

# **TSO Foundation Trust**

ABN 29 136 095 566

**Annual Financial Report  
31 December 2017**

**TSO Foundation Trust**  
ABN 29 136 095 566

<b>Contents</b>	<b>Page</b>
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	18
Auditor's Independence Declaration	19
Independent Auditor's Report	20

**TSO Foundation Trust**  
 ABN 29 136 095 566  
**Directors' Report for the period ended 31 December 2017**

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 2017.

**DIRECTORS**

The directors of the trustee company, at any time during the financial period ended 31 December 2017 and until the date of this report, are:

Richard Shoobridge	Chair
John Upcher	Deputy Chair until 2 June 2017
Timothy Bugg AM	
John Canterford	Director until 2 June 2017
Janice Foster	Director since 27 February 2017
Josef Giedl	Director since 30 October 2017
Donald Hempton	
Patricia Leary	
Michael Ralston	Director until 27 February 2017
Peter Stanton	

**QUALIFICATIONS OF DIRECTORS**

<b>Director</b>	<b>Experience and Qualifications</b>
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 Committee Member of the Foundation of the Tasmanian Museum and Art Gallery Chairman Property Agents Board Australian Legal Practitioner
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 2017

**QUALIFICATIONS OF DIRECTORS (continued)**

Janice Foster	Inaugural recipient (Australia) Certified Fundraising Executive (CFRE) Board Director Tasmanian Wool Centre Honoured Member International Association Of Top Professionals (2017 Top Fundraising Consultant of the Year) Alumni QLD Telstra Business Woman of the Year Finalists 2018 Selected recipient for Lifetime Achievement Award by IAOTP
Josef Giedl	Bachelor of Science (Hons) – Monash University Graduate Diploma Social Sciences – University of Tasmania
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 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

**COMPANY SECRETARY**  
 John De Paoli B Comm., CPA

**TSO Foundation Trust**  
ABN 29 136 095 566  
Directors' Report for the period ended 31 December 2017

**PRINCIPAL ACTIVITIES**

The principal activity of the Trust during the period ended 31 December 2017 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 2017 amounted to \$213,117 (2016: \$269,633).

**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 2017.

**LIKELY DEVELOPMENTS**

The Trust will continue to receive donations and bequests.

**DISTRIBUTIONS**

A distribution of \$57,904 will be payable to Tasmanian Symphony Orchestra Pty Ltd during 2018 calculated as 4% of net assets as at 31 December 2017 (2017: \$51,437).

**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 2018 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 2018. 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 2017

### 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
John Upcher	2	1
Timothy Bugg AM	5	2
John Canterford	2	2
Janice Foster	5	5
Josef Giedl	1	1
Donald Hempton	5	5
Patricia Leary	5	4
Michael Ralston	1	1
Peter Stanton	5	3

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, 30 April 2018

**TSO Foundation Trust**  
 ABN 29 136 095 566  
 Statement of profit or loss and other comprehensive income for the year ended  
 31 December 2017

	Note	Year ended 2017	2016
		\$	\$
<b>REVENUES</b>			
Donation revenue	4	107,957	219,620
Bequest revenue	4	-	27,964
Investment revenue	5	119,485	37,250
Other revenue	5	2,447	-
		<u>229,889</u>	<u>284,834</u>
<b>EXPENSES</b>			
Marketing expenses		210	4,711
Consultants		7,200	6,760
Other expenses from ordinary activities		9,362	3,730
		<u>16,772</u>	<u>15,201</u>
<b>Net Profit before income tax</b>		<u>213,117</u>	<u>269,633</u>
Income Tax	2(d)	-	-
<b>Net Profit for the year</b>		<u>213,117</u>	<u>269,633</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>213,117</u>	<u>269,633</u>

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 2017

	Note	2017	As at	2016
		\$		\$
<b>CURRENT ASSETS</b>				
Cash assets	8a	300,860		685,328
Other current assets	6	10,284		3,181
<b>TOTAL CURRENT ASSETS</b>		311,144		688,509
<b>NON-CURRENT ASSETS</b>				
Investments	9	1,144,743		604,842
<b>TOTAL NON-CURRENT ASSETS</b>		1,144,743		604,842
<b>TOTAL ASSETS</b>		1,455,887		1,293,351
<b>CURRENT LIABILITIES</b>				
Trade and other payables	7	8,291		7,435
<b>TOTAL CURRENT LIABILITIES</b>		8,291		7,435
<b>TOTAL LIABILITIES</b>		8,291		7,435
<b>NET ASSETS</b>		1,447,596		1,285,916
<b>EQUITY</b>				
Retained surplus		1,447,596		1,285,916
<b>TOTAL EQUITY</b>		1,447,596		1,285,916

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 2017

	Retained earnings	Total Equity
	\$	\$
<b>As at 1 January 2016</b>	1,058,628	1,058,628
Total comprehensive income for the year	269,633	269,633
Distribution paid to Tasmanian Symphony Orchestra Pty Ltd	(42,345)	(42,345)
<b>As at 31 December 2016</b>	<u>1,285,916</u>	<u>1,285,916</u>
Total comprehensive income for the year	213,117	213,117
Distribution paid to Tasmanian Symphony Orchestra Pty Ltd	(51,437)	(51,437)
<b>As at 31 December 2017</b>	<u>1,447,596</u>	<u>1,447,596</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 2017

	Note	Year ended	
		2017	2016
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		108,697	249,068
Cash payments in the course of operations		(15,583)	(10,699)
Interest and investment income received		45,355	33,992
		138,469	272,361
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	8b		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Distribution paid to Tasmanian Symphony Orchestra Pty Ltd		(51,437)	(42,345)
Proceeds/(payments) from/for investments		(471,500)	(596,983)
		(522,937)	(639,328)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		(384,468)	(366,967)
<b>CASH AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		685,328	1,052,295
<b>CASH AT THE END OF THE FINANCIAL PERIOD</b>	8a	300,860	685,328

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 2017

## 1. CORPORATE INFORMATION

The financial report of TSO Foundation Trust (the "Trust") for the period ended 31 December 2017 was authorised for issue in accordance with a resolution of directors of the Tasmanian Symphony Orchestra Foundation Limited on 30 April 2018.

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 *Australian Charities and Not-for-profits Commissions Act 2012* and *Australian Accounting Standards – Reduced Disclosure Requirements*, the Trust Deed, 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 2017

## 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 2017

## 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	
	2017	2016
	\$	\$
Individual donations	54,350	219,620
Corporate donations	53,607	-
	<u>107,957</u>	<u>219,620</u>
Bequests	-	27,964
	<u>-</u>	<u>27,964</u>

## 5. INVESTMENT REVENUE AND OTHER REVENUE

### Investment revenue

Unrealised gains	68,401	7,859
Realised gains	1,944	-
Investment income	40,611	-
Interest income	8,529	29,391
	<u>119,485</u>	<u>37,250</u>

### Other revenue

Franking credit refund	<u>2,447</u>	<u>-</u>
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## 6. OTHER ASSETS

### Current

Accrued income	9,196	1,019
GST Paid	115	1,264
Prepayments	973	898
	<u>10,284</u>	<u>3,181</u>

# TSO Foundation Trust

ABN 29 136 095 566

Notes to and forming part of the Financial Statements for the year ended 31 December 2017

	Year ended	
	2017	2016
	\$	\$

## 7. TRADE AND OTHER PAYABLES

Other payables and accruals	8,291	7,435
	<u>8,291</u>	<u>7,435</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	300,860	685,328
	<u>300,860</u>	<u>685,328</u>

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

Net profit for the year	213,117	269,633
Unrealised gain on investments	<u>(68,401)</u>	<u>(7,859)</u>
	144,716	261,774
Change in assets and liabilities:		
(Increase) / decrease in trade and other receivables	(7,028)	4,050
(Increase) / decrease in prepayments	(75)	(898)
Increase / (decrease) in trade and other payables	856	7,435
Net cash flows from operating activities	<u>138,469</u>	<u>272,361</u>

# TSO Foundation Trust

ABN 29 136 095 566

Notes to and forming part of the Financial Statements for the year ended 31 December 2017

	Year ended	
	2017	2016
	\$	\$
<b>9. INVESTMENTS</b>		
<b>Non-current</b>		
At fair value through profit or loss:		
Investment funds	1,144,743	604,842
	<u>1,144,743</u>	<u>604,842</u>

Investment funds are held in managed portfolios.

#### The funds comprise:

Australian shares	335,613 (29%)	192,529 (32%)
International shares	307,732 (27%)	156,708 (26%)
International fixed interest	108,318 (9%)	82,474 (14%)
Alternatives	98,971 (9%)	62,368 (10%)
Australian fixed interest	126,405 (11%)	60,070 (10%)
Australian property	47,956 (4%)	26,648 (4%)
Other	119,748 (11%)	24,045 (4%)
	<u>1,144,743(100%)</u>	<u>604,842(100%)</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 2017 (2016: 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, J Upcher, T Bugg, J Canterford, J Foster, J Giedl, 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 Tim Bugg, was a Director 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 Tim Bugg, was a Director of Tasmanian Symphony Orchestra Holdings Ltd (ABN 16 122 619 630). All dealings with Tasmanian Symphony Orchestra Holdings 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 2017

## 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 \$51,437 to Tasmanian Symphony Orchestra Pty Ltd (2016: \$42,345).

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. AUDITOR REMUNERATION

	Year ended	
	2017	2016
	\$	\$
Assurance services	850	808
	<u>850</u>	<u>808</u>

The auditor of Tasmanian Symphony Orchestra Foundation Trust (the Trust) and the Tasmanian Symphony Orchestra Foundation Trust Ltd (the trustee) is Deloitte Touche Tohmatsu. The auditor provides services pro-bono for the audit of the financial statements. The assurance services relate to the Trust's and the Trustee's compliance with the requirements of the *Public Ancillary Fund Guidelines 2011*.

# TSO Foundation Trust

ABN 29 136 095 566

Notes to and forming part of the Financial Statements for the year ended 31 December 2017

## 14. 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 2017	
		Level 1 \$	Total \$
<b>Financial assets</b>			
Investments	9	1,144,743	1,144,743
Held to maturity investments:			
term deposits		<u>200,000</u>	<u>200,000</u>
		<u>1,344,743</u>	<u>1,344,743</u>
<b>Financial liabilities</b>			
Payables	7	<u>8,291</u>	<u>8,291</u>
		<u>8,291</u>	<u>8,291</u>

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

## 15. 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 2017 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, 30 April 2018

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

1 May 2018

Dear Directors

## TSO Foundation Trust

In accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of the Tasmanian Symphony Orchestra Foundation Limited as the Trustee Company of the TSO Foundation Trust.

As lead audit partner for the audit of the financial statements of the TSO Foundation Trust for the financial year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Angela Paynter  
Partner  
Chartered Accountant

## Independent Auditor's Report to the Trustee of TSO Foundation Trust

### *Opinion*

We have audited the accompanying financial report of the TSO Foundation Trust (the "Trust"), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors of the Trustee Company 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* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Trust's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### *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 in accordance with the ethical 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

The Directors of the Trustee Company are responsible for the other information. The other information comprises the Directors' Report included in the Trust's annual report for the year ended 31 December 2017, 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 we do not and will 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 on the other information that we obtained prior to the date of this auditor's report, 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.

### *Directors of the Trustee Company's Responsibilities for the Financial Report*

The Directors of the Trustee Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act and for such internal control as the Directors of the Trustee Company determine is necessary to enable the preparation and fair presentation of the financial report and is free from material misstatement, whether due to fraud or error.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

In preparing the financial report, the Directors of the Trustee Company 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 of the Trustee Company either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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

Our 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 the 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Trustee Company.
- Conclude on the appropriateness of the Directors of the Trustee Company'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 of the Trustee Company 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.



DELOITTE TOUCHE TOHMATSU



Angela Paynter  
Partner  
Chartered Accountants  
Hobart, 1 May 2018