BASS COAST COMMUNITY FOUNDATION TRUST

ABN: 20 391 663 724

BASS COAST COMMUNITY FOUNDATION OPEN FUND

ABN: 35 151 927 173

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Bass Coast Community Foundation Open Fund

ABN: 35 151 927 173

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

		Т	rust	Open	Open Fund		TOTAL
	Note	2018	2017	2018	2017	2018	2017
Revenues from ordinary activities	2	44,153	77,260	60,671	113,703	104,824	190,963
Expenses from ordinary activities	3	(15,732)	(18,635)	(24,814)	(30,210)	(40,546)	(48,845)
Capital loss	3	-	(16,051)	-	(20,172)	-	(36,223)
Operating surplus		28,421	42,574	35,857	63,321	64,278	105,895
Grants and project expenses	3	(15,860)	(18,180)	(36,696)	(47,294)	(52,556)	(65,474)
Surplus / (deficit) from ordinary activities		12,561	24,394	(839)	16,027	11,722	40,421
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		12,561	24,394	(839)	16,027	11,722	40,421

This statement should be read in conjunction with the accompany notes.

Bass Coast Community Foundation Open Fund

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Т	rust	Open	Open Fund		TOTAL
	2018	2017	2018	2017	2018	2017
CURRENT ASSETS						
Cash at Bank	42,068	20,323	41,194	43,558	83,262	63,881
Cash at Bank - Admin	(1,650)	5,482	1,747	(1,426)	97	4,056
Term Deposit	243,385	238,489	279,129	273,513	522,514	512,002
Accounts Receivable						
- Imputation Credit	3,255	8,360	3,597	9,944	6,852	18,304
- Open Fund/Trust Fund	5,000	-	(5,000)	-	-	-
GST Refund	128	-	245	-	373	-
TOTAL CURRENT ASSETS	292,186	272,654	320,912	325,589	613,098	598,243
NON-CURRENT ASSETS						
INVESTMENTS						
Shares in listed companies at market value	117,067	125,515	122,299	133,815	239,366	259,330
TOTAL ASSETS	409,253	398,169	443,211	459,404	852,464	857,573
CURRENT LIABILITIES						
BCCF Performance Awards Program (Note 5A)	-	-	10,499	11,490	10,499	11,490
BCCF Education Grant (Note 5B)	-	-	4,956	8,958	4,956	8,958
Other Creditors	-	1,330	2,078	12,090	2,078	13,420
GST Payable	-	147	-	349	-	496
TOTAL CURRENT LIABILITIES	-	1,477	17,533	32,887	17,533	34,364
NET ASSETS	409,253	396,692	425,678	426,517	834,931	823,209
REPRESENTED BY:						
Accumulated Funds	396,692	372,298	426,517	410,490	823,209	782,788
Current Year result	12,561	24,394	(839)	16,027	11,722	40,421
TOTAL	409,253	396,692	425,678	426,517	834,931	823,209

This statement should be read in conjunction with the accompanying notes.

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Bass Coast Community Foundation Open Fund

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Accumulated funds (Trust)	Accumulated funds (Open Fund)	Total Accumulated Funds
Balance at 1 July 2016	372,298	410,490	782,788
Surplus attributable to members	24,394	16,027	40,421
Balance at 30 June 2017	396,692	426,517	823,209
Surplus / (deficit) attributable to members	12,561	(839)	11,722
Balance at 30 June 2018	409,253	425,678	834,931

This statement should be read in conjunction with the accompany notes.

Bass Coast Community Foundation Open Fund

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

		Т	rust	Open Fund		TOTAL	TOTAL
	Note	2018	2017	2018	2017	2018	2017
Receipts from donors		36,855	34,398	54,580	63,005	91,435	97,403
Grants paid		(17,190)	(16,850)	(46,701)	(37,426)	(63,891)	(54,276)
Interest received		4,897	4,621	5,617	6,159	10,514	10,780
Dividends received		10,954	21,854	18,337	26,055	29,291	47,909
Payments to suppliers		(16,007)	(18,607)	(25,408)	(26,070)	(41,415)	(44,677)
Net cash provided by / (used in) operating activities	7	19,509	25,416	6,425	31,723	25,934	57,139
(Investment in) / withdrawal from term deposits		(4,896)	(4,621)	(5,616)	(6,149)	(10,512)	(10,770)
Purchase of shares		-	(33,804)	-	(45,905)	-	(79,709)
Proceeds from sale of shares		-	19,510	-	24,518	-	44,028
Net cash provided by / (used in) financing activities		-	(18,915)	-	(27,536)	-	(46,451)
Net increase / (decrease) in cash held		14,613	6,501	809	4,187	15,422	10,688
Cash at the beginning of the financial year		25,805	19,304	42,132	37,945	67,937	57,249
Cash at the end of the financial year	7	40,418	25,805	42,941	42,132	83,359	67,937

This statement should be read in conjunction with the accompany notes.

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Bass Coast Community Foundation Open Fund

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the following entities:

- Bass Coast Community Foundation Trust (the "Trust") was established on 28 February 2003 by a Deed of Trust between Edgar Peter Brooks, as Founder, and the trustee Bass Coast Community Foundation Limited. The Trust was amended on 20 December 2012 by a Supplemental Deed of Trust.
- Bass Coast Community Foundation Open Fund (the "Open Fund") was established on 1 May 2010 by a Deed of Trust between Edgar Peter Brooks, as Founder, and the trustee Bass Coast Community Foundation Limited.

The entity is registered as a charity under the *Australian Charities and Not-for-profits Commission Act* 2012.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB). Both funds are considered to be not for profit entities for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting policies

a. Income tax

Both funds are defined as charitable institutions and are exempt from income tax under Section 50-5 of the *Income Tax Assessment Act 1997*.

The Trust is endorsed by the Australian Taxation Office as a Deductible Gift Recipient (DGR).

b. Property, plant and equipment

No property, plant and equipment are owned by either fund.

c. Employee benefits

There of no employees of either fund.

d. Cash

For the purpose of the statement of cash flows, cash includes:

- cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- investments in money market instruments with original maturity of three months or less.

e. Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

Bass Coast Community Foundation Open Fund

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

NOTE 2: REVENUE	2018	2017
TRUST Share investments		
- Dividends received	10.040	27 044
- Movement in market value of shares	10,849 (8,448)	27,866 10,375
- Movement in market value of shares	(0,440)	10,373
Interest income	4,897	4,621
Donations		
- Friends	36,855	34,398
Total Revenue	44,153	77,260
OPEN FUND Share investments		
- Dividends received	11,990	33,146
- Movement in market value of shares	(11,516)	9,893
Fundraising function	3,380	4,908
Interest income	5,617	6,159
Donations		
- General	2,200	597
Grants received		
- Aquasure	24,000	24,000
- Robert Salzer Foundation	-	10,000
- Bass Coast Shire Council	25,000	25,000
Total Revenue	60,671	113,703

Bass Coast Community Foundation Open Fund

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3: OTHER EXPENSES FROM ORDINARY ACTIVITIES		2018	2017
TRUST			
Administration expenses	6	15,732	18,634
Bank charges		-	1
Total operating expenses		15,732	18,635
Capital loss		-	16,051
Grants made		15,860	18,180
Total expenses		31,592	52,866
OPEN FUND			
Administration expenses	6	24,815	30,210
Bank fees		(1)	-
Total operating expenses		24,814	30,210
Capital loss		-	20,172
Community grants		5,950	10,000
Education grants		26,654	25,694
Performance award grants		-	10,000
Scholarship expenses		4,092	1,600
Total grants and project expenses		36,696	47,294
Total expenses		61,510	97,676
NOTE 4: AUDITORS' REMUNERATION			
Remuneration of the auditor of the entities for:			
- auditing or reviewing the financial report		1,750	1,650

Each year the auditor makes a donation to the Foundation to the same value as the audit fee.

Bass Coast Community Foundation Open Fund

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 5A: BCCF OPEN FUND PERFORMANCE AWARD PROGRAM	2018	2017
Balance at opening of year	11,490	9,990
Grants received	-	10,000
Grants paid	(991)	(8,500)
Balance held at end of year	10,499	11,490
NOTE 5B: BCCF OPEN FUND EDUCATION GRANT		
Balance at opening of year	8,958	10,539
Grants received	26,654	25,694
Grants paid	(30,656)	(27,275)
Balance held at end of year	4,956	8,958

NOTE 6: ADMINISTRATIVE EXPENSES

Administrative expenses are managed by the trustee company, Bass Coast Community Foundation Limited. The directors of the trustee company determine the appropriate contribution from each fund to the administrative expenses.

The administration expenses incurred for the year are as follows:

Advertising	628	1,104
AGM Expenses	725	_
Audit fees	1,750	1,690
Board development	-	2,100
Company expenses	_	142
Computer supplies	1,141	493
Electricity	721	715
Executive Officer (including superannuation)	20,084	20,973
Futures Coalition project	2,730	1,050
Fuel & oil		2,100
General expenses	48	691
Insurance expense	3,639	3,416
Postage	358	311
Printing, Stationery & office equipment	69	1,357
Professional development	530	2,880
Rent & Rates		5,581
	5,654	•
Subscriptions	675	627
Telephone	1,349	1,106
Workcover	382	335
Website expenses	64	2,173
Total administrative expenses	40,547	48,844

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 6: ADMINISTRATION EXPENSES (continued)	2018	2017
Contribution to administrative expenses by each fund:		
Trust	15,732	18,634
Open Fund	24,815	30,210
Total administration expense contributions	40,547	48,844
NOTE 7: CASH FLOW INFORMATION		
a. Reconciliation of cash flows from operating activities with operating surplus / (deficit):		
TRUST		
Surplus/(deficit) from ordinary activities	12,561	24,394
Add back non cash transactions:		
 market value movement in shares 	8,448	(10,375)
 capital loss on sale of shares 	-	16,051
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(170)	(5,984)
Increase/(decrease) in payables	(1,330)	1,330
Cash flow from / (used in) operations	19,509	25,416
OPEN FUND		
Surplus/(deficit) from ordinary activities	(839)	16,027
Add back non cash transactions:		
 market value movement in shares 	11,516	(9,893)
 capital loss on sale of shares 	-	20,172
Changes in assets and liabilities:		
(Increase)/decrease in receivables	5,753	(2,951)
Increase/(decrease) in creditors	(5,012)	8,449
Increase/(decrease) in unexpended funding	(4,993)	(81)
Cash flow from operations	6,425	31,723

b. Credit standby arrangements with banks

There are no credit standby arrangements with banks.

c. Loan facilities

There are no loan facilities.

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Bass Coast Community Foundation Open Fund

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7: CASH FLOW INFORMATION (continued)	2018	2017
Cash balances represented by:		
Trust	42,068	20,323
Open Fund	41,194	43,558
Administration	97	4,056
Total cash per cash flow statement	83,359	67,937

NOTE 8: FINANCIAL RISK MANAGEMENT

The financial instruments of the Trust and the Open Fund consist of deposits with banks, including short term investments, and investment in listed securities as disclosed in the financial statement.

Financial Risk Management Policies

The treasurer of the trustee company is responsible for, among other issues, monitoring and managing financial risk exposures of the Trust and the Open Fund. The treasurer monitors the financial transactions and reviews the effectiveness of controls relating to interest rate risk, credit risk, and liquidity risk. Discussions on monitoring financial risk exposures are held on a regular basis and minuted by the Board of the trustee company.

Financial Risk Exposures

(a) Interest Rate Risk

The exposure to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities is limited to the cash deposits and term deposit investments.

(b) Market Risk

There is an exposure to market risk relating to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held. Such risk is managed through diversification of investments.

(c) Credit Rate Risk

There is no material credit risk exposure to any single debtor or group of debtors.

(d) Liquidity Risk

Liquidity risk arises from the possibility that difficulties may be encountered in settling its debts or otherwise meeting its obligations related to financial liabilities. This risk is managed by regularly reviewing available cash and future cash inflows and ensuring appropriate levels of cash and credit are available to meet financial liabilities.

Net Fair Values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Investments in securities are recorded at fair value on a recurring basis are initial recognition. The fair value is based on the listed market value of the security at balance date. Increases or decreases in the fair value are recognised in the statement of profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 9: COMMITMENTS AND CONTINGENT LIABILITIES

There are no known commitments or contingent liabilities.

NOTE 10: EVENTS AFTER THE REPORTING PERIOD

No reportable events have occurred after the reporting period.

The principal place of business of the trustee is:

Bass Coast Community Foundation Limited First Floor Plaza Arcade Suite B 140 Graham Street Wonthaggi VIC 3995 The registered office of the business of the trustee is:

Bruce Hydon Pty Ltd Level 1 267A Glenferrie Road Malvern Vic 3144

Bass Coast Community Foundation Open Fund

ABN: 35 151 927 173

TRUSTEES' DECLARATION

In accordance with a resolution of the directors of the trustee company of the Bass Coast Community Foundation Trust and Bass Coast Community Foundation Open Fund, the directors declare that:

- 1. the financial statements and notes, as set out on pages 1 to 12 are in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - a. complying with Australian Accounting Standards Reduced Disclosure Requirements; and
 - b. giving a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Bass Coast Community Foundation Trust and Bass Coast Community Foundation Open Fund.
- 2. in the directors' opinion there are reasonable grounds to believe that Bass Coast Community Foundation Trust and Bass Coast Community Foundation Open Fund will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of the Trustee.

Martin Keogh Director Bruce Hydon Director

15 October 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BASS COAST COMMUNITY FOUNDATION TRUST AND BASS COAST COMMUNITY FOUNDATION OPEN FUND

Opinion

We have audited the accompanying financial report of Bass Coast Community Foundation Trust and the Bass Coast Community Foundation Open Fund which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In addition, we have audited Bass Coast Community Foundation Trust Fund's (the "Fund") compliance with specific requirements of the *Public Ancillary Fund Guidelines 2011* for the year ended 30 June 2018.

In our opinion:

- i. The financial report of Bass Coast Community Foundation Trust and Bass Coast Community Foundation Open Fund is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - a. Giving a true and fair view of the Fund's financial position as at 30 June 2018 and of its performance for the year ended on that date: and
 - b. Complying with Australian Accounting Standards Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013.*
- ii. The Fund has been maintained, in all material respects, in accordance with the *Public Ancillary Fund Guidelines 2011* and its regulations for the year ended 30 June 2018.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the trustee company, would be in the same terms if given to the directors as at the time of this auditor's report.

Directors' Responsibility for the Financial Report and for the Fund's Compliance with the Public Ancillary Guidelines 2011

The directors of the trustee company, Bass Coast Community Foundation Limited, are responsible for the preparation and fair presentation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The directors of the trustee company are also responsible for the Fund's compliance with the *Public Ancillary Fund Guidelines 2011*.

In preparing the financial report, the directors of the trustee company are responsible for assessing the Fund'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 directors either intend to liquidate the Fund or to cease operation, or have no realistic alternative but to do so.

Auditor's responsibility 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 Australian Auditing Standards will always detect a material misstatements 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 the users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism through the audit. The audit involves us:

- Identifying and assessing the risk of material misstatement of the financial report, whether due to fraud or error, designing and performing audit procedures responsive to those risks, obtaining 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.
- Obtaining 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 entity's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concluding on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report presents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, where applicable, related safeguards.

Compliance with Public Ancillary Fund Guidelines 2011

Our responsibility is to also express an opinion on the Fund's compliance with specific requirements of the *Public Ancillary Fund Guidelines 2011*.

Because of the inherent limitations of any compliance procedures, it is possible that fraud, error or non-compliance with the *Public Ancillary Fund Guidelines 2011* may occur and not be detected. An audit is not designed to detect all weaknesses in Fund's compliance with the *Public Ancillary Fund Guidelines 2011* as an audit is not performed continuously throughout the period and the tests are performed on a sample basis.

Any projection of the evaluation of compliance with the *Public Ancillary Fund Guidelines 2011* to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Other information

The directors of the trustee company are responsible for the other information provided in the Fund's annual report for the year ended 30 June 2018 other than 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 there.

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 the fact. We have nothing to report in this regard.

CARDELL ASSURANCE & AUDIT

Lyndal J. McKenzie Registered Company Auditor 3A Billson Street WONTHAGGI VIC 3995

16 October 2018