or financial liabilities classified as Level 2 or Level 3.

14. SUBSEQUENT EVENTS

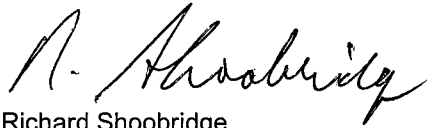
No events have occurred subsequent to balance date that materially affect the financial report or the results of the operations or the state of affairs of the Trust in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of the trustee company, Tasmanian Symphony Orchestra Foundation Limited:

- (a) the financial statements and notes of TSO Foundation Trust are in accordance with the requirements of the Trust Deed, including:
 - (i) giving a true and fair view of the financial position of the Trust as at 31 December 2016 and of its performance, as represented by the results of its operations and its cash flows for the financial year ended on that date
- (b) 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 a resolution of the directors:



Richard Shoobridge
Director
Hobart, 24 April 2017

The Board of Directors
Tasmanian Symphony Orchestra Foundation Limited
Federation Concert Hall
1 Davey Street
Hobart TAS 7000

24 April 2017

Dear Board Members

Tasmanian Symphony Orchestra Foundation Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of the Tasmanian Symphony Orchestra Foundation Limited.

As lead audit partner for the audit of the financial statements of the Tasmanian Symphony Orchestra Foundation Limited for the financial year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Carl Harris
Partner
Chartered Accountants

Independent Assurance Report to the Members of TSO Foundation Limited as Trustee of the TSO Foundation Trust

We have been engaged by TSO Foundation Limited as Trustee for the TSO Foundation Trust to conduct a reasonable assurance engagement relating to TSO Foundation Limited's (the Company) and TSO Foundation Trust's (the Trust) compliance with the requirements of the *Public Ancillary Fund Guidelines 2011* for the period from 1 January 2016 to 31 December 2016.

The Directors' Responsibility for the Compliance with the Public Ancillary Fund Guidelines 2011

The Directors of the Company are responsible for the Company's and the Trust's compliance with the material requirements of the *Public Ancillary Fund Guidelines 2011*. This responsibility includes establishing and maintaining internal control relevant to compliance with the requirements of the *Public Ancillary Fund Guidelines 2011*.

This responsibility also includes making all financial records and related information available to us for the purpose of our engagement.

Our Responsibility

Our responsibility is to express a conclusion on the entities' compliance with the requirements, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Company and the Trust have complied with the requirements of the *Public Ancillary Fund Guidelines 2011* for the period from 1 January 2016 to 31 December 2016. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included such procedures that we considered necessary in the circumstances, including, but not limited to, the review of information held by the Company and the Trust to determine whether the Company and the Trust have complied with the requirements of the *Public Ancillary Fund Guidelines 2011*.

Limitation on Use

This report has been prepared for the Members of the Company in accordance with the engagement letter dated 20 February 2017. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Members, or for any purpose other than that for which it was prepared.

Inherent Limitations

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with the requirements of the *Public Ancillary Fund Guidelines 2011*, as the engagement is not performed continuously throughout the period

Deloitte.

and the procedures performed in respect of compliance with requirements of the *Public Ancillary Fund Guidelines 2011* are undertaken on a test basis.

The conclusion expressed in this report has been formed on the above basis.

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

Conclusion

In our opinion, the TSO Foundation Limited and the TSO Foundation Trust have complied, in all material respects, with the requirements of the *Public Ancillary Fund Guidelines 2011* for the period 1 January 2016 to 31 December 2016.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Carl Harris

Partner

Hobart, 27 April 2017

Independent Assurance Report to the Members of TSO Foundation Limited as Trustee of the TSO Foundation Trust

We have been engaged by TSO Foundation Limited as Trustee for the TSO Foundation Trust to conduct a reasonable assurance engagement relating to TSO Foundation Limited's (the Company) and TSO Foundation Trust's (the Trust) compliance with the requirements of the *Public Ancillary Fund Guidelines 2011* for the period from 1 January 2016 to 31 December 2016.

The Directors' Responsibility for the Compliance with the Public Ancillary Fund Guidelines 2011

The Directors of the Company are responsible for the Company's and the Trust's compliance with the material requirements of the *Public Ancillary Fund Guidelines 2011*. This responsibility includes establishing and maintaining internal control relevant to compliance with the requirements of the *Public Ancillary Fund Guidelines 2011*.

This responsibility also includes making all financial records and related information available to us for the purpose of our engagement.

Our Responsibility

Our responsibility is to express a conclusion on the entities' compliance with the requirements, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Company and the Trust have complied with the requirements of the *Public Ancillary Fund Guidelines 2011* for the period from 1 January 2016 to 31 December 2016. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included such procedures that we considered necessary in the circumstances, including, but not limited to, the review of information held by the Company and the Trust to determine whether the Company and the Trust have complied with the requirements of the *Public Ancillary Fund Guidelines 2011*.

Limitation on Use

This report has been prepared for the Members of the Company in accordance with the engagement letter dated 20 February 2017. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Members, or for any purpose other than that for which it was prepared.

Inherent Limitations

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with the requirements of the *Public Ancillary Fund Guidelines 2011*, as the engagement is not performed continuously throughout the period

Deloitte.

and the procedures performed in respect of compliance with requirements of the *Public Ancillary Fund Guidelines 2011* are undertaken on a test basis.

The conclusion expressed in this report has been formed on the above basis.

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

Conclusion

In our opinion, the TSO Foundation Limited and the TSO Foundation Trust have complied, in all material respects, with the requirements of the *Public Ancillary Fund Guidelines 2011* for the period 1 January 2016 to 31 December 2016.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Carl Harris

Partner

Hobart, 27 April 2017