

TSO Foundation Trust

ABN 29 136 095 566

**Annual Financial Report
31 December 2019**

TSO Foundation Trust
ABN 29 136 095 566

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TSO Foundation Trust

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Directors' Report for the period ended 31 December 2019

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 2019.

DIRECTORS

The directors of the trustee company, at any time during the financial period ended 31 December 2019 and until the date of this report, are:

Richard Shoobridge	Chair
Peter Stanton	Deputy Chair
Timothy Bugg AM	
Anna Cerneaz	Director since 20 August 2019
Josef Giedl	
Patricia Leary	
Janice Randall	
John Sandow	Director since 19 May 2019

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
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

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 Directors' Report for the period ended 31 December 2019

QUALIFICATIONS OF DIRECTORS (continued)

Anna Cerneaz	B.Sc, USYD Director of Spring Bay Mill P/L Director of ARTology Ltd Managing Director of The Graeme Wood Foundation Director of GTW Investments (Aust) P/L Director of Syrinscape P/L GAICD
Josef Giedl	Bachelor of Science (Hons) – Monash University Graduate Diploma Social Sciences – University of Tasmania
Patricia Leary	Chair, Virtuosi Tasmania Inc.
Janice Randall	Inaugural recipient (Australia) Certified Fundraising Executive (CFRE) Board Director Tasmanian Wool Centre Honoured Member International Association Of Top Professionals (IAOTP) (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
John Sandow	Bachelor of Science (Hons), Monash University Master of Science (Zoo), University of Western Australia National Ag Research Funding Program Management, GRDC <i>et al</i> (retired) Former Director, CRC for Australian Weed Management Former Director, CRC for National Plant Biosecurity Past Member, Australian Institute of Company Directors
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

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Directors' Report for the period ended 31 December 2019

PRINCIPAL ACTIVITIES

The principal activity of the Trust during the period ended 31 December 2019 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 2019 amounted to \$310,554 (2018: \$187,733).

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 2019.

LIKELY DEVELOPMENTS

The Trust will continue to receive donations and bequests.

DISTRIBUTIONS

A distribution of \$72,995 will be payable to Tasmanian Symphony Orchestra Pty Ltd during 2020 calculated as 4% of net assets as at 31 December 2019 (2019: \$63,097).

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 2020 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 2020. 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

Subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the outbreak of COVID-19 virus and Government actions to reduce the spread of the virus. As a result, Tasmanian Symphony Orchestra has suspended all performances for the foreseeable future. At the date of signing the financial report, the Trust is unable to determine what financial effects the outbreak of the virus could have on the Trust in the coming financial period.

No financial effects arising from the economic impacts of the virus have been included in the financial results for the year ended 31 December 2019.

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Directors' Report for the period ended 31 December 2019

DIRECTORS' MEETINGS

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

	Board		Audit & Risk Committee	
	E	A	E	A
Number of meetings eligible (E) Number of meetings attended (A)				
Richard Shoobridge - Chair	5	4	1	1
Peter Stanton – Deputy Chair	5	5	1	1
Timothy Bugg AM	5	4	-	-
Anna Cerneaz	2	0	-	-
Josef Giedl	5	4	1	1
Patricia Leary	5	5	-	-
Janice Randall	5	4	-	-
John Sandow	3	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:



Peter Stanton
Director

Hobart, 27 April 2020

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Statement of profit or loss and other comprehensive income for the year ended 31 December 2019

	Note	Year ended	
		2019	2018
		\$	\$
REVENUES			
Donation revenue	4	84,115	199,350
Bequest revenue	4	5,000	35,000
Investment revenue	5	248,669	(29,724)
Other revenue	5	6,088	5,629
		<u>343,872</u>	<u>210,255</u>
EXPENSES			
Marketing expenses		3,918	3,500
Consultants		8,000	8,000
Other expenses from ordinary activities		21,400	10,922
		<u>33,318</u>	<u>22,522</u>
Net Profit before income tax		<u>310,554</u>	<u>187,733</u>
Income Tax	2(d)	-	-
Net Profit for the year		<u>310,554</u>	<u>187,733</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>310,554</u>	<u>187,733</u>

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

TSO Foundation Trust
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 Statement of financial position as at 31 December 2019

	Note	2019	As at	2018
		\$		\$
CURRENT ASSETS				
Cash assets	9a	71,086		74,004
Property plant and equipment	6	-		35,000
Other current assets	7	9,745		11,019
TOTAL CURRENT ASSETS		80,831		120,023
NON-CURRENT ASSETS				
Investments	10	1,744,351		1,462,891
TOTAL NON-CURRENT ASSETS		1,744,351		1,462,891
TOTAL ASSETS		1,825,182		1,582,914
CURRENT LIABILITIES				
Trade and other payables	8	300		5,489
TOTAL CURRENT LIABILITIES		300		5,489
TOTAL LIABILITIES		300		5,489
NET ASSETS		1,824,882		1,577,425
EQUITY				
Retained surplus		1,824,882		1,577,425
TOTAL EQUITY		1,824,882		1,577,425

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

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 Statement of changes in equity for the year ended 31 December 2019

	Retained earnings	Total Equity
	\$	\$
As at 1 January 2018	1,447,596	1,447,596
Total comprehensive income for the year	187,733	187,733
Distribution paid to Tasmanian Symphony Orchestra Pty Ltd	(57,904)	(57,904)
As at 31 December 2018	<u>1,577,425</u>	<u>1,577,425</u>
Total comprehensive income for the year	310,554	310,554
Distribution paid to Tasmanian Symphony Orchestra Pty Ltd	(63,097)	(63,097)
As at 31 December 2019	<u><u>1,824,882</u></u>	<u><u>1,824,882</u></u>

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

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 Statement of cash flows for the year ended 31 December 2019

	Note	Year ended	
		2019	2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		93,358	199,350
Cash payments in the course of operations		(29,925)	(29,078)
Interest and investment income received		131,621	78,698
NET CASH FLOWS FROM OPERATING ACTIVITIES	9b	<u>195,054</u>	<u>248,970</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution paid to Tasmanian Symphony Orchestra Pty Ltd		(63,097)	(57,904)
Proceeds from sale of property, plant and equipment		22,982	-
Proceeds/(payments) from/for investments		(157,857)	(417,922)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(197,972)</u>	<u>(475,826)</u>
NET INCREASE/(DECREASE) IN CASH HELD		(2,918)	(226,856)
CASH AT THE BEGINNING OF THE FINANCIAL PERIOD		74,004	300,860
CASH AT THE END OF THE FINANCIAL PERIOD	9a	<u><u>71,086</u></u>	<u><u>74,004</u></u>

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

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Notes to and forming part of the Financial Statements for the year ended 31 December 2019

1. CORPORATE INFORMATION

The financial report of TSO Foundation Trust (the "Trust") for the period ended 31 December 2019 was authorised for issue in accordance with a resolution of directors of the Tasmanian Symphony Orchestra Foundation Limited on 27 April 2020.

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.

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Notes to and forming part of the Financial Statements for the year ended 31 December 2019

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.

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Notes to and forming part of the Financial Statements for the year ended 31 December 2019

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	
	2019	2018
	\$	\$
Individual donations	43,650	199,350
Corporate donations	40,465	-
	<u>84,115</u>	<u>199,350</u>
Bequests	5,000	35,000
	<u>5,000</u>	<u>35,000</u>

5. INVESTMENT REVENUE AND OTHER REVENUE

Investment revenue

Unrealised gains/(losses)	123,603	(99,774)
Realised gains/(losses)	64,370	(3,885)
Investment income	59,724	71,400
Interest income	972	2,535
	<u>248,669</u>	<u>(29,724)</u>

Other revenue

Franking credit refund	6,088	4,129
Other income	-	1,500
	<u>6,088</u>	<u>5,629</u>

6. PROPERTY PLANT AND EQUIPMENT

Paintings	35,000	35,000
Disposals	(35,000)	-
	<u>-</u>	<u>35,000</u>

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Notes to and forming part of the Financial Statements for the year ended 31 December 2019

	Year ended	
	2019	2018
	\$	\$

7. OTHER ASSETS

Current

Accrued income	8,597	9,064
GST Paid	96	980
Prepayments	1,052	975
	<u>9,745</u>	<u>11,019</u>

8. TRADE AND OTHER PAYABLES

Other payables and accruals	300	5,489
	<u>300</u>	<u>5,489</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.

9. 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	71,086	74,004
	<u>71,086</u>	<u>74,004</u>

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

Net profit for the year	310,554	187,733
Unrealised (gain)/loss on investments	(123,603)	99,774
Loss on sale paintings	12,018	-
Bequest received non-cash	-	(35,000)
	<u>198,969</u>	<u>252,507</u>
Change in assets and liabilities:		
(Increase) / decrease in trade and other receivables	1,351	(733)
(Increase) / decrease in prepayments	(77)	(2)
Increase / (decrease) in trade and other payables	(5,189)	(2,802)
Net cash flows from operating activities	<u>195,054</u>	<u>248,970</u>

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Notes to and forming part of the Financial Statements for the year ended 31 December 2019

	Year ended	
	2019	2018
	\$	\$
10. INVESTMENTS		
Non-current		
At fair value through profit or loss:		
Investment funds	1,744,351	1,462,891
	<u>1,744,351</u>	<u>1,462,891</u>

Investment funds are held in managed portfolios.

The funds comprise:

Australian shares	424,740 (25%)	388,308 (27%)
International shares	452,268 (26%)	398,341 (27%)
International fixed interest	150,966 (9%)	144,386 (10%)
Alternatives	71,260 (4%)	129,147 (9%)
Australian fixed interest	355,080 (20%)	185,714 (13%)
Australian property	82,217 (5%)	57,769 (4%)
Diversified fixed interest	74,623 (4%)	108,177 (7%)
Listed infrastructure	73,252 (4%)	51,049 (3%)
Cash Fund	59,945 (3%)	- -
	<u>1,744,351(100%)</u>	<u>1,462,891(100%)</u>

11. KEY MANAGEMENT PERSONNEL

a) Compensation of Key Management Personnel

No compensation of key management personnel has been made during the period ending 31 December 2019 (2018: nil).

12. 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, T Bugg, A Cerneaz, J Giedl, P Leary, J Randall, J Sandow and P Stanton.

Detail of directors' remuneration is set out in note 11(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

Two Directors, Mr Tim Bugg and Ms Anna Cerneaz, were Directors 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.

Two Directors, Mr Tim Bugg and Ms Anna Cerneaz, were Directors 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.

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Notes to and forming part of the Financial Statements for the year ended 31 December 2019

12. 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 \$63,097 to Tasmanian Symphony Orchestra Pty Ltd (2018: \$57,904).

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.

The following activity occurred during the year:

	Purchase of Services Year ended	
	2019	2018
	\$	\$
Timothy Bugg:		
- Dobson Mitchell Allport	682	-
	<hr/>	<hr/>
	682	-
	<hr/>	<hr/>

All transactions with members of the Board or their related entities are conducted at arm's length at normal market prices and on normal commercial terms.

13. EXPENDITURE COMMITMENTS

The Trust has no expenditure commitments.

14. AUDITOR REMUNERATION

	Year ended	
	2019	2018
	\$	\$
Assurance services	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

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*.

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Notes to and forming part of the Financial Statements for the year ended 31 December 2019

15. 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 2019	
		Level 1 \$	Total \$
Financial assets			
Investments	10	<u>1,744,351</u>	<u>1,744,351</u>
		<u>1,744,351</u>	<u>1,744,351</u>
Financial liabilities			
Payables	8	<u>300</u>	<u>300</u>
		<u>300</u>	<u>300</u>

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

16. SUBSEQUENT EVENTS

Subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the outbreak of COVID-19 virus and Government actions to reduce the spread of the virus.

At the date of signing the financial report the Trust is unable to determine what financial effects the outbreak of the virus could have on the Trust in the coming financial period.

No financial effects arising from the economic impacts of the virus have been included in the financial results for the year ended 31 December 2019.

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 2019 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:



Peter Stanton
Director
Hobart, 27 April 2020

The Board of Directors
TSO Foundation Trust
1 Davey Street
Hobart TAS 7000

20 April 2020

Dear Board Members

Auditor's Independence Declaration to TSO Foundation Trust

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

As lead audit partner for the audit of the financial report of TSO Foundation Trust for the year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of 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

DELOITTE TOUCHE TOHMATSU



Carl Harris
Partner
Chartered Accountant

Independent Auditor's Report to the Trustee of the 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 2019, 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 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 auditor independence requirements of the ACNC Act and 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 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 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Director's for the Financial Report

The Directors of the Trust are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the ACNC Act and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Trust or to cease operations, or has 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.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Carl Harris
Partner
Chartered Accountants
Hobart, 4 May 2020