2020/21 FINANCIAL REPORT

MINDEROO FOUNDATION

CONTENTS

Consolidated statement of profit or loss and other comprehensive income for the financial year ended 30 June 2021

	NOTE	2021 $	2020 $
REVENUE AND OTHER INCOME			
Donations		501,145,108	522,252,368
Investment Income	3a	91,778,257	53,876,966
Revenue from Contracts with Customers	4	24,037,032	5,179,657
Grant Funding		5,353,778	2,827,941
Other Income		505,672	359,055
Total Revenue and Other Income		**622,819,847**	**584,495,987**
EXPENDITURE			
Net Loss from Contract with Customer*	6	–	118,867
PPE Expenditure		24,276,007	5,178,806
Stock Impairment	10	–	888,058
General and Administration		389,416	618,499
Projects and Partnerships	5	109,603,053	95,525,834
Other Expenses	7	10,398,083	9,039,334
Total Expenditure		**144,666,559**	**111,369,398**
Total Surplus for the Year		**478,153,288**	**473,126,589**
OTHER COMPREHENSIVE INCOME			
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	3b	263,608,394	52,136,078
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**741,761,682**	**525,262,667**

**2020: Represents $169.9 million revenue (excluding GST) from contract with customer in respect of National Security Through Accelerated Testing less $170.1 million (excluding GST) cost of sales.*

Notes to the financial statements are included on pages iv - xx

Consolidated statement of financial position as at 30 June 2021

	NOTE	2021 $	2020 $
CURRENT ASSETS			
Cash and Cash Equivalents	8	29,294,134	35,549,404
Trade and Other Receivables	9	20,478,865	15,606,215
Financial Assets	12	–	173,284,633
Inventory	10	–	22,411,172
Total Current Assets		**49,772,999**	**246,851,424**
NON CURRENT ASSETS			
Property, Plant and Equipment	11	13,618,002	2,131,621
Financial Assets	12	2,602,070,538	1,722,653,693
Right of Use Asset	14	10,068,028	13,708,988
Intangibles		18,079	–
Total Non Current Assets		**2,625,774,647**	**1,738,494,302**
Total Assets		**2,675,547,646**	**1,985,345,726**
CURRENT LIABILITIES			
Trade and Other Payables	13	49,934,528	75,745,336
Deferred Revenue		300,000	22,971,687
Lease Liabilities	14	390,300	371,662
Employee Benefits		1,327,433	863,672
Total Current Liabilities		**51,952,261**	**99,952,357**
NON CURRENT LIABILITIES			
Employee Benefits		222,985	124,167
Lease Liabilities	14	9,772,796	13,431,280
Total Non Current Liabilities		**9,995,781**	**13,555,447**
Total Liabilities		**61,948,042**	**113,507,804**
NET ASSETS		**2,613,599,604**	**1,871,837,922**
EQUITY			
Contributions		51,255,294	51,255,294
Fair Value Reserve for Financial Assets at FVOCI	3b	446,899,074	183,290,680
Accumulated Surplus		2,115,445,236	1,637,291,948
TOTAL EQUITY		**2,613,599,604**	**1,871,837,922**

Notes to the financial statements are included on pages iv - xx

Consolidated statement of changes in equity for the financial year ended 30 June 2021

	CONTRIBUTIONS	FAIR VALUE RESERVE FOR FINANCIAL ASSETS AT FVOCI	ACCUMULATED SURPLUS	TOTAL
BALANCE AT 1 JULY 2019	**51,255,294**	**131,154,602**	**1,164,165,359**	**1,346,575,255**
Surplus for the Year	–	–	473,126,589	473,126,589
Other Comprehensive Income	–	52,136,078	–	52,136,078
Total Comprehensive Income for the Year	–	**52,136,078**	**473,126,589**	**525,262,667**
BALANCE AT 30 JUNE 2020	**51,255,294**	**183,290,680**	**1,637,291,948**	**1,871,837,922**
BALANCE AT 1 JULY 2020	**51,255,294**	**183,290,680**	**1,637,291,948**	**1,871,837,922**
Surplus for the Year	–	–	478,153,288	478,153,288
Other Comprehensive Income	–	263,608,394	–	263,608,394
Total Comprehensive Income for the Year	–	**263,608,394**	**478,153,288**	**741,761,682**
BALANCE AT 30 JUNE 2021	**51,255,294**	**446,899,074**	**2,115,445,236**	**2,613,599,604**

Notes to the financial statements are included on pages iv - xx

Consolidated statement of cash flows for the financial year ended 30 June 2021

	NOTE	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Donations, Contributions and Other Income^		509,570,221	522,586,190
Receipts from Customers		2,256,404	217,599,925
Receipts from Dividends^^^		55,716,344	29,680,367
Interest Income Received		21,888,725	341,760
Payments to Suppliers, Employees and Others^^		(149,086,631)	(287,017,017)
Net Cash Flows from Operating Activities	8	**440,345,063**	**483,191,225**
CASH FLOWS (USED IN) INVESTING ACTIVITIES			
Cash Paid for Purchase of Financial Assets^		(1,084,748,511)	(715,838,655)
Cash Proceeds from Sales of Financial Assets		872,193,725	239,044,906
Net Sale and Purchase of Investment Securities		(221,891,997)	(14,375,000)
Payments for Property, Plant and Equipment		(12,153,550)	(601,307)
Cash Flows (used in) Investing Activities		**(446,600,333)**	**(491,770,056)**
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		**(6,255,270)**	**(8,578,831)**
Cash and Cash Equivalents at the Beginning of the Financial Year		35,549,404	44,128,235
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	**29,294,134**	**35,549,404**

^ An amount of $500 million is included as a cash receipt from donations, notwithstanding that the amount was directly transferred into the Trust's investment portfolio account and did not flow through the Trust's bank account (2020: $470.0 million).
^^ The current period payment to suppliers, employees and others includes an adjustment for the movement of funds held through the Group's fund manager which is classified as a financial asset on the balance sheet. (2020: An amount of $214.7 million is included as cash payments to suppliers, employees and others in respect of the National Security Through Accelerated Testing and purchase of personal protective equipment in the prior year).
^^^ An amount of $46.5 million is included as a cash receipt from dividends, and a cash outflow for the purchase of financial assets, notwithstanding that the amount was directly transferred into the Trust's investment portfolio account and did not flow through the Trust's bank account (2020: $21.2 million).

Notes to the financial statements are included on pages iv - xx

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate Information

This report is a consolidated report of The Minderoo Foundation Trust (the "Trust" or "MFT"), aggregating the activities of The Minderoo Foundation Trust ABN 24 819 440 618, The Minderoo Foundation Trust as Operator of a PBI ABN 47 204 978 079, First Sourcing and Logistics Pty Ltd ABN 43 640 133 606, Collaborate Against Cancer Inc. EIN 82-4215683, Tanarra LTV Minderoo Co-Investment Trust 1 ABN 45 847 142 351, Minderoo Investments No 1 Unit Trust and Minderoo Investments No 2 Unit Trust ABN 26 696 461 945 (together, the "Group").

The Trust established The Minderoo Foundation Trust as Operator of a PBI as an institution to operate in conjunction with the Trust in undertaking the benevolent projects of the Trust. The Trust established First Sourcing and Logistics Pty Ltd to account for the income and expenditure with respect to the Group's response to the COVID-19 pandemic. The Trust established Tanarra LTV Minderoo Co-Investment Trust 1, Minderoo Investments No 1 Unit Trust and Minderoo Investments No 2 Unit Trust to execute the Group's investment strategy. The Trust is also the sole member of an established charitable non-stock corporation incorporated in Delaware, USA, Collaborate Against Cancer Inc. Accordingly, the consolidated financial report aggregates the activities of these entities as a consolidated Group.

The Minderoo Foundation Trust and The Minderoo Foundation Trust as Operator of a PBI are both Deductible Gift Recipient ("DGR") endorsed entities, primarily involved in benevolent activities. The Trustee of the Trust is Minderoo Foundation Limited ("Trustee"), formerly Minderoo Foundation Pty Ltd. This financial report was authorised for issue in accordance with a resolution of the Directors of the Trustee on 2 December 2021.

2. Significant Accounting Policies

(a) Basis of preparation and consolidation

This financial report is a special purpose financial report prepared for use by the Directors of the Trust and to fulfil the requirement of the Trust Deed and the *Australian Charities and Not-for-Profits Commission Act 2012*. The Group is a not-for-profit entity for the purposes of preparing these consolidated financial statements.

The requirements of Accounting Standards and other financial reporting requirements do not have mandatory applicability to the Trust because it is not a "reporting entity". The Directors have determined that the entity is not a reporting entity as there are no users of the financial statements. These financial statements have been prepared in accordance with the recognition and measurement requirements specified by Australian Accounting Standards and Interpretations and the disclosure requirements of the following standards:

AASB 101 *Presentation of Financial Statements*
AASB 107 *Statement of Cash Flows*
AASB 108 *Accounting Policies, Changes in Accounting Estimates and Error*s
AASB 1048 *Interpretation of Standards*
AASB 1054 *Australian Additional Disclosures*
AASB 10 *Consolidated Financial Statements*

The financial report has been prepared on an accrual basis and on the basis of historical cost and using the going concern assumption. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights results in control.

To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The income statement and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Where appropriate, comparative information has been reclassified for consistency with the current year presentation.

New accounting standards and interpretations

The Group has adopted all new accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning 1 July 2020. The Group applied, for the first time effective 1 July 2020:

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework.

The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Accounting standards and interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2021. The Directors have not early adopted any of these new or amended standards or interpretations. The Directors have not yet fully assessed the impact of these new or amended standards and interpretations, to the extent relevant to the Group.

Key accounting judgements and estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Incremental borrowing rate ("IBR")

The Group cannot readily determine the interest rate implicit in the lease accounting calculation, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Provision for expected credit losses ("ECLs") of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(b) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its contractual arrangements with respect to the sale and purchase of personal, protective equipment.

The Group has concluded that it is the agent in its contractual arrangements with respect to the sale and purchase of medical equipment.

The normal credit term is 30 to 90 days upon delivery. The Group considers whether there are other promises in the contract that represent separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties, customer loyalty points). In determining the transaction price for the personal protective equipment and medical equipment, the Group considers the effects of variable consideration, existence of significant financing components, non-cash consideration and consideration payable to the customer (if any). The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics.

(c) Donations and grants
Donations are recognised as revenue when received. If there are conditions attached to a grant which must be satisfied before the entity is eligible to receive the contribution, recognition of grant revenue is deferred until those conditions are satisfied. When the grant is received on the condition that specified services are delivered, the arrangement is considered a reciprocal transfer. Revenue is recognised as and when the services are rendered.

(d) Investment income
Investment income is measured at the value of the consideration received or receivable and comprises of dividend income, interest income, foreign income, fair value gains/(losses) on financial assets through profit or loss and distribution income. Dividend and distribution income is recognised when the right to receive a dividend or distribution has been established. Interest income is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. All revenue is stated net of the amount of goods and services tax (GST).

(e) Income tax
No provision for income tax has been raised as the Group is exempt from income tax under Div 50 of the *Income tax Assessment Act 1997*.

(f) Cash and cash equivalents
Cash and cash equivalents include cash on hand and deposits held at-call with banks.

(g) Trade and Other Receivables
Trade and other receivables represent the Group's right to consideration that is unconditional. Receivables, which generally have terms of 30 days are recognised at fair value of the consideration receivable and subsequently measured at amortised cost using the effective interest method, less an allowance for any impairment in line with the ECL model. The Group applies a simplified approach in calculating ECLs and does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(h) Inventory
Inventories are valued at the lower of cost and net realisable value. Cost represents the direct costs incurred in bringing each product to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Any inventory that is obsolete is written off to the profit and loss, as appropriate.

(i) Financial Instruments
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in note 2(b) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes financial assets which the Group had not irrevocably elected to classify at fair value through OCI. The Group's financial assets at fair value through profit or loss include investments in funds and unlisted entities.

Financial assets at fair value through other comprehensive income
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Listed shares and listed redeemable notes held by the Group that are traded in an active market are classified as financial assets and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses and interest calculated using the effective interest method, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss is recognised through other comprehensive income.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends on listed equity investments are recognised as investment income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- The Group has transferred substantially all the risks and rewards of the asset, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(j) Property, Plant & Equipment
Property Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line and diminishing value basis over the estimated useful life of the asset as outlined below:

- Buildings - over 19 to 40 years
- Leasehold Assets - over the term of the lease
- Motor Vehicles - over 3-15 years
- Office Equipment - over 2-10 years

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate at each financial year end.

(k) Leases
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  (i) the Group has the right to operate the asset; or
  (ii) the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 July 2017. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of- use asset is initially measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced be impairment losses, if any, and adjusted for certain remeasure rents of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that the Group is reasonably certain to exercise; and
- Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Right of return assets and liabilities
A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products. A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from customers' right of return. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(m) Wages, Salaries and Annual Leave

Liabilities for wages and salaries expected to be settled within 12 months of reporting date are recognised in employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(n) Long Service and Annual Leave

The Group does not expect its long service leave and annual leave benefits provision to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service and annual leave measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds with terms to maturity and currencies that match as closely as possible, the estimated future cash outflows.

3a. Investment Income

	2021 $	2020 $
Dividend Income	53,390,448	29,916,475
Interest Income	17,694,576	14,496,976
Foreign Income	9,182,998	8,063,126
Fair Value Gains on Financial Assets through Profit or Loss	6,961,491	107,652
Distribution Income	4,548,744	1,292,737
TOTAL INCOME	**91,778,257**	**53,876,966**

3b. Fair value reserve for financial assets through other comprehensive income

	2021 $	2020 $
OPENING BALANCE AT 1 JULY	**183,290,680**	**131,154,602**
Gains/(losses) on Disposals of Securities	46,542,182	13,589,970
Foreign Exchange Gains/(losses)	(1,154,907)	2,632,106
Unrealised Gains/(losses)	218,221,119	35,914,002
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	**263,608,394**	**52,136,078**
CLOSING BALANCE AT 30 JUNE	**446,899,074**	**183,290,680**

4. Revenue from Contracts with Customers

	2021 $	2020 $
Sales of Personal Protective Equipment*	24,037,032	5,179,657
TOTAL	**24,037,032**	**5,179,657**

** Amount disclosed excludes GST.*

First Sourcing and Logistics Pty Ltd sourced and procured personal protective equipment from China for distribution within Australia during the COVID-19 pandemic. This personal protective equipment was subsequently supplied to others.

5. Projects and Partnerships

	2021 $	2020 $
Arts and Culture	4,435,592	2,648,751
Building Community	2,001,675	4,593,233
Collaborate Against Cancer	12,023,545	11,022,051
COVID-19	2,632,075	10,386,269
Fire and Flood Resilience	19,526,214	9,500,996
Flourishing Oceans	11,460,245	10,433,634
Forrest Research Foundation	7,453,697	6,879,804
Frontier Technology	8,237,648	8,364,062
Generation One	2,321,150	2,509,725
Minderoo International	510,907	–
No Plastic Waste	17,406,723	10,829,146
Thrive by Five	11,017,532	5,739,312
Walk Free	10,576,050	12,618,851
TOTAL	**109,603,053**	**95,525,834**

EMPLOYEE BENEFITS EXPENSES	2021 $	2020 $
Included in Projects and Partnerships		
Direct Wages and salaries	11,457,508	6,851,626
Indirect Wages and salaries	12,490,089	7,211,733
Other employee expenses	2,019,854	1,184,258

The above disclosure includes an allocation of costs which represent integral support services to our projects and partnerships teams. The allocation of costs was determined by the following key drivers; numbers of agreements, the number of invoices processed and the number of staff by initiative. Costs have been allocated on a reasonable and consistent basis. Comparative information has been reclassified from other expenses utilising the above allocation for consistency with the current year presentation.

6. Income and Expenditure - Testing Equipment*

	2021 $	2020 $
Sale of Testing Equipment	–	169,979,869
Cost of Sales	–	(170,098,736)
NET GAIN/(LOSS) FROM TESTING EQUIPMENT	**–**	**(118,867)**

** Amount disclosed excludes GST.*

First Sourcing and Logistics Pty Ltd sourced and procured personal protective equipment from China for distribution within Australia during the COVID-19 pandemic. This personal protective equipment was subsequently supplied to others.

7. Other Expenses

	2021 $	2020 $
Depreciation	1,377,498	430,977
Portfolio Management Fees	4,224,806	4,173,062
Consultants and Contractors	1,100,333	1,831,401
Interest Expense on Lease Liability	418,259	74,060
Other Expenses	3,277,187	2,529,834
TOTAL	**10,398,083**	**9,039,334**

8. Cash and Cash Equivalents

	2021 $	2020 $
Cash at Bank and in Hand	29,294,134	35,549,404
TOTAL	**29,294,134**	**35,549,404**

CASH FLOW RECONCILIATION		
Reconciliation of Total Surplus to the Net Cash Flows from Operations		
TOTAL SURPLUS	478,153,288	473,126,589
Non-Cash Items		
Fair Value Movement in Financial Assets	(6,961,491)	(36,078,731)
Depreciation	1,377,498	430,977
Portfolio Management Fees	4,224,806	4,173,062
Interest Expense	420,710	73,729
Stock Impairment	–	888,058
Amounts Due from Suppliers Written Off	–	444,717
Other non-cash items	(6,448,354)	–
Changes in Assets and Liabilities:		
(Increase) / Decrease in Trade Receivables and Other Assets	(4,872,650)	(6,156,551)
(Increase) / Decrease in Inventories	22,411,172	(22,411,172)
Increase / (Decrease) in Trade and Other Payables	(25,810,808)	33,379,841
Increase / (Decrease) in Other Liabilities	(22,149,108)	35,320,706
NET CASH FLOWS FROM OPERATING ACTIVITIES	**440,345,063**	**483,191,225**

9. Trade and Other Receivables

	2021 $	2020 $
Trade Debtors	435,659	2,556,031
Imputation Tax Credits	16,153,249	9,182,151
Other Receivables	3,579,755	2,564,807
Prepayments	310,202	1,303,226
TOTAL	**20,478,865**	**15,606,215**

Trade receivables are non-interest bearing and are generally on 30-day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment was recognised in the current period (2020: $0.4 million).

10. Inventory

	2021 $	2020 $
Finished Goods	–	22,411,172
TOTAL	**–**	**22,411,172**

During the period, $0.9 million of stock was written down to its recoverable amount.

11. Property, Plant and Equipment

	LAND & BUILDINGS	LEASEHOLD ASSETS	MOTOR VEHICLES	OFFICE EQUIPMENT	CAPITAL WORK IN PROGRESS	TOTAL
Gross Carrying Amount						
Balances at 1 July 2020	1,382,109	1,402,974	78,470	856,080	255,110	3,974,743
Additions	775,714	–	81,495	2,010,735	9,285,607	12,153,551
Transfers in/(out)	441,000	–	–	–	(441,000)	–
Disposals/Write Off	–	(1,277,344)	–	(657,246)	–	(1,934,590)
Balance at 30 June 2021	**2,598,823**	**125,630**	**159,965**	**2,209,569**	**9,099,717**	**14,193,704**
Accumulated Depreciation						
Balances at 1 July 2020	**(121,311)**	**(1,335,976)**	**(12,222)**	**(373,613)**	**–**	**(1,843,122)**
Depreciation Expense	(34,670)	(284,692)	(12,041)	(219,223)	–	(550,626)
Disposals/Write Off	–	1,495,038	–	323,008	–	1,818,046
Balances at 30 June 2021	**(155,981)**	**(125,630)**	**(24,263)**	**(269,828)**	**–**	**(575,702)**
NET BOOK VALUE AS AT 30 JUNE 2021	**2,442,842**	**–**	**135,702**	**1,939,741**	**9,099,717**	**13,618,002**

12. Financial Assets

	2021 $	2020 $
Current		
Investment in Cash Management Funds	–	173,284,633
TOTAL CURRENT	**–**	**173,284,633**
Non Current		
Unlisted Investments at FVTPL	74,066,316	21,435,367
Financial Assets Held at FVOCI	2,528,004,222	1,701,218,326
TOTAL NON CURRENT	**2,602,070,538**	**1,722,653,693**

13. Trade and Other Payables

	2021 $	2020 $
Trade Creditors	18,850,027	4,205,815
Other Payables	31,084,501	71,539,521
TOTAL	**49,934,528**	**75,745,336**

Trade payables are non-interest bearing and are generally on 30 to 60 day terms.

As at 30 June 2021, Other Payables include a liability relating to the Trust's constructive obligation to fund a remaining amount of $14.9 million (2020: $33.3 million) under a donation agreement with the University of Western Australia.

14. Leases

	2021 $	2020 $
Right of Use Asset		
Opening Balance	13,708,988	13,863,022
Depreciation	(826,872)	(154,034)
Lease Modification Adjustment	(2,814,088)	–
Right of Use Asset - 30 June 2021	**10,068,028**	**13,708,988**
Lease Liabilities		
Opening Balance	13,802,942	13,863,021
Interest Expense	418,259	73,729
Lease Liability Reduction	(777,486)	(133,808)
Lease Modification Adjustment	(3,280,619)	–
Lease Liabilities - 30 June 2021	**10,163,096**	**13,802,942**
Classification		
Lease Liability - Current	390,300	371,662
Lease Liability - Non Current	9,772,796	13,431,280
TOTAL	**10,163,096**	**13,802,942**

15. Commitments

The Group's commitment to The University of Western Australia is $11.5 million over the next 2 years (2020: $18.0 million over the next 3 years).

The Group holds investments to fund the expansion of various philanthropic objectives including the following key items:

- Domestic investment capital call commitment: $56.6 million (2020: $22.6 million)
- International investment capital call commitment: US$38.5 million (2020: US$14.0 million)

16. Contingencies

The Group has no contingent liabilities in place (2020: Nil).

17. Group Composition

The consolidated financial statements comprise the financial statements of the Group which include the aggregated activities of the Trust, The Minderoo Foundation Trust as Operator of a PBI, First Sourcing and Logistics Pty Ltd, Tanarra LTV Minderoo Co-Investment Trust 1, Collaborate Against Cancer Inc., Minderoo Investments No 1 Unit Trust and Minderoo Investments No 2 Unit Trust.

As at 30 June 2021, the Trust holds a 33.3% (2020: 33.3%) membership interest in the Freedom Fund (the Fund), a non-profit corporation incorporated in Pennsylvania. This interest does not entitle the Trust to the underlying assets and liabilities of the Fund and as a result no amounts have been recognised in the Trust's 30 June 2021 financial statements (2020: Nil). In the event of liquidation or dissolution any remaining assets of the Fund shall be distributed in equal shares to the members to the extent that the assets are utilised for the Fund's approved purpose. During the year ending 30 June 2021, the Fund received grants totalling $2.8 million (2020: $3.3 million) from the Trust.

18. Parent Entity

Information relating to The Minderoo Foundation Trust, the Parent Entity is detailed below:

	2021 $	2020 $
Assets		
Current Assets	50,023,777	219,523,682
Non Current Assets	2,619,167,543	1,740,198,615
Liabilities		
Current Liabilities	47,341,194	73,736,296
Non Current Liabilities	9,772,796	13,431,280
Income		
Total Surplus for the Year	479,785,727	474,641,232
Total Comprehensive Income	742,548,991	526,777,308

19. Subsequent Events

The Group's investment portfolio includes shares with quoted market prices. Subsequent to year end, there have been significant movements in the market price of some of our listed securities within our investment portfolio.

20. Remuneration of auditors

The auditor of the Group is Ernst & Young (Australia). Ernst & Young (Australia) provided pro-bono audit services to the Group during the year ended 30 June 2021 to the value of $200,000. During the year ended 30 June 2021, the following fees were paid or payable for services provided by the auditor of the Group and its related practices:

	2021 $	2020 $
Ernst & Young		
Fees to Ernst & Young (Australia)	15,000	85,640
Fees for other assurance and agreed upon-procedures services	–	115,618
TOTAL	**15,000**	**201,258**

21. Financial information of registered ACNC Charities and non-registered ACNC Entities

Statement of profit or loss and other comprehensive income for the financial year ended 30 June 2021

	REGISTERED CHARITIES $	NON-REGISTERED CHARITIES $	ELIMINATION $	CONSOLIDATED TOTAL $
Revenue				
Government Grants	5,353,778	24,037,032	–	**29,390,810**
Donations	501,145,108	–	–	**501,145,108**
Other Revenue	91,282,249	496,008	–	**91,778,257**
Total Revenue	**598,781,135**	**24,533,040**	–	**622,314,175**
Other Income	505,672	–	–	**505,672**
TOTAL REVENUE AND OTHER INCOME	**598,286,807**	**24,533,040**	–	**622,819,847**
Expenses				
Employee Expenses	25,967,451	–	–	**25,967,451**
Grants and Donations (in Australia)	34,972,131	–	–	**34,972,131**
Grants and Donations (outside Australia)	12,295,425	–	–	**12,295,425**
Other Expenses	46,692,067	24,739,485	–	**71,431,552**
Total Expenses	**119,927,074**	**24,739,485**	**–**	**144,666,559**
Net surplus/(deficit)	**478,359,733**	**(206,445)**	**–**	**478,153,288**
Other Comprehensive Income	262,763,263	845,131	–	263,608,394
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**741,122,996**	**638,686**	–	**741,761,682**

Statement of financial position as at 30 June 2021

	REGISTERED CHARITIES $	NON-REGISTERED CHARITIES $	ELIMINATION $	CONSOLIDATED TOTAL $
Assets				
Total Current Assets	55,361,853	780,399	(6,369,253)	49,772,999
Total Non Current Assets	2,619,167,543	10,020,631	(3,413,527)	2,625,774,647
Total Assets	**2,674,529,396**	**10,801,030**	**(9,782,780)**	**2,675,547,646**
Liabilities				
Total Current Liabilities	51,820,703	6,500,811	(6,369,253)	**51,952,261**
Total Non Current Liabilities	9,995,781	–	–	**9,995,781**
Total Liabilities	**61,816,484**	**6,500,811**	(6,369,253)	**61,948,042**
NET ASSETS/ (LIABILITIES)	**2,612,712,912**	**4,300,219**	**(3,413,527)**	**2,613,599,604**

The financial information in the tables on the previous page reflect the financial results of the Group's subsidiaries which are not registered with the ACNC including First Sourcing and Logistics Pty Ltd, Collaborate Against Cancer Inc., Tanarra LTV Minderoo Co-Investment Trust 1, Minderoo Investments No 1 Unit Trust and Minderoo Investments No 2 Unit Trust.

Statement of profit or loss and other comprehensive income for the financial year ended 30 June 2020

	REGISTERED CHARITIES $	NON-REGISTERED CHARITIES $	ELIMINATION $	CONSOLIDATED TOTAL $
Revenue				
Government Grants	2,827,941	5,179,657	–	**8,007,598**
Donations	522,252,368	–	–	**522,252,368**
Other Revenue	53,768,056	108,910	–	**53,876,966**
Total Revenue	**578,848,365**	**5,288,567**	–	**584,136,932**
Other Income	359,055	–	–	**359,055**
TOTAL REVENUE AND OTHER INCOME	**579,207,420**	**5,288,567**	**–**	**584,495,987**
Expenses				
Employee Expenses	15,247,617	–	–	**15,247,617**
Grants and Donations (in Australia)	27,761,849	–	–	**27,761,849**
Grants and Donations (outside Australia)	27,487,934	–	–	**27,487,934**
Other Expenses	33,938,467	6,933,531	–	**40,871,998**
Total Expenses	**104,435,867**	**6,933,531**	**–**	**111,369,398**
Net Surplus/(deficit)	**474,771,553**	**(1,644,964)**	–	**473,126,589**
Other Comprehensive Income	52,136,078	-	–	52,136,078
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**526,907,631**	**(1,644,964)**	**–**	**525,262,667**

Statement of financial position as at 30 June 2020

	REGISTERED CHARITIES $	NON-REGISTERED CHARITIES $	ELIMINATION $	CONSOLIDATED TOTAL $
Assets				
Total Current Assets	222,163,304	27,367,333	(2,679,213)	246,851,424
Total Non Current Assets	1,740,198,615	795,687	(2,500,000)	1,738,494,302
Total Assets	**1,962,361,919**	**28,163,020**	**(5,179,213)**	**1,985,345,726**
Liabilities				
Total Current Liabilities	75,323,589	27,307,981	(2,679,213)	**99,952,357**
Total Non Current Liabilities	13,555,447	–	–	**13,555,447**
Total Liabilities	**88,879,036**	**27,307,981**	(2,679,213)	**113,507,804**
NET ASSETS/ (LIABILITIES)	**1,873,482,883**	**855,039**	**(2,500,000)**	**1,871,837,922**

22. Related Parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

		REVENUE FROM RELATED PARTIES $	PURCHASES FROM RELATED PARTIES $	AMOUNTS OWED BY RELATED PARTIES* $	AMOUNTS OWED TO RELATED PARTIES* $
Associates and other related entities					
Other related entities	**2021**	**1,000,000**	**1,633,015**	**243,142**	**2,567,129**
	2020	–	–	527,302	2,035,317
Key management personnel of the Group					
Donations from Directors	**2021**	**500,000,000**	–	–	–
	2020	520,000,000	–	–	–

* Amounts are classified as trade receivables or trade payables.

** Amounts represent donations from Directors and are classified as revenue.

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs either in cash or such other manner as agreed to the parties. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 30 June 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

Dr Andrew Forrest, as Chairman of Fortescue Metals Group Limited ("FMG") and Minderoo Foundation Limited, is a related party of Minderoo Foundation Limited as trustee of the Trust. Dr Andrew Forrest is also the sole shareholder of Tattarang Pty Ltd which is the flagship entity for the Tattarang group of companies comprising, among others, Swan River Property Pty Ltd and Ocean Ecology Pty Ltd.

On 11 March 2021, the Trust entered into a revised minimum 10-year agreement ending 10 March 2031 with Swan River Property Pty Ltd to lease office premises and carpark premises for a combined total fee of $0.8 million per annum. The fee was calculated following review of an independent market valuation commissioned by the Trust. Lease fees with respect to the office premises are subject to an increase of 3.25% per annum. The Trust has the opportunity to extend the lease period for another 5 years. Lease expenses paid during the period ended 30 June 2021 were $0.2 million. This is also disclosed in the table above under 'Purchases from related entities'.

The Trust entered into an agreement with Ocean Ecology Pty Ltd to hire the Pangaea Ocean Explorer vessel for a research voyage at a total charge of $1.6 million (2020: Nil). This is also disclosed in the table above under 'Purchases from related entities'.

Gifts in kind

During the current financial year 1 FMG employee was seconded for a period of 12 months to help rebuild communities impacted by the fires as an in-kind contribution towards the work of Minderoo Foundation Trust's Fire Fund Response (2020: 33 employees for a period of 6 months). Also during the prior financial year, FMG provided expedient logistic services to further support the Group deliver on its initiatives.

Transactions with key management personnel
Other directors' interests

Donation
During the financial year, The Trust received a $1.0 million cash donation from Fortescue Metals Group Limited (2020: Nil). Dr Andrew Forrest, as Chairman of FMG and Minderoo Foundation Limited, is a related party of The Minderoo Foundation Limited as trustee of the Trust.

Purchases
During the current year, The Trust did not incur any expenses with FMG. During the prior financial year, a wholly-owned subsidiary of the Trust, First Sourcing and Logistics Pty Ltd reimbursed Chichester Metals Limited ("Chichester"), a wholly-owned subsidiary of FMG an amount of $49.4 million for costs incurred by Chichester in respect of procuring and supplying personal protective equipment from China to Australia.

Grants
During the year, The Trust entered into a grant agreement with Centre of Humanitarian Dialogue to provide a cash grant of $1.5 million (2020: $2.0 million). Of the total grant amount, $0.75 million was paid during the year ended 30 June 2021. Grace Forrest, director of Minderoo Foundation Limited is also a director of Centre of Humanitarian Dialogue.

During the year, The Trust paid $2.8 million in cash donations to The Freedom Fund (2020: $3.3 million). Grace Forrest, director of Minderoo Foundation Limited is also a director of The Freedom Fund.

During the year, The Trust paid a $0.1 million grant to University of Melbourne (2020: $0.35 million). The Trust paid the Ian Potter Foundation rental costs of $27,070 (2020: $1,965) during the financial year. Allan Myers, director of Minderoo Foundation Limited is also Chancellor of University of Melbourne and Governor of Ian Potter Foundation.

	2021 $	2020 $
Total compensation paid to key management personnel		
Total compensation paid to key management personnel	2,987,726	1,900,628

The amounts disclosed in the table above are the amounts recognised as an expense during the reporting period related to key management personnel. The directors of Minderoo Foundation Limited are not paid any fees for their services as directors.

Trustee's Declaration

In accordance with a resolution of the Directors of the Trustee, Minderoo Foundation Limited, I state that in the opinion of the Directors:

a) the Trust is not a reporting entity as defined in the Australian Accounting Standards;

b) the financial statements and notes of the Trust and Consolidated Group are in accordance with the Trust Deed and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

(i) giving a true and fair view of the Trust and Group's financial position as at 30 June 2021 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards to the extent described in Note 2 to the financial statements and complying with the *Australian Charities and Not-for-Profits Commission Regulation 2013*;

c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Co-Chair:

Nicola Forrest
Perth, 02 December 2021

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Auditor's independence declaration to the trustee of The Minderoo Foundation Trust

In relation to our audit of the financial report of The Minderoo Foundation Trust for the financial year ended 30 June 2021, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

This declaration is in respect of The Minderoo Foundation Trust and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

J K Newton

J K Newton
Partner
2 December 2021

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Independent auditor's report to Minderoo Foundation Limited (formerly Minderoo Foundation Pty Ltd) as the Trustee of The Minderoo Foundation Trust

Opinion

We have audited the financial report, being a special purpose financial report, of The Minderoo Foundation Trust (the Trust) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the trustee's declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards to the extent described in Note 2a, and 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 Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have 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 2a to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the trustee's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The trustee is responsible for the other information. The other information comprises the information included in the annual report, 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 accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information 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 Trust 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 2a to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the trustee. The trustee's responsibility also includes such internal control as the trustee determines 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the Group 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.

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Group'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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Ernst & Young

Ernst & Young

J K Newton

J K Newton
Partner
Perth
2 December 2021

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