



2020/21

Annual Financial Report

Financial Statements
1 July 2020 to 30 June 2021

The Chappell Foundation

The Chappell Foundation Limited
Financial Statements
for the period 1 July 2020 to 30 June 2021.

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The Chappell Foundation Limited

Directors Report

for the period 1 July 2020 to 30 June 2021.

The directors present their report together with the financial report of The Chappell Foundation Limited ("the Company") for the year ended 30 June 2021 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 <i>B.Com D.B.M. OAM</i>	<i>Businessman, Company Director</i>
Lisa Sthalekar <i>B.A.</i>	<i>Former Cricketer, now Media Broadcaster</i>
Lynette O'Brien <i>B.A.</i>	<i>Retired Equity Advisor & Training Consultant</i>
Malcolm Knox <i>B.A. (Hons) M.Phil</i>	<i>Journalist, Author Resigned 20 May 2021</i>
Peter Lalor	<i>Journalist, Author Journalist, Author</i>
Vera Poole <i>B.Soc. Science</i>	<i>Retired Company Director Resigned 16 February 2021</i>
Arjun Dhir <i>B InfTech</i>	<i>Project Manager</i>
Peter Alford	<i>Freelance Journalist, Consultant</i>
Kate De Brito	<i>Journalist, Editor, Head of Streaming service Appointed 5 March 2021</i>
Evangeline Carpio M Employment Law M HR & Ind Relations	<i>Global HR transformation, Executive consultant strategy and M&A. Appointed 5 March 2021</i>
Ian Poole	<i>Architect, Company Director Appointed 2 June 2021</i>

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 \$951,153.32 with \$728,142.00 distributed. The total event costs for the year was \$74,424.22 with the net margin from fundraising activities being 92.2%. The Company had an accumulated balance of \$855,867.74 at 30 June 2021. The Company is limited by guarantee, 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

Darshak Mehta	9/9
Lisa Sthalekar	4/9
Lynette O'Brien	9/9
Malcolm Knox	9/9
Peter Lalor	9/9
Vera Poole	6/6
Arjun Dhir	9/9
Peter Alford	9/9
Kate De Brito	2/2
Evangeline Carpio	2/2
Ian Poole	0/0

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 2021.

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



Darshak Mehta
Director

Dated this 31 day of October 2021.



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 2020 to 30 June 2021 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

31 October 2021

The Chappell Foundation Limited

Statement of Comprehensive Income

for the period 1 July 2020 to 30 June 2021.

	Note	2021 \$	2020 \$
Revenue from ordinary activities	7	951,153.32	1,671,915.20
Other expenses from ordinary activities		(79,327.13)	(81,462.52)
Surplus from ordinary activities before income tax		871,826.19	1,590,452.68
Income tax expenses relating to ordinary activities		<u>0.00</u>	<u>0.00</u>
Surplus from ordinary activities after income tax		871,826.19	1,590,452.68
Distribution to beneficiaries	6	728,142.00	980,000.00
Accumulated Excess/(Deficit) for the year		<u>143,684.19</u>	<u>610,452.68</u>

The Chappell Foundation Limited

Change in Accumulated Funds

for the period 1 July 2020 to 30 June 2021.

		2021 \$	2020 \$
Opening Balance of Funds	1st July, 2020	712,183.55	101,730.87
Change in Members Guarantees		-	-
Accumulated Excess/(Deficit) for the year		<u>143,684.19</u>	<u>610,452.68</u>
Closing Balance of Accumulated Funds	30th June, 2021	<u>855,897.74</u>	<u>712,183.55</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 2021.

	Note	2021 \$	2020 \$
Current Assets			
Cash	3	846,670.19	711,361.01
Receivables	4	9,227.55	852.54
Total Current Assets		855,897.74	712,213.55
Total Assets		855,897.74	712,213.55
Total Equity			
Total Accumulated Funds		855,867.74	712,183.55
Members Guarantee		30.00	30.00
Total Equity		<u>855,897.74</u>	<u>712,213.55</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 2020 to 30 June 2021.

	Notes	2021 \$	2020 \$
Cash from Operating Activities:			
Receipts		942,778.31	1,671,233.64
Payments		(79,327.13)	(81,462.52)
Distributions to beneficiaries		<u>(728,142.00)</u>	<u>(980,000.00)</u>
Net cash provided by/(used by) operating activities	5	135,309.18	609,771.12
Net cash used in investing activities		<u>0.00</u>	<u>0.00</u>
Net increase/(decrease) in cash and cash equivalents		135,309.18	609,771.12
Cash & cash equivalents at the beginning of the period		<u>711,361.01</u>	<u>101,589.89</u>
Cash & cash equivalents at the end of the period		<u>846,670.19</u>	<u>711,361.01</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 2020 to 30 June 2021.

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 2020 to 30 June 2021.

(a) Revenue recognition

Revenue comprises donations received from donors to the Company. Interest revenue is recognised 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.

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

The Chappell Foundation Limited

Notes to the financial statements

for the period 1 July 2020 to 30 June 2021.

	2021	2020
	\$	\$
3. Cash		
Commonwealth Bank of Australia Ltd	<u>846,670.19</u>	<u>711,361.01</u>
	<u>846,670.19</u>	<u>711,361.01</u>
4. Receivables		
Sundry Dr – Stripe	1,423.55	0.00
PayPal and Stripe Clearing Account	0.00	836.54
GST Refund	34.00	16.00
Sundry Debtors	<u>7,770.00</u>	<u>0.00</u>
	<u>9,227.55</u>	<u>852.54</u>
5. Notes to the Statement of Cash Flows		
(a) Reconciliation of operating profit after income tax to net cash inflow from operating activities		
Operating surplus / (deficit)	143,684.19	610,452.68
Change in operating assets and liabilities:		
(Increase) / decrease Sundry Dr - Stripe	-1,423.55	0.00
(Increase) / decrease function debtors	-7,770.00	-136.00
(Increase) / decrease in GST receivable	-18.00	-18.98
(Increase) / decrease in PayPal and Stripe Clearing Account	836.54	-836.54
Increase/(decrease) in Members Guarantee funds	0.00	0.00
Net cash inflows from operating activities	135,309.18	609,771.12
6. Donations Made to Charities		
Donations paid during the year were allocated to the following projects:		
BackTrack Youth Works	80,000.00	405,000.00
WAYS	110,000.00	50,000.00
Sydney Stepping Stone Inc	100,000.00	350,000.00
Ecumenical Coffee Brigade	0.00	175,000.00
The Burdekin Association	110,642.00	0.00
The Marmalade Foundation Ltd	2,500.00	0.00
Taldumande Youth Services Inc	250,000.00	0.00
Youthcare Canberra Ltd	<u>75,000.00</u>	<u>0.00</u>
	<u>728,142.00</u>	<u>980,000.00</u>

The Chappell Foundation Limited

Notes to the financial statements

for the period 1 July 2020 to 30 June 2021.

7. Fundraising Activities	2021	2020
	\$	\$
Donations received from fundraising activities	621,688.32	1,404,795.20
Event revenues	<u>329,465.00</u>	<u>267,120.00</u>
Total Revenues	951,153.32	1,671,915.20
Event costs	65,188.09	72,559.65
Bank & merchant fees	<u>9,236.13</u>	<u>4,927.70</u>
Total Event Costs	74,424.22	77,487.35
Net surplus from fundraising activities	876,729.10	1,594,427.85
Net margin from fundraising activities	92.2%	95.4%

The Chappell Foundation Limited

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

For the period 1 July 2020 to 30 June 2021.

	2021	2020
	\$	\$
Income		
Entry Fees	82,135.00	81,720.00
Sponsorship	114,000.00	124,000.00
Other Income	133,330.00	61,400.00
Donations / Gifts	<u>621,688.32</u>	<u>1,404,795.20</u>
Total Income	951,153.32	1,671,915.20
Expenditure		
Event Costs	74,424.22	77,487.35
Administration/Regulatory Costs	1,364.13	1,039.48
Insurance	<u>3,538.78</u>	<u>2,935.69</u>
Total Expenses	<u>79,327.13</u>	<u>81,462.52</u>
Net surplus/(deficit)	871,826.19	1,590,452.68
Distribution to Beneficiaries		
Donations Paid	728,142.00	980,000.00
Net surplus/(deficit) for the year	<u>143,684.19</u>	<u>610,452.68</u>
Equity		
Prior year net surplus/(deficit)	712,183.55	101,730.87
Members Guarantee	<u>30.00</u>	<u>30.00</u>
Accumulated surplus/(deficit)	<u>855,897.74</u>	<u>712,213.55</u>

The Chappell Foundation Limited

Directors' Declaration

for the period 1 July 2020 to 30 June 2021.

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 5 to 12, 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 2021 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



Peter Alford
Director

Dated this 31 day of October 2021.



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 2021, 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 2021.
- ii. Statement of other comprehensive income, Statement of change in accumulated funds, 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 2021;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2020 to 30 June 2021, 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 2020 to 30 June 2021 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

31 October 2021