

The Order of Australia Association Foundation

ABN 89 109 314 142

Annual Report – For the Year Ended 30 June 2020

The Order of Australia Association Foundation

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For the Year Ended 30 June 2020

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**The Order of Australia Association Foundation
Trustees' report
For the Year Ended 30 June 2020**

The directors of The Order of Australia Association Foundation Ltd ("the Trustee Company") as Trustee of The Order of Australia Association Foundation ("the Foundation") present this report together with the financial statements of the Foundation for the year ended 30 June 2020 and the auditor's report herein.

Principal activity

The Foundation was formed on 29 April 1999 pursuant to a Deed of Trust settled by five founders, being former Presidents of the Association, namely Rt Hon Sir Zelman Cowen PC, AK, GCMG, GCVO, KStJ; The Hon Sir Charles Court AK, KCMG, OBE; Sir Eric Neal AC, CVO; Sir James Gobbo AC; and General Sir Phillip Bennett AC, KBE, DSO, KStJ; who were desirous to establish a Foundation via a Public Trust Fund.

The Foundation is confirmed as a Deductible Gift Recipient under Item 2 of Section 30-15 of the Income Tax Assessment Act 1997.

The Trustee Company was incorporated as a Company limited by guarantee on 16 September 2003, and on behalf of the Trustee Company, the directors present the Annual Accounts of the Foundation for the year ended 30 June 2020. At the date of this report, the directors of the Trustee Company are Hugh M Morgan AC (Chairman), N Ross Adler AC, Peter Benson AM, Bonita L Boezeman AO, Dina L Browne AO, Robert G Gerard AO, Elaine M Murphy AM, Barry N Nunn AO, Nicholas T Paspaley AC, Paul L Wheelton AM KStJ, and Leo E Tutt AM (Treasurer).

The principal activity of the Foundation during the year to 30 June 2020 was the giving of grants to universities for awards of The Order of Australia Association Foundation Prize, and the fundraising efforts to enable sponsorship and payment of such grants.

Coronavirus Impact

The Coronavirus (COVID-19) pandemic containment measures across Australia and has had minimal impact to the operations of the Order of Australia Association Foundation.

Revenue

Total revenue for the year increased to \$324,972 (2019: \$205,209).

Donations Received

Donations received during the year totalled \$156,228 (2019: \$99,126) of which \$95,170 (2019: \$63,395) represented donations from prize donors.

The 2019 Order of Australia Association Foundation Prize was presented in May 2020 to the following aspiring young awardee's as a result of funding generously donated by the designated donor:

Awardee	Place of education	Designated Donor
Shanae Kuo	Charles Darwin University	The Order of Australia Association
Nicholas Simm	University of Adelaide	The Family of Ross Adler AC

Donations received towards our General Fund for the year were \$61,058 (2019: \$35,731), kindly donated by members of the Association.

**The Order of Australia Association Foundation
Trustees' report
For the Year Ended 30 June 2020**

Some Association members contribute to their pledges of giving donations over five years to become a Member of a particular category of the Foundation. We thank them for their ongoing commitment.

The Foundation expresses its thanks to all General Fund donors who helped to build the corpus fund during 2020. Donations of \$1,000 or more are listed further on.

Branches and regional groups of the Association are warmly encouraged to hold social functions in support of donations to our General Fund.

The Directors of the Trustee Company sincerely thank all prize donors, past and present, who have most generously supported our Foundation, which has resulted in 41 scholarships being presented up to the 2019 awards, and 1 more to 2020 awardees.

The need to expand the corpus of the Foundation to a base of \$5 million remains paramount, so that it can fund scholarships and other projects befitting the aims of the Foundation.

Net Surplus

The net surplus of the Foundation for the year ended 30 June 2020 was \$ 203,111 (2019: \$148,279).

Investments

The share investment portfolio held by the Foundation at 30 June 2020, at market value, was \$1,400,440 (2019: \$1,163,278).

Auditors

In October 2012, Deloitte Touche Tohmatsu kindly agreed to be appointed our auditors, and their services and advice has been invaluable. The Trustee thanks them once more for their generous honorary services for the current year.

Subsequent Events

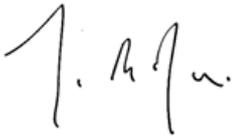
During the year and subsequent to year-end, the global not-for-profit industry has been adversely affected by the outbreak of the COVID-19 pandemic. In March 2020 the Australian Government imposed travel restrictions on passengers travelling to and from the region as well as the closure of all licensed clubs, bars, cafes, restaurants and imposed various 'social distancing' measures for companies and individuals providing 'non-essential' services.

Though the pandemic has not had a severe negative financial impact on the foundation for the year ending 30 June 2020, the foundation has been impacted by negative returns through OCI and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Foundation, to affect significantly the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation, in future financial years.

**The Order of Australia Association Foundation
Trustees' report
30 June 2020**

Signed on behalf of the Trustee



Hugh M Morgan AC
Chairman of Directors

26 February 2021



Leo E Tutt AM
Treasurer and Director

26 February 2021

**The Order of Australia Association Foundation
Trustees' declaration
For the Year Ended 30 June 2020**

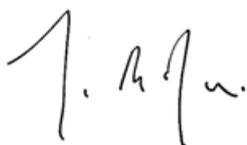
As detailed in Note 1 to the financial statements, the trust is not a reporting entity because in the opinion of the directors of the Trustee company there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Trustees' reporting requirements.

The Directors of the Trustee company declare that:

- the attached financial statements and notes thereto comply with Accounting Standards as set out in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- in the Trustee's opinion there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of the Trustee company.

On behalf of the Directors:



Hugh M Morgan AC
Chairman of Directors

26 February 2021



Leo E Tutt AM
Treasurer and Director

26 February 2021

The Order of Australia Association Foundation
Statement of surplus or deficit and other comprehensive income
For the Year Ended 30 June 2020

	Note	For the year ended 30 June 2020 \$	For the year ended 30 June 2019 \$
Revenue			
Donations received		156,228	99,126
Unfranked dividends		8,492	-
Franking credits		15,010	53,664
Gain/(Loss) on sale of investments		106,227	(85,260)
Franked dividends		36,983	125,218
Trust distributions received		1,229	10,821
		<u>324,169</u>	<u>203,569</u>
Interest revenue		803	1,640
Expenses			
National office expenses		(19,018)	(7,528)
Award launch expenses		-	(1,364)
Bank charges		(474)	(441)
Fund management fees		(7,715)	-
Rent		(4,654)	(4,527)
Travelling expenses		-	(2,850)
General expenses		-	(220)
		<u>-</u>	<u>(220)</u>
Operating surplus		293,111	188,279
Scholarships awarded		<u>(40,000)</u>	<u>(40,000)</u>
Surplus before income tax expense		253,111	148,279
Income tax expense		<u>-</u>	<u>-</u>
Surplus after income tax expense for the year attributable to the members of The Order of Australia Association Foundation	10	253,111	148,279
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain/(Loss) on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		<u>(199,285)</u>	<u>124,788</u>
Other comprehensive income for the year, net of tax		<u>(199,285)</u>	<u>124,788</u>
Total comprehensive income for the year attributable to the members of The Order of Australia Association Foundation		<u><u>53,826</u></u>	<u><u>273,067</u></u>

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

The Order of Australia Association Foundation
Statement of financial position
As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	4	85,379	265,428
Trade and other receivables	5	52,147	62,289
Total current assets		<u>137,526</u>	<u>327,717</u>
Non-current assets			
Share portfolio at Fair Value through OCI		1,400,440	1,163,278
Total non-current assets		<u>1,400,440</u>	<u>1,163,278</u>
Total assets		<u>1,537,966</u>	<u>1,490,995</u>
Liabilities			
Current liabilities			
Trade and other payables	6	3,145	-
Provisions	7	50,000	40,000
Total current liabilities		<u>53,145</u>	<u>40,000</u>
Non-current liabilities			
Provisions	8	20,000	40,000
Total non-current liabilities		<u>20,000</u>	<u>40,000</u>
Total liabilities		<u>73,145</u>	<u>80,000</u>
Net assets		<u>1,464,821</u>	<u>1,410,995</u>
Equity			
Investment valuation reserve	9	(39,981)	159,304
Accumulated members funds	10	1,504,802	1,251,691
Total equity		<u>1,464,821</u>	<u>1,410,995</u>

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

**The Order of Australia Association Foundation
Statement of changes in equity
For the Year Ended 30 June 2020**

	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2018	61,531	1,076,397	1,137,928
Surplus after income tax expense for the year	-	148,279	148,279
Other comprehensive income for the year, net of tax	124,788	-	124,788
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	124,788	148,279	273,067
Amount transferred to Retained earnings	(27,015)	27,015	-
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2019	<u>159,304</u>	<u>1,251,691</u>	<u>1,410,995</u>
	<hr/>	<hr/>	<hr/>
	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2019	159,304	1,251,691	1,410,995
Surplus after income tax expense for the year	-	253,111	253,111
Other comprehensive income for the year, net of tax	(199,285)	-	(199,285)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	(199,285)	253,111	53,826
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2020	<u>(39,981)</u>	<u>1,504,802</u>	<u>1,464,821</u>

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

The Order of Australia Association Foundation
Statement of cash flows
For the Year Ended 30 June 2020

	Note	For the year ended 30 June 2020 \$	For the year ended 30 June 2019 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		126,228	94,126
Payments to suppliers (inclusive of GST)		(30,223)	(16,486)
Grants paid to universities for prizes		(50,000)	(80,000)
		<u>46,005</u>	<u>(2,360)</u>
Net cash from/(used in) operating activities			
Cash flows from investing activities			
Interest, distributions & dividends received		62,517	154,220
Purchase of shares/prepayments		(1,558,883)	(86,771)
Proceeds from sale/buyback of shares		1,270,312	4,050
		<u>(226,054)</u>	<u>71,499</u>
Net cash from/(used in) investing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(180,049)	69,139
Cash and cash equivalents at the beginning of the financial year		<u>265,428</u>	<u>196,289</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>85,379</u></u>	<u><u>265,428</u></u>

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

**The Order of Australia Association Foundation
Notes to the financial statements
For the Year Ended 30 June 2020**

Note 1. Statement of compliance

In the opinion of the Trustee, the Foundation is not a reporting entity. The financial report of the Foundation has been drawn up as a special purpose financial report for distribution to the members.

For the purposes of preparing the financial statements, the Foundation is a not-for-profit entity.

The special purpose financial report has been prepared in accordance with the recognition and measurement requirements specified by all applicable Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB").

The financial report does not include the disclosure requirements of all AASBs except for the following minimum requirements:

- AASB 101 Presentation of Financial Statements
- AASB 107 Statement of Cash Flows
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1054 Australian Additional Disclosures

Note 2. Significant accounting policies

General information

The Order of Australia Association Foundation (the Foundation) is a public trust fund established by a Deed of Trust. The Trustee Company of the Foundation is The Order of Australia Association Foundation Ltd.

The address of its registered office and principal place of business is: Old Parliament House, King George Terrace, Parkes ACT 2600.

The entity's principal activities are to give grants to universities for awards of The Order of Australia Association Foundation Prize, and engage in fundraising efforts to enable sponsorship and payment of such grants.

The financial statements were authorised for issue on 29 January 2021.

Basis of preparation

The financial report is prepared on the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

New or amended Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. For the year ended 30 June 2020, there has been no material impact resulting from the adoption of the updated Accounting Standards and Interpretations.

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

**The Order of Australia Association Foundation
Notes to the financial statements
For the Year Ended 30 June 2020**

Note 2. Significant accounting policies (continued)

Investments and other financial assets

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

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income

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

Impairment of financial assets

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

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

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

Revenue received

Donations are brought to account as revenue upon confirmation that a commitment has been made.

Dividend income is recognised in the accounts at ex-dividend date, and any franking credit receivables are also accrued.

Income tax

No taxation is provided against the surplus derived for the year as the Foundation is an Exempt Charitable Entity under Item 1.1 in Subdivision 50-5 of the Income Tax Assessment Act 1997.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities 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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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

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

**The Order of Australia Association Foundation
Notes to the financial statements
For the Year Ended 30 June 2020**

Note 2. Significant accounting policies (continued)

Property, plant and equipment

Owned assets

Items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Foundation and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Surplus or Deficit and Other Comprehensive Income as incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	33%
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An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

The carrying amounts of the Foundation's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Surplus or Deficit and Other Comprehensive Income, unless an asset has been previously revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit and loss

Trade and other payables

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

Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Provisions

Provisions are recognised when the incorporated association has a present (legal or constructive) obligation as a result of a past event, it is probable the incorporated association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

**The Order of Australia Association Foundation
Notes to the financial statements
For the Year Ended 30 June 2020**

Note 2. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy

The incorporated association is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Note 4. Current assets - cash and cash equivalents

	2020 \$	2019 \$
OAAF Gift Account	301	20,731
Order of Australia Foundation	50,539	64,080
JBWere Cash Account	34,415	180,493
Petty Cash	124	124
	<u>85,379</u>	<u>265,428</u>

The Order of Australia Association Foundation
Notes to the financial statements
For the Year Ended 30 June 2020

Note 5. Current assets - trade and other receivables

	2020	2019
	\$	\$
GST	3,175	1,668
Franking Credits Receivable	16,049	55,633
Sundry Accounts Receivable	2,923	4,988
	<u>22,147</u>	<u>62,289</u>
Scholarship Receivable	30,000	-
	<u>52,147</u>	<u>62,289</u>

Note 6. Current liabilities - trade and other payables

	2020	2019
	\$	\$
Sundry Accounts Payable	3,145	-
	<u>3,145</u>	<u>-</u>

Note 7. Current liabilities - provisions

	2020	2019
	\$	\$
Provision for Future Bursaries #1	50,000	40,000
	<u>50,000</u>	<u>40,000</u>

Note 8. Non-current liabilities - provisions

	2020	2019
	\$	\$
Provision for Future Bursaries #2	20,000	40,000
	<u>20,000</u>	<u>40,000</u>

Note 9. Equity - Investment Valuation Reserve

	2020	2019
	\$	\$
Investment Revaluation Reserve	(39,981)	159,304
	<u>(39,981)</u>	<u>159,304</u>

Note 10. Equity - Accumulated Members Funds

	2020	2019
	\$	\$
Retained surpluses at the beginning of the financial year	1,251,691	1,103,412
Surplus after income tax expense for the year	203,111	148,279
	<u>1,454,802</u>	<u>1,251,691</u>

The Order of Australia Association Foundation
Notes to the financial statements
30 June 2020

Note 11. Related party transactions

Transactions with related parties

There were no transactions with related parties during the previous financial year. In the current financial year, donation contributions of \$27,508 were received from directors.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the previous reporting date. At the current reporting date, donation contributions of \$15,000 were due from the directors.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 12. Events after the reporting period

During the year and subsequent to year-end, the global not-for-profit industry has been adversely affected by the outbreak of the COVID-19 pandemic. In March 2020 the Australian Government imposed travel restrictions on passengers travelling to and from the region as well as the closure of all licensed clubs, bars, cafes, restaurants and imposed various 'social distancing' measures for companies and individuals providing 'non-essential' services.

Though the pandemic has not had a severe negative financial impact on the foundation for the year ending 30 June 2020, the foundation has been impacted by negative returns through OCI. The pandemic continues to create market uncertainty and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

Note 13. Reconciliation of profit after income tax to net cash from operating activities

	For the year ended 30 June 2020	For the year ended 30 June 2019
	\$	\$
Profit after income tax expense for the year	253,111	148,279
Net (profit)/loss on sale of investments	(106,227)	85,260
Net finance income, dividends, and distributions	(62,517)	(191,343)
(Increase)/decrease in trade and other Payables	3,145	-
(Increase)/decrease in trade and other receivables	(31,507)	444
Increase/(decrease) in provisions	(10,000)	(45,000)
	<u>46,005</u>	<u>(2,360)</u>
Net Inflow from operating activities	<u>46,005</u>	<u>(2,360)</u>

Note 14. Auditor Remuneration

Deloitte Touche Tohmatsu provides the audit services to the foundation on a probono basis.

Independent Auditor's Report to the members of The Order of Australia Association Foundation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report of The Order of Australia Association Foundation (the "Foundation"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Trustee Report.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial report of the Foundation 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 Foundation's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 2, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

Donations are a significant source of fundraising revenue for the Foundation. The Foundation has determined that it is impracticable to establish control over the collection of donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether donations the Foundation recorded, are complete.

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 Foundation in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors of The Order of Australia Association Foundation Ltd's (the "Trustee") financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Trustee is responsible for the other information. The other information comprises the Trustee Report, Donors Acknowledgements and Member Categories of the Foundation for the year ended 30 June 2020, 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 Trustee for the Financial Report

The Trustee of the Foundation is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members of the Foundation. The Trustee's responsibility also includes such internal control as the Trustee 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 Trustee is responsible for assessing the ability of the Foundation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intend to liquidate the Foundation 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee'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 Foundation 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 Foundation 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 Trustee 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



Mark Kuzma
Partner
Chartered Accountants
Melbourne, 26 February 2021

The Board of Directors
The Order of Australia Association Foundation Ltd
Old Parliament House
King George Terrace
PARKES ACT 2600

26 February 2021

Dear Board Members

Auditor's Independence Declaration to Trustee of The Order of Australia Association Foundation

In accordance with Subdivision 60-C of 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 Order of Australia Association Foundation Ltd (the "Trustee").

As lead audit partner for the audit of the financial statements of The Order of Australia Association Foundation for the year ended 30 June 2020, 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



Mark Kuzma
Partner
Chartered Accountants