

Mutual Trust Foundation
ABN 21 749 818 572
For the year ended 30 June 2020

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Statement of Profit or Loss & Other Comprehensive Income

Mutual Trust Foundation For the year ended 30 June 2020

	NOTES	2020	2019
Income			
Dividends Received		185,330	199,085
Trust Distributions		330,002	102,633
Foreign Income		19,300	16,604
Interest Received		18,230	37,133
Profit/(Loss) on Sale of Investments		(23,174)	24,334
Unrealised Market Value Movements		(550,294)	225,219
Franking Credit Refundable		64,775	80,032
Other revenue		-	1,425
Foreign currency gains and (losses)		(195)	147
Donations Received		3,376,431	2,812,078
Total Income		3,420,405	3,498,690
Expenses			
Administration Costs		605	-
Audit Fees		5,913	5,500
Bank Charges		-	5
Other Expenses		4,509	-
Subscriptions and Memberships		3,030	-
Management Fees		229,422	183,612
Distribution of Grants		951,230	981,867
Total Expenses		1,194,709	1,170,984
Profit / (Loss) for the Year		2,225,696	2,327,706

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached notes to the financial statements.

Statement of Financial Position

Mutual Trust Foundation

As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Cash & Cash Equivalents	3	3,128,286	2,753,363
Trade & Other Receivables	4	549,769	220,616
Financial Assets	5	150,180	1,264,574
Total Current Assets		3,828,235	4,238,553
Non-Current Assets			
Financial Assets	5	9,991,224	7,339,643
Total Non-Current Assets		9,991,224	7,339,643
Total Assets		13,819,459	11,578,196
Liabilities			
Current Liabilities			
Trade & Other Payables	6	37,644	22,077
Total Current Liabilities		37,644	22,077
Total Liabilities		37,644	22,077
Net Assets		13,781,815	11,556,119
Equity			
Accumulated Profit/(Loss)		13,781,715	11,556,019
Settlement Sum		100	100
Total Equity		13,781,815	11,556,119

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached notes to the financial statements.

Statement of Changes in Equity

Mutual Trust Foundation

For the year ended 30 June 2020

	2020	2019
Equity Movements		
Retained Earnings		
Retained Earnings	11,556,019	9,228,313
Profit/(Loss) Attributable to the Foundation	2,225,696	2,327,706
Closing Balance	13,781,715	11,556,019
Settlement Sum		
Opening Balance	100	100
Closing Balance	100	100
Closing Balance	13,781,815	11,556,119

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached notes to the financial statements.

Statement of Cash Flows

Mutual Trust Foundation

For the year ended 30 June 2020

	2020	2019
Cash flows from Operating Activities		
Gifts Received	2,155,080	2,812,078
Dividends & Trust Distributions Received	472,421	284,589
Cash Receipts from Franking Credits	77,983	27,157
Interest Received	18,230	43,031
Cash Receipts from Other Operating Activities	5,448	1,568
Grants Paid	(951,230)	(981,867)
Cash Payments from Other Operating Activities	(229,849)	(184,589)
Proceeds from Sale of Investments	4,243,129	2,105,737
Payment for Investments	(5,438,760)	(6,678,178)
Foreign Income	22,471	-
Total Cash flows from Operating Activities	374,923	(2,570,474)
Net Increase/(Decrease) in Cash held		
	374,923	(2,570,474)
Cash Balances		
Opening cash balance	2,753,363	5,323,837
Closing cash balance	3,128,286	2,753,363
Movement in cash	374,923	(2,570,474)

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached notes to the financial statements.

Notes to the Financial Statements

Mutual Trust Foundation

For the year ended 30 June 2020

1. General Information

These financial statements cover Mutual Trust Foundation (the Foundation) as an individual entity. The financial statements are presented in Australian dollars, which is the Foundation's functional currency.

The Foundation is a not-for profit, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 32, 360 Collins St, Melbourne Victoria 3000.

These financial statements were approved by the Directors of Mutual Trust Pty Ltd (the Trustee) as of the date of Trustee's Report.

These special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Regulations 2013, the Public Ancillary Fund Guidelines 2011, the Trust deed for the Foundation and internal use, and must not be used for any other purpose. The Trustee has determined that the Foundation is not a reporting entity as there are no users dependent on general purpose financial statements, and has agreed that the accounting policies adopted are appropriate to meet its needs.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1048 Interpretation of Standards and AASB 1054 Australian Additional disclosures.

Certain comparative amounts have been reclassified to confirm with the current presentation.

Basis of measurement

The financial statements have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies.

2. Statement of Significant Accounting Policies

The accounting policies that have been adopted in the preparation of the financial statements set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New Revised or Amended Accounting Standard and Interpretations Adopted

The Foundation has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not mandatory have not been early adopted.

(a) Classification and measurement of financial assets

The directors reviewed and assessed the Foundation's existing financial assets as at 1 July 2019 based on the facts and circumstances that existed at that date and concluded that the initial application of AASB 9 has had no material impact.

The Foundation's equity investments were classified as financial assets held at fair value through profit or loss under AASB 139 Financial Instruments: Recognition and Measurement. This continues to be the case post the adoption of AASB 9.

(b) Classification and measurement of financial assets

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Foundation to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Impact of initial application of AASB 15 Revenue from Contracts with Customers

In the current year, the Foundation has applied AASB 15 Revenue from Contracts with Customers which is effective for an annual period that begins on or after 1 January 2018. AASB 15 introduced a 5-step approach to revenue recognition.

AASB 1058 Income of Not-For-Profit (NFP) Entities

The Mutual Trust Foundation has elected to apply this Standard retrospectively in accordance with paragraph C3(b), accordingly the Mutual Trust Foundation will not restate comparative information. Instead, the Mutual Trust Foundation shall recognise the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings at the date of initial application. Under this transition method, an entity may elect to apply this Standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application. There is no adjustment to opening retained earnings as the Mutual Trust Foundation revenue recognition is not impacted by AASB 1058

A transaction falls within the scope of AASB 1058 if it meets the following two conditions; consideration to acquire an asset is significantly less than its fair value and the difference is principally to enable the NFP entity to further its objectives. This may result in delay recognition of certain types of income, for better matching of income and expenses. The Foundation's accounting policies for its revenue streams are disclosed in detail in note 2. The application of AASB 15 and AASB 1058 has not had a significant impact on the financial position and/or financial performance of the Foundation.

(b) Income Tax

The Foundation has received endorsement as an income tax exempt charity, accordingly no tax expense of tax provision has been made in the financial statements.

(c) Trade and Other Receivables

Trade and other receivables include dividends, distributions and franking credits receivable and amounts due for costs paid by the Foundation to be reimbursed by others. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(d) Foreign Currency

Foreign currency is brought to account at market value, with movements recognised as an unrealised gain (loss) on the value of investments through profit or loss.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(f) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the trust that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured at their fair value and subsequently measured at amortised cost using the effective interest method.

(g) 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 Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

(h) Distribution Income

Distribution income is recognised when the trust has the right to receive the distributions. Any related imputation credits in relation to distribution income is included in other income.

(i) Donations Received

Donations received are recognised to the extent that it is probable that the economic benefit will flow to the Foundation and they can be reliably measured.

(j) Management Fees

The Mutual Trust Foundation is required to pay an annual management fee to Mutual Trust Pty Ltd for all services required to manage and administer the Trust. Management fees are based on 1.85% of total funds under management.

(k) Foreign Currency

Foreign currency is brought to account at market value, with foreign exchange movements recognised as an unrealised gain or loss on the value of investments through profit or loss.

(l) New Standards and Interpretations not yet adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(m) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Foundation becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost; Fair Value through Other Comprehensive Income (FVOCI); or FVTPL.

The Foundation makes an assessment of the objective of the business model in which a financial asset is held that best reflects the way the business is managed and information is provided to management. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Foundation's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cashflows collected.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in comprehensive income.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in comprehensive income. Any gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

The Foundation 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 Foundation'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.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

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.

(n) Grants paid

Grants made are directory recognised in the income statement. Grants are recognised when paid to the institution.

	2020	2019
3. Cash & Cash Equivalents		
Investment in Mutual Trust Cash Fund	1,978,858	2,239,843
Investment in Mutual Trust Cash Fund - Donations Account	1,120,009	502,384
Foreign Cash - USD	29,419	11,136
Total Cash & Cash Equivalents	3,128,286	2,753,363
	2020	2019

4. Trade & Other Receivables

Franking Credits Receivable	69,311	82,519
Sundry Debtors	477,346	135,787
GST	3,112	2,310
Total Trade & Other Receivables	549,769	220,616
	2020	2019

5. Financial Assets**Current****Investments in Term Deposits**

Investments in Term Deposits	-	1,257,421
Investments in Term Deposits - Fair Value Movement	-	7,153
Total Investments in Term Deposits	-	1,264,574

Investments in Fixed Interest

Investments in Fixed Interest (CA)	151,751	-
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	2020	2019
Investments in Fixed Interest - Fair Value Movement (CA)	(1,571)	-
Total Investments in Fixed Interest	150,180	-
Total Current	150,180	1,264,574
Non-Current		
Investments in Domestic Equity		
Investments in Domestic Equity	3,368,064	2,665,652
Investments in Domestic Equity - Fair Value Movement	(97,351)	216,013
Total Investments in Domestic Equity	3,270,713	2,881,665
Investments in Fixed Interest		
Investments in Fixed Interest	3,262,808	2,149,289
Investments in Fixed Interest - Fair Value Movement	(256)	75,726
Total Investments in Fixed Interest	3,262,552	2,225,015
Investments in International Equity		
Investments in International Equity	1,502,123	959,903
Investments in International Equity - Fair Value Movement	90,801	125,425
Total Investments in International Equity	1,592,924	1,085,328
Investments in Property		
Investments in Property and Infrastructure	1,945,606	1,110,607
Investments in Property and Infrastructure - Fair Value Movement	(80,572)	37,028
Total Investments in Property	1,865,034	1,147,635
Total Non-Current	9,991,224	7,339,643
Total Financial Assets	10,141,404	8,604,217
	2020	2019

6. Payables

Sundry Creditors	37,644	22,077
Total Payables	37,644	22,077
	2020	2019

7. Cash Flow Information**Net Cash Provided by Operating Activities**

Profit for the Year	2,225,696	2,327,706
Proceeds from Sale of Investments	4,243,129	2,105,737
Payment for Purchases of Investments	(5,438,760)	(6,678,178)

Cash Flows Excluded from Profit Attributable to Operating Activities

Non cash gift received	(1,221,352)	-
Profit / (Loss) on Sale of Financial Assets	23,174	(24,334)
Unrealised Market Value Movements	550,294	(225,219)
Non Cash Income Reinvested During the Year	(267)	-
Other expenses (Non CGT Loss)	4,509	-
Total Cash Flows Excluded from Profit Attributable to Operating Activities	(643,642)	(249,553)

	2020	2019
Changes in Assets and Liabilities		
(Increase) / Decrease in Receivables	(27,067)	(82,157)
Increase / (Decrease) in Payables	15,567	5,971
Total Changes in Assets and Liabilities	(11,500)	(76,186)
Total Net Cash Provided by Operating Activities	374,923	(2,570,476)

The Foundation does not employ personnel in its own right. However, it has an incorporated trustee (Mutual Trust Pty Ltd) to manage the activities of the Foundation and this is considered as the key management personnel.

Key management personnel include persons who are Directors of Mutual Trust Pty Ltd during this reporting period up to the date of this report.

The names of Directors who held office during or since the financial year are:

G.W. Dickinson (appointed 9 October 2007, Retired 12 March 2020)

Peter Hay (appointed 1 March 2020)

R.H. Myer (appointed 1 December 2017)

J.L.C. McInnes (appointed 4 August 2009)

P.J. Michell (appointed 14 December 2016)

S.H. Myer (appointed 1 December 2017)

M.H.C. Baillieu (appointed 15 December 1988)

M.E. Baillieu (appointed 30 November 2004)

C. Leahy (appointed 1 July 2011)

P.W. Yates (appointed 1 July 2019)

Other key management personnel;

Company Secretary of Mutual Trust Pty Ltd:

P.M. Marshall (appointed 1 December 2017)

During the period the Foundation made no payments to Mutual Trust Pty Ltd, for the remuneration of key management personnel (2019: nil).

During the year the foundation incurred \$229,422 of management fees charged by Mutual Trust Pty Ltd (2019: \$183,612). As of the 30th June 2020 \$31,924 was payable to Mutual Trust Pty Ltd (2019: \$16,577). Management fees are charged on commercial terms.

	2020	2019
8. COMMITMENTS FOR EXPENDITURE		
Grant Commitment:		
No longer than 1 year	16,000	214,041
Longer than 1 year and not longer than 5 years	-	10,000
Total Grant Commitment:	16,000	224,041
Total COMMITMENTS FOR EXPENDITURE	16,000	224,041

9. Subsequent events after balance date

The existence of COVID-19 was confirmed in early 2020 and in March 2020 was declared a pandemic by the World Health Organisation. This has resulted in significant volatility in global and domestic financial markets. Refer to note 5 financial instruments disclosure.

At the date of signing the financial statements there is significant uncertainty on the likely duration and impact of COVID-19 on world economies. Given the high degree of estimation uncertainty, the trustee cannot reasonably assess or quantify the potential short or longer term financial impact on the Foundation.

Other than the above, 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 Trustee 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.

Directors Declaration

Mutual Trust Foundation

For the year ended 30 June 2020

The Directors of the trustee company declare that the trust is not publicity accountable nor reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In accordance with a resolution of the Directors, the directors of the trustee company declare that:

1. The financial statements and notes present fairly the trust's financial position as at 30 June 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In the Directors' 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.
3. The financial statements and notes, as set out on pages 2-13, are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012, and
 - (a) Comply with Australian Accounting Standards as detailed in Note 1 to the financial statements and the Australian Charities and Not- For-Profits Commission Regulation 2013; and
 - (b) Presents fairly the financial position as at 30 June 2020 and performance for the year ended on that date of the Foundation in accordance with the accounting policies outlined in Note 1 to the financial statements.

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



Director: John McInnes



Date: 29 January 2021



Independent Auditor's Report

To the Trustees of the Mutual Trust Foundation

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of the Mutual Trust Foundation (the Foundation).

In our opinion, the accompanying **Financial Report** of the Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, the *Mutual Trust Foundation Deed, dated July 2015*, and the *Public Ancillary Fund Guidelines 2011*, including;

- Giving true and fair view of the Foundation's financial position as at as at 30 June 2020, and of its financial performance and its cash flows for the year ended on 30 June 2020; and
- Complying with *Australian Accounting Standards* to the extent described in Note 1 and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- Balance Sheet as at 30 June 2020
- Statement of Comprehensive Income; Statement of Changes in Equity, and Statement of Cash flows for the year ended 30 June 2020;
- Notes including a summary of significant policies; and
- Trustee's Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to Note 1 of the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared for the purpose of fulfilling the Trustees' financial reporting responsibilities under the *ACNC Act 2012*, the Mutual Trust Foundation Trust Deed and the Public Ancillary Fund Guidelines 2011. As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Trustees of the Mutual Trust Foundation and the ACNC and should not be used by any other party. We disclaim any assumption of responsibility for any reliance on this Auditor's Report, or on the Financial Report to which it relates, to any person other than the Trustees of the Foundation and the ACNC. Our opinion is not modified in respect of this matter.

Other information

Other Information is financial and non-financial information in Mutual Trust Foundation's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Trustee is responsible for the Other Information.

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. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Trustees for the Financial Report

The Trustees are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- Preparing the Financial Report in accordance with the Mutual Trust Foundation Trust Deed and the Public Ancillary Fund Guidelines 2011.
- Determining that the basis of preparation described in Note 1 to the Financial Report is appropriate to meet the requirements of the ACNC, the Mutual Trust Foundation Trust Deed and the Public Ancillary Fund Guidelines 2011. The basis of preparation is also appropriate to meet the needs of the members.
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- Assessing the Foundation's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- i. 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.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- iv. Conclude on the appropriateness of the Trustees' 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'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 Foundation to cease to continue as a going concern.
- v. 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 of the Foundation 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.



Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Public Ancillary Fund Guidelines 2011

In our opinion, the Mutual Trust Foundation has complied, in all material respects, with the requirements of the *Public Ancillary Fund Guidelines 2011* (the Guidelines) for the year ended 30 June 2020.

Trustee's responsibility for Compliance with the Public Ancillary Fund Guidelines 2011

The Trustee's is responsible for complying with the requirements of the Guidelines. This responsibility includes establishing and maintaining internal control relevant to ensuring compliance with the Guidelines and preventing and detecting fraud or error.

Assurance Practitioner's responsibility

Our responsibility is to express an opinion on the Trustee's compliance with the requirements of the Guidelines. We conducted our reasonable assurance engagement in accordance with applicable Australian Standards on Assurance Engagements to provide reasonable assurance that the Mutual Trust Foundation has complied, in all material respects, with the requirements of the Guidelines for the year ended 30 June 2020.

Our procedures included obtaining an understanding of the requirements of the Guidelines and examination, on a test basis, of evidence supporting how the Mutual Trust Foundation has complied with the requirements of the Guidelines. These procedures have been undertaken to form a conclusion as to whether the Mutual Trust Foundation has complied, in all material respects, with the requirements of the Guidelines for the year ended 30 June 2020.

This report has been prepared for the Mutual Trust Foundation for the purpose of meeting their requirements of the Trust Deed and the Guidelines. As a result we disclaim any assumption of responsibility to any person other than the Mutual Trust Foundation, or for any purposes other than for which it was prepared.

Inherent limitations

Because of the inherent limitations of any evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with the Guidelines, as our audit tests have not been performed continuously throughout the period and the procedures performed in respect of compliance with the Guidelines are undertaken on a test basis.

Our Independence and Quality control

In conducting our reasonable assurance, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board. In accordance with Auditing Standards (ASQC 1) Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG

Rachel Milum
Partner

Melbourne
29 January 2021