

# **2018/19**

# **Annual Financial Report**

Financial Statements  
1 July 2018 to 30 June 2019

**The Chappell Foundation**

**The Chappell Foundation Limited**  
**Financial Statements**  
**for the period 1 July 2018 to 30 June 2019.**

	Page No.
Table of Contents	
Directors Report	2 - 4
Auditors Independence Declaration	5
Statement of Comprehensive Income/ Change in Accumulated Funds	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to the Financial Statement	9 – 12
Additional Information Furnished Under the Charitable Fundraising Act 1991 (NSW)	13
Directors' Declaration	14
Independent Auditor's Report	15

# The Chappell Foundation Limited

## Directors Report

### for the period 1 July 2018 to 30 June 2019.

The directors present their report together with the financial report of The Chappell Foundation Limited ("the Company") for the year ended 30 June 2019 and the auditor's report thereon.

#### 1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Darshak Mehta (B.Com D.B.M. OAM)	Appointed 25 May 2017 Businessman, Company Director
Lisa Sthalekar B.A.	Appointed 06 Dec 2017 Former Cricketer, now Media Broadcaster
Lynette O'Brien B.A.	Appointed 25 May 2017 Retired Equity Advisor & Training Consultant
Malcolm Knox B.A. (Hons) M.Phil	Appointed 25 May 2017 Journalist, Author
Peter Lalor	Appointed 05 Sep 2018 Journalist, Author
Ralph Hobbs BFA Dip Ed MFAD	Appointed 25 May 2017 Director of commercial Art Gallery
Vera Poole B.Soc. Science	Appointed 06 Dec 2017 Retired Company Director
Arjun Dhir B. IT	Appointed 12 Nov 2018 Head of IT Project Management
Peter Alford	Appointed 22 Oct 2019 Freelance Journalist, Consultant
Tracey Holmes	Appointed 25 May 2017; resigned 16 Oct 2019 Media Broadcaster
Moises Henriques	Appointed 05 Sep 2018; resigned 16 Oct 2019 Professional Cricketer

#### 2. Principal activities

The sole purpose of the Company is to raise funds through fundraising activities and make donations to established organisations that address the issues of youth homelessness in Australia.

#### Objectives

The Chappell Foundation raises funds to give to those who provide refuge, nourishment and a better future for thousands of young Australians without a roof over their heads each night.

### Strategy for achieving these objectives

The Company pursues its objectives by engaging strategically with established organisations to help them expand the provision of services for youth homelessness in Australia

### 3. Review of operations and results of those operations

The revenue for the year was \$378,582 with \$250,000 distributed between four organisations. The total event costs for the year was \$26,802.44 with the net margin from fundraising activities being 92.9%. The Company had an accumulated balance of \$101,760.87 at 30 June 2019.

The Company is limited by guarantee and three (3) Members, with the total liability being \$30 in respect of liabilities of the Company.

### Future plans

The Company will continue to pursue its objectives through fundraising activities and working with established organisations that address the issue of youth homelessness in Australia.

### 4. Director attendance at board meetings

	Meetings Attended	Meeting Eligible to Attend
Darshak Mehta	7	7
Lisa Sthalekar	3	7
Lynette O'Brien	7	7
Malcolm Knox	6	6
Peter Lalor	7	7
Ralph Hobbs	6	7
Vera Poole	5	7
Arjun Dhir	4	6
Peter Alford	0	0
Tracey Holmes	6	7
Moises Henriques	0	7

### 5. Events subsequent to reporting date

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

## 6. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 4 and forms part of the directors' report for the financial year ended 30 June 2019.

This report is made out in accordance with a resolution of the directors:



Darshak Mehta  
Director

Dated this 5<sup>th</sup> day of Dec 2019



# Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the directors of The Chappell Foundation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the period from 1 July 2018 to 30 June 2019 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Andrew Yates

Partner

Sydney

5 December 2019

**The Chappell Foundation Limited**  
**Statement of Comprehensive Income**  
**for the period 1 July 2018 to 30 June 2019.**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Revenue from ordinary activities	378,582.31	0.00
Other expenses from ordinary activities	<u>(26,851.44)</u>	<u>0.00</u>
Surplus from ordinary activities before income tax	351,730.87	0.00
Income tax expenses relating to ordinary activities	<u>0.00</u>	<u>0.00</u>
Surplus from ordinary activities after income tax	351,730.87	0.00
Distribution to beneficiaries	<u>250,000.00</u>	<u>0.00</u>
Accumulated Excess/(Deficit) at the end of the year	<u>101,730.87</u>	<u>0.00</u>

**The Chappell Foundation Limited**  
**Change in Accumulated Funds**  
**for the period 1 July 2018 to 30 June 2019.**

		<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
Opening Balance of Funds	1st July, 2018	0.00	0.00
Members Guarantees		30.00	0.00
Accumulated Excess/(Deficit) at the end of the year		<u>101,730.87</u>	<u>0.00</u>
Closing Balance of Funds	30th June, 2019	<u>101,760.87</u>	<u>0.00</u>

Statement of Comprehensive Income & Change in Accumulated Funds should be read in conjunction with the notes to the financial statements

# The Chappell Foundation Limited

## Statement of Financial Position as at 30th June 2019.

	Note		2019 \$	2018 \$
<b>Current Assets</b>				
Cash	2.	101,589.89		0.00
Receivables	3.	<u>170.98</u>		<u>0.00</u>
Total Current Assets			101,760.87	0.00
Total Assets			101,760.87	0.00
<b>Current Liabilities</b>				
Payables	4.	0.00		<u>0.00</u>
Total Current Liabilities			0.00	0.00
Total Liabilities			<u>0.00</u>	<u>0.00</u>
Net Assets			<u>101,760.87</u>	<u>0.00</u>
<b>Represented by:</b>				
<b>Total Equity</b>				
Total Accumulated Funds	5.		<u>101,760.87</u>	<u>0.00</u>

The Statement of Financial Position should be read in conjunction with the notes to the financial statements



# The Chappell Foundation Limited

## Cash Flow Statement

for the period 1 July 2018 to 30 June 2019.

	Notes	2019 \$	2018 \$
Cash from Operating Activities:			
Receipts		378,441.33	0.00
Payments		<u>276,851.44</u>	<u>0.00</u>
Net cash provided by/(used by) operating activities	6.	101,589.89	0.00
Net cash used in investing activities		0.00	<u>0.00</u>
Net increase/(decrease) in cash and cash equivalents		101,589.89	0.00
Cash & cash equivalents at the beginning of the period		<u>0.00</u>	<u>0.00</u>
Cash & cash equivalents at the end of the period		<u>101,589.89</u>	<u>0.00</u>

The Cash Flow Statement should be read in conjunction with the notes to the financial statements

# **The Chappell Foundation Limited**

## **Notes to the financial statements**

### **for the period 1 July 2018 to 30 June 2019.**

#### **1. Reporting entity**

The Chappell Foundation Limited ("the Company") is a Not-for-Profit organization domiciled in Australia. The address of the Company is 11 Ryrie Street, Mosman, NSW, 2088.

The sole purpose of the Company is to raise funds through fundraising activities and make donations to established organisations that address the issues of youth homelessness in Australia.

In the opinion of the directors of the Company, the Company is not a reporting entity as there are no users dependent on general purpose financial statements. The financial report of the Company has been drawn up as a special purpose financial report for the benefit of the Directors.

#### **2. Statement of Compliance**

The financial report is a special purpose financial report which has been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commissions Regulations, the constitution of the Company and with the requirements of the Charitable Fundraising Act 1991 (NSW) and its regulations. For the purpose of preparing the financial statements the Company is a not-for-profit entity.

The special purpose financial statements include only the disclosure requirements of the following AASBs and those disclosures considered necessary by the directors to meet the needs of the members:

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 and Application of Accounting Standards

AASB 1054 Australian Additional Disclosures.

#### **Basis of preparation**

The financial report is presented in Australian dollars.

The Company has not elected to early adopt any revised accounting standards.

The financial report is prepared on an historical cost basis.

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

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

The accounting policies set out below have been applied consistently to all periods presented in the financial report, unless otherwise stated.

# **The Chappell Foundation Limited**

## **Notes to the financial statements**

### **for the period 1 July 2018 to 30 June 2019.**

#### **(a) Revenue recognition**

Revenue comprises donations received from donors to the Company. Interest revenue is recognized as it is accrued.

#### **(b) Trading Expenses**

Trading expenses include expenses of the Company to external parties for organizing various charity events.

#### **(c) Taxation**

The Company has achieved a Charitable Institution Status from the ATO. Pursuant to the Charitable Status, the Trust has access to the following concessions:

- Income tax exemption under Subdivision 50-B of the Income Tax Assessment Act 1997
- GST concessions under Division 176 of A New Tax System (Goods and Services Tax) Act 1999
- FBT rebate under section 123E of the Fringe Benefits Tax Assessment Act 1986
- Provision for gift deductibility under Item 1 of the table in section 30-15 of the Income Tax Assessment Act 1997

Hence, no tax liability is recognized in the Balance Sheet.

#### **(d) Receivables**

Debtors are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for any identified doubtful accounts.

#### **(e) Payables**

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Trust. Trade accounts payable are normally settled within 60 days.

#### **(f) New Accounting Standards**

In the current year, the Company has adopted all of the revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operation and effective for the current annual reporting period including:

- AASB 9 Financial Instruments
- AASB 15 Revenue from Contract with Customers

There was no financial impact to the Company from adopting the revised standards.

At the date of authorisation of the financial report, the following relevant Standards and Interpretations were issued but not yet effective:

- AASB 1058 Income of Not-for-Profit Entities (effective for reporting periods commencing after 1 July 2019). The standard clarifies and simplifies income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15. In addition, when a Not for Profit receives volunteer services and can reliably measure the fair value of those services, the entity may elect to recognise the services as an asset or an expense. It replaces AASB 1004 Contributions.

# The Chappell Foundation Limited

## Notes to the financial statements for the period 1 July 2018 to 30 June 2019.

	2019	2018
	\$	\$
<b>2. Cash</b>		
Commonwealth Bank of Australia Ltd	<u>101,589.89</u>	<u>0.00</u>
	<u>101,589.89</u>	<u>0.00</u>
<b>3. Receivables</b>		
Debtors - Events	106.00	0.00
GST Refund	34.98	<u>0.00</u>
	<u>170.98</u>	<u>0.00</u>
<b>4. Creditors &amp; Borrowings</b>		
<b>Current</b>		
Payables - Events	0.00	<u>0.00</u>
	<u>0.00</u>	<u>0.00</u>
<b>5. Accumulated funds</b>		
Members Guarantees	30.00	0.00
Retained surplus at the beginning of the year	0.00	0.00
Surplus/(deficit) from ordinary activities	<u>101,730.87</u>	<u>0.00</u>
Retained surplus at the end of the year	<u>101,760.87</u>	<u>0.00</u>
<b>6. Notes to the Statement of Cash Flows</b>		
(a) Reconciliation of operating profit after income tax to net cash inflow from operating activities		
Operating surplus / (deficit)	101,730.87	0.00
Change in operating assets and liabilities:		
(Increase) / decrease function debtors	-136.00	0.00
(Increase) / decrease in GST receivable	-34.98	0.00
Increase/(decrease) in Members Guarantee funds	30.00	0.00
Net cash inflows from operating activities	<u>101,589.89</u>	<u>0.00</u>
<b>7. Donations Made to Charities</b>		
Donations paid during the year were allocated to the following projects:		
Back Track Youth Works	75,000.00	0.00
WAYS	40,000.00	0.00
Stepping Stone House	100,000.00	0.00
Ecumenical Coffee Brigade	<u>35,000.00</u>	<u>0.00</u>
	<u>250,000.00</u>	<u>0.00</u>

**The Chappell Foundation Limited**  
**Notes to the financial statements**  
**for the period 1 July 2018 to 30 June 2019.**

**8. Fundraising Activities**

Donations received from fundraising activities	\$323,412.31	\$0.00
Event revenues	<u>\$55,170.00</u>	<u>\$0.00</u>
Total Revenues	\$378,582.31	\$0.00
Event costs	\$26,216.57	\$0.00
Bank & merchant fees	<u>\$585.87</u>	<u>\$0.00</u>
Total event costs	\$26,802.44	\$0.00
Net surplus from fundraising activities	\$351,779.87	\$0.00
Net margin from fundraising activities	92.9%	0.0%

# The Chappell Foundation Limited

## Additional Information Furnished Under the Charitable Fundraising Act 1991 (NSW)

For the period 1 July 2018 to 30  
June 2019.

		<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>Income</b>			
Event - Entry Fees	32,760.00		0.00
Event - Sponsorship	0.00		0.00
Event - Other Income	<u>22,410.00</u>		<u>0.00</u>
Total Event Income	55,170.00		0.00
Donations / Gifts	<u>323,412.31</u>		<u>0.00</u>
Total Income		378,582.31	0.00
<b>Expenditure</b>			
Event Costs	26,802.44		0.00
Statutory/Regulatory Costs	<u>49.00</u>		<u>0.00</u>
Total Expenses		<u>26,851.44</u>	<u>0.00</u>
Net surplus/(deficit)		351,730.87	0.00
<b>Distribution to Beneficiaries</b>			
Donations Paid		<u>250,000.00</u>	<u>0.00</u>
Members Guarantee		<u>30.00</u>	
Accumulated surplus/(deficit)		<u>101,760.87</u>	<u>0.00</u>

**The Chappell Foundation Limited**  
**Directors' Declaration**  
**for the period 1 July 2018 to 30 June 2019.**

**DIRECTORS' DECLARATION**

In the opinion of the directors of The Chappell Foundation Limited (ABN: 88 619340 368) (the Company):

- (a) the Company is not publicly accountable nor a reporting entity
- (b) the financial statements and notes, set out on pages 3 to 9, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991 (NSW), including:
  - (i) giving a true and fair view of the financial position of the Company as at 30 June 2019 and of its performance, as represented by the results of its operations for the financial year ended on that date in accordance with the statement of compliance and basis of preparation described in Note 1; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 1, and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

  
\_\_\_\_\_  
Darshak Mehta  
Director

  
\_\_\_\_\_  
Vera Poole  
Director

Dated this 5<sup>th</sup> day of Dec 2019



# Independent Auditor's Report

To the Directors of The Chappell Foundation Limited

## Report on the audit of the Financial Report

### Opinion

We have audited the **Financial Report**, of The Chappell Foundation Limited (the Company).

#### True and fair view

In our opinion, the accompanying **Financial Report** of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and the *Charitable Fundraising (NSW) Act 1991* including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2019, and of its financial performance and its cash flows for the period then ended; and
- ii. complying with *Australian Accounting Standards* to the extent described in Note 2 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2019.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the period then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Company.





## 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 Company in accordance with the auditor independence requirements of the *ACNC 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

We draw attention to Note 2 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the *ACNC Act 2012* and the *Charitable Fundraising (NSW) Act 1991*. As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose.

Our report is intended solely for the Directors of the Company and 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 Directors of the Company and ACNC. Our opinion is not modified in respect of this matter.

## Other information

Other Information is financial and non-financial information in The Chappell Foundation Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are 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 the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Regulations.
- iii. Determining that the basis of preparation described in Note 2 to the Financial Report is



appropriate to meet the requirements of the ACNC, and the Charitable Fundraising (NSW) Act 1991. The basis of preparation is also appropriate to meet the needs of the members.

- iv. 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.
- v. Assessing the Company'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 Company 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:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the registered Company's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Company'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 registered Company 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 Directors of the registered Company 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.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

## Report on Other Legal and Regulatory Requirements

### Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion,:

- i. the Financial Report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 30 June 2019;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2018 to 30 June 2019, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2018 to 30 June 2019 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

KPMG

Andrew Yates  
Partner

Sydney

5 December 2019