



Apex Foundation

ABN 58 001 347 897

Financial Statements - 30 June 2020

Apex Foundation
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30 June 2020



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Your Directors have pleasure in presenting their report on Apex Foundation for the year ended June 30th 2020.

Directors

The name of each person who has been a Director of the Foundation at any time during or since the end of the year and the period for which the person was a Director are:

Anthony John Wilshire
Jamie Darren Vincent
Brian William Powe
Peter Michael Fitze
Stephen Linneo Bigarelli
Lindsay Murray Carthew
John Charles King
Graham Martin Cassidy
Bethany Paterson*
Neal Benjamin Molineaux*
Michael Godfrey*

Appointed July 24th 2020
Resigned October 2nd 2019
October 2nd 2019 to date of this report

* Denotes Apex Association nominated Director.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Objectives and strategies

The Apex Foundation strives to improve the quality of life of Australians who have special needs, by being the sole trustee of various trusts that work towards this goal.

This being the principal objective, the following are the ancillary objectives.

Act as the sole trustee for the following operational trusts:

- Apex Foundation Charitable Trust
- The Trustee for Apex Underprivileged Children's Trust
- The Trustee for Apex Foundation Community Fund
- The Apex Foundation Association of Civilian Widows – New South Wales Trust
- Civilian Widows of Queensland Foundation Trust
- Association of Civilian Widows Trust of Western Australia
- Apex Fine Arts Scholarship Trust
- Apex Australia Reserve Trusts (Five trusts)
- Apex Hoppers Crossing Reserve Trust
- Apex Northern & Southern Clubs Trusts (Two trusts with six Apex Clubs participating)

The main responsibilities within this ancillary objective are to ensure that, at all times, the trusts comply with the various applicable laws and regulations, and to optimise their corpuses. The strategies follow.

- Manage the invested trust funds raised by Apexians and other like-minded organisations in order to perpetuate the benefits of those funds. The main responsibilities within this ancillary objective are strategies that control and continually monitor the performance of an investment portfolio in order to achieve prudential short and long term returns.

The Foundation's strategy is to engage the services of an independent investment advisory entity. This role is undertaken by Shaw and Partners. Measurement of performance is the return from managed investments as a percentage of opening corpus. In the 2019/2020 year, a return of -5.6% was achieved (previous year 8.68%. The strategic planned return in both years was 5.00%.

- Encourage Donations and Bequests to the Foundation in either monetary or in-kind. Apart from donations that are shown in the financial statements, the Directors wish to acknowledge and thank the many supporters of the Apex Underprivileged Childrens Trust, being primarily Apex Clubs, individual Apexians, and management committee members for their efforts in control and maintenance of the trust's facilities. Also, the Directors' acknowledge and thank AON Insurance for the gratis provision of office space and related services, and Shaw and Partners for gratis support. The commercial value of these donations of goods and services is not estimable.

- Manage the maintenance of, and occupancy of, the Underprivileged Childrens Trust's facilities in order to perpetuate the benefits of those facilities to the occupants. The Underprivileged Childrens Trust's facilities comprise the (properties of) the Chalet at Smiggin Holes in New South Wales, the Shoalhaven Heads Apex Cottages for Kids (The Shack) at Shoalhaven Heads on the south coast of New South Wales, and a four-cabin retreat complex in the North Beach Tourist Park on the Copper Coast at Wallaroo on South Australia's Yorke Peninsula, The main responsibilities within this ancillary objective are strategies that maintain responsible volunteer management committees. Performance is measured as the difference between the charitable rate revenue and its extrapolated market value, which is deemed to be notional grants made.
- Make grant distributions out of appropriate trusts to beneficiaries in accordance with the rules of those trusts and with the rules of the Australian Charities and Not-For-Profits Commission. The Foundation then ensures the effective utilisation of these distributions by grant recipients. The grants made are shown hereunder. There were no significant changes in the nature of this Foundation grant-making activity during the year. For the charitable trusts, performance is measured by grants made as a percentage of opening corpus. Strategies are different for each individual trust. Ancillary trusts are measured against legislated percentages..

THE YEARS IN SUMMARY

	2020	2019
	\$	\$
Opening balance of trusts	9,446,934	10,111,902
Distributed surpluses (deficits)	(381,625)	459,375
Trust fund deposits	48,547	253,091
Trust fund withdrawals	(158,466)	(1,191,769)
Grants made	<u>(137,407)</u>	<u>(185,665)</u>
Closing balance of trusts	<u>8,817,983</u>	<u>9,446,934</u>

Principal activities

During the financial year Apex Foundation acted as the sole trustee for various trusts as outlined under objectives and strategies above.

Information on directors

Note that the special responsibilities of the Director are those that exist at June 30th 2020.

Name: Anthony John Wilshire
Title: Chairman
Qualifications: Retired Banker of 43 years
Experience and expertise: Life Member of Apex 1993
Honorary Life Member of Apex Foundation
Board member since 1998

Special responsibilities: Member of the Executive Committee
Member of the Board Audit Risk Committee (BARC)
Director for the Civilian Widows of Queensland Foundation Trust
Director for the Association of Civilian Widows Trust of Western Australia
Ex Officio member of all committees

Name: Jamie Darren Vincent
Title: Vice Chairman
Qualifications: Certificate III in Disabilities
Experience and expertise: Apex National Membership Director, Apexian for 28 years
Life Member of Blacktown Apex Club

Special responsibilities: Director for the Underprivileged Children's Trust's Chalet account
Member of the Marketing and Membership Committee
Director for the Apex Foundation Charitable Trust's Autism Account
Member of Board Audit and Risk Committee (BARC)

Name: Peter Michael Fitze
Title: Company Secretary
Qualifications: BA (Social Science), RN (Retired), JP
Experience and expertise: Apexian for 11 years (retired), Honorary Life Member of Apex Foundation Board member since 1988
Special responsibilities: Director for the Apex Foundation Community Trust
Director for Administration and Staffing
Director for elections
Member of the Executive Committee
Member of the Board Audit Risk Committee (BARC)
Member of the Corporate Governance Committee

Name: Stephen Linneo Bigarelli
Title: Finance Director
Qualifications: CPA
Experience and expertise: Apexian for 16 years (retired)
National Treasurer of Association of Apex Clubs of Australia (2002)
Board Member since 2004
Special responsibilities: Member of the Executive Committee
Chairman of the Board Audit Risk Committee (BARC)
Member of Investments and Governance Committees
Director of Fine Arts Trust

Name: Lindsay Murray Carthew
Title: Director
Qualifications: BEc, MBA
Experience and expertise: Apexian Unley Apex Club 1983 to 1994 (President 1987-1988)
District Governor Adelaide 1990-1991
Apex Foundation Board Member 1991-1992 (Chairman 1993-1994)
Special responsibilities: Director for the Apex Foundation Charitable Trust's Cranio-Facial Account
Director for the Underprivileged Children's Trust Copper Coast Account
Member of the Board Audit Risk Committee (BARC)
Chairman of the Marketing and Membership Committee
Chairman of the Investments Committee

Name: Brian William Powe
Title: Director
Qualifications: FCPA (Retired)
Experience and expertise: Apexian 14 years (Retired) Life Member of Apex 1988
Board Member since 2010
Special responsibilities: Chairman 2018-2019
Director for the Underprivileged Childrens Trust's Shack Account
Member of Board Audit Risk Committee (BARC)
Member of Investment Committee

Name: John Charles King
Title: Appointed Director
Qualifications: BA LLB (Hons II) University of Sydney
LLM University of London, School of Economics & Political Science
Experience and expertise: Practising Solicitor & Consultant over 43 years
Special responsibilities: Chairman of Corporate Governance Committee

Name: Graham Martin Cassidy
Title: Director
Qualifications: Header of Broker Network
Experience and expertise: Life Member of Hills District Apex Club
Special responsibilities: Member of the Marketing and Membership Committee
Director for the Apex Foundation Charitable Trust's Children's Cancer Account, Diabetes Account, Melanoma Account and NSW Civilian Widows

Name: Michael Kristen Godfrey
 Title: Apex Australia Director (Appointed October 2, 2019)
 Qualifications: Automotive Mechanic, Water Industry Worker
 Experience and expertise: WA State Board (Pres, Sec, DG), National Board (5 yrs), Local Government Councillor (10.5 yrs), various local and State Boards.
 Special responsibilities: Apex Global Vice Chair

Meetings of directors

The number of meetings of the Apex Foundation's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Anthony John Wilshire	7	7
Jamie Darren Vincent	7	7
Peter Michael Fitze	7	7
Stephen Linneo Bigarelli	6	7
Lindsay Murray Carthew	6	7
Brian William Powe	7	7
John Charles King	6	7
Graham Martin Cassidy	6	7
Michael Godfrey	5	5
Neal Molineaux	-	2

Held: represents the number of meetings held during the time the director held office.

During the year, four meetings of the Directors were held. These were on August 23rd/24th 2019, on 2nd October 2019, on 15th/16th November 2019, on 17th March 2020, on 31 March 2020, on 18th April 2020, and on 27th May 2020.

Contributions on winding up

The Foundation is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Foundation is wound up, its constitution states that each member is required to contribute a maximum of \$50 towards meeting any outstanding obligations of the Foundation. At June 30th 2019, the total amount that members of the company are liable to contribute if the company is wound up is \$9,950 there being 199 members (2019 \$12,500 with 250 members).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Anthony John Wilshire
Director



Stephen Linneo Bigarelli
Director

10 November 2020



LBW & Partners

Chartered Accountants & Business Advisors
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Partners

Rupa Dharmasiri

Alan M Perrott

George P Rochios

Mark W Willock

Apex Foundation

ABN: 58 001 347 897

Auditor's Independence Declaration to the Directors of Apex Foundation

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in Division 60 of 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.

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
Level 3, 845 Pacific Highway
CHATSWOOD NSW 2067

Dated this 10th day of November 2020

Apex Foundation
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020



	2020 \$	2019 \$
Revenue of the Foundation generated on behalf of the trusts		
Dividends & distributions	117,055	148,794
Interest	105,833	118,538
Imputation credits	44,402	53,388
(Loss)/gain on financial assets at fair value through profit or loss	(693,680)	340,707
(Loss)/income from managed investments distributed to all trusts	(426,390)	661,427
Non-preserved donations - Charitable trust	2,565	5,630
Non-preserved donations - Underprivileged childrens trust	229,878	54,435
Non-preserved donations and membership fees - Apex Foundation Community Fund	13,229	40
Non-preserved donations - Fine arts trust	50	-
Facility hiring fees - Underprivileged childrens trust	38,998	61,966
Other income	23,187	-
Donations and other income distributed to specific trusts	307,907	122,071
Total revenue	(118,483)	783,498
Expenses distributed to all trusts		
Compliance and other financial	(12,119)	(4,427)
Audit and accounting	(38,276)	(19,608)
Office & systems	(15,662)	(8,620)
Staffing	(28,970)	(92,876)
Board meetings	(14,508)	(17,745)
Insurances	(18,954)	(22,617)
Marketing	(455)	(1,027)
Chalet support	-	(10,080)
Bank charges and sundries	(481)	(4,922)
Add back membership fees	-	5,532
Operating surplus/(deficit)	(247,908)	607,108
To Underprivileged Childrens Trust - Staffing costs	(18,850)	(17,122)
To Underprivileged Childrens Trust - Depreciation	(43,600)	(33,420)
To Underprivileged Childrens Trust - Operating	(71,266)	(97,065)
To Charitable Trust	-	(126)
Net deficit (surplus) allocated to trusts	381,624	(459,375)
Surplus before income tax expense	-	-
Income tax expense	-	-
Surplus after income tax expense for the year attributable to the members of Apex Foundation	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year attributable to the members of Apex Foundation	-	-

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Apex Foundation
Statement of financial position
As at 30 June 2020



	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	4	444,947	423,561
Trade and other receivables	5	101,461	113,508
Financial assets at fair value through profit or loss	6	6,382,446	6,992,882
Other current assets	7	6,061	24,100
Total current assets		<u>6,934,915</u>	<u>7,554,051</u>
Non-current assets			
Property, plant and equipment	8	1,901,289	1,938,895
Right-of-use assets	9	12	-
Total non-current assets		<u>1,901,301</u>	<u>1,938,895</u>
Total assets		<u>8,836,216</u>	<u>9,492,946</u>
Liabilities			
Current liabilities			
Trade and other payables	10	18,221	26,162
Lease liabilities	11	1	-
Total current liabilities		<u>18,222</u>	<u>26,162</u>
Non-current liabilities			
Payables	12	-	19,850
Lease liabilities	13	11	-
Total non-current liabilities		<u>11</u>	<u>19,850</u>
Total liabilities		<u>18,233</u>	<u>46,012</u>
Net assets controlled by the Foundation on behalf of trusts		<u>8,817,983</u>	<u>9,446,934</u>
Trust funds			
ACNC registered charitable trusts	14	7,521,524	7,898,234
Apex reserve and clubs trusts	15	1,296,459	1,548,700
Total trust funds		<u>8,817,983</u>	<u>9,446,934</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Apex Foundation
Statement of changes in equity
For the year ended 30 June 2020



	Trust funds \$	Total trust funds \$
Balance at 1 July 2018	10,111,901	10,111,901
Surplus after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	-	-
Distributed surpluses	459,375	459,375
Trust fund deposits	253,092	253,092
Grants made	(185,665)	(185,665)
Trust fund withdrawals	(1,191,769)	(1,191,769)
Balance at 30 June 2019	<u>9,446,934</u>	<u>9,446,934</u>
	Trust funds \$	Total trust funds \$
Balance at 1 July 2019	9,446,934	9,446,934
Surplus after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	-	-
Distributed surpluses (deficits)	(381,625)	(381,625)
Trust fund deposits	48,547	48,547
Grants made	(137,407)	(137,407)
Trust fund withdrawals	(158,466)	(158,466)
Balance at 30 June 2020	<u>8,817,983</u>	<u>8,817,983</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Apex Foundation
Statement of cash flows
For the year ended 30 June 2020



	Note	2020 \$	2019 \$
Cash flows from operating activities			
Dividends received		117,055	148,794
Imputation credits received		-	62,373
Interest received		105,833	118,538
Other receipts		365,492	118,818
Payments to suppliers and employees		(230,424)	(313,285)
Grants made		(137,407)	(185,665)
		<u>220,549</u>	<u>(50,427)</u>
Cash flows from investing activities			
Proceeds from sale of investments		4,033,462	7,890,537
Payment for purchase of investments		(4,116,706)	(6,735,649)
Fixed asset purchases		(6,000)	(156,628)
		<u>(89,244)</u>	<u>998,260</u>
Cash flows from financing activities			
Trust fund deposits		48,547	253,091
Trust fund withdrawals and closures		(158,466)	(1,191,768)
		<u>(109,919)</u>	<u>(938,677)</u>
Net increase/(decrease) in cash and cash equivalents		21,386	9,156
Cash and cash equivalents at the beginning of the financial year		<u>423,561</u>	<u>414,405</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>444,947</u></u>	<u><u>423,561</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

I. Apex Foundation and the trusts for which it is sole trustee

Apex Foundation (hereafter called "The Foundation"):

- a. Acts as sole trustee for sixteen (16) legally separate trusts.
- b. Trades on behalf of these trusts, and distributes its net surpluses to these trusts, or recovers its net deficits from these trusts.
- c. Maintains all assets and liabilities on behalf of these trusts.
- d. Holds a member's guarantee regarding contributions upon wind-up, and also holds a right of indemnity for any liabilities that it may incur on behalf of the trusts for which it acts as sole trustee.

These financial statements are a consolidation of the Foundation's activities on behalf of the sixteen (16) trusts. The Foundation is a not-for-profit public company incorporated under the Corporations Act 2001 as a company limited by guarantee.

II. Compliance – Australian Charities & Not-For-Profits Commission

Eight (8) of the sixteen (16) trusts are registered with, and reportable to, the Australian Charities and Not-For-Profits Commission as charitable trusts under the Australian Charities and Not-For-Profits Commission Act 2012. These trusts, with their registered names and Australian Business Numbers are:

- a. Apex Foundation Charitable Trust (ABN 25055756519)
- b. The Trustee for Apex Underprivileged Childrens Trust (ABN 31014983452)
- c. Apex Foundation Community Fund (formerly The Trustee for Apex Necessitous Circumstances Trust) (ABN 12974150769)
- d. The Apex Foundation Association of Civilian Widows - New South Wales Trust (ABN 61301930876)
- e. Civilian Widows of Queensland Foundation Trust (ABN 67109739633)
- f. Association of Civilian Widows Trust of Western Australia (ABN 35800618346)
- g. Apex Fine Arts Scholarship Trust (ABN 24676726821)
- h. Cowled Foundation Trust (ABN 73967006390)

III. Compliance – Public and Private Ancillary Trusts

The Apex Foundation Charitable Trust (a) is a Public Ancillary Trust and it is registered with, and is reportable to, the Australian Taxation Office.

The Foundation acted as trustee for Cowled Foundation Trust which is a Private Ancillary Trust. In August 2018, a formal request was received to transfer the Cowled Foundation Trust to another trustee. This resulted in the execution of a Deed of Retirement and Appointment of Trustee, along with a transfer of funds of \$999,670 in September 2018.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 November 2020.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Foundation.

Note 2. Significant accounting policies (continued)

The following Accounting Standards and Interpretations are most relevant to the Foundation:

AASB 15 Revenue from Contracts with Customers

The Foundation has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 16 Leases

The Foundation has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption of AASB 16:

The Foundation's lease of property at Smiggin Holes has been recorded as a right-of use asset at cost amounting to \$12 with a corresponding lease liability.

AASB 1058 Income of Not-for-Profit Entities

The Foundation has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Basis of preparation

The financial statements are prepared on the basis of illustrating the values of the elements that the Foundation controls in its role as sole trustee, less the value of those elements whose ownership is vested in the trusts administered. The effect of this is the Foundation, in its own right, has no net surplus or deficit or net assets.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') as appropriate for not-for profit oriented entities, the Corporations Act 2001, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations.

Note 2. Significant accounting policies (continued)

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment.

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 Apex Foundation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

The Foundation recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Foundation is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Foundation: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Income from managed investments

Income from managed investments is received by the Foundation on behalf of the trusts for which it is sole trustee. It is recognised in the Statement of Profit and Loss and Comprehensive Income in accordance with the following parameters:

- a. Dividend revenues are recognised when they are declared.
- b. Related imputation credits are recognised when the dividend to which they are related, are declared.
- c. Interest revenue is recognised as interest accrues using the effective interest method.

Gifts in-kind received

Gifts of non-capitalised goods and services that are received by the Foundation are not recognised in the Statement of Profit and Loss and Comprehensive Income.

It is noted that AON Insurance have again donated office space for Apex Foundation's office on Level 5, AON Tower, 201 Kent Street, Sydney NSW 2000. This is valued at \$49,350 per annum.

Maintenance and improvement projects at the Underprivileged Childrens Trusts' three facilities that have been carried out in the financial year have not been recognised in the financial statements. The Foundation here notes the continuing tireless efforts of many Apexians and Apex Clubs.

Donations

When each donation is received, the trust, the purpose, and the timing of use of each donation is usually specified by the donor. If not, the Foundation makes the determination, with the Foundation's Directors resolving that the default is the Apex Foundation Charitable Trust.

Donations are defined as either being "Non-Preserved" or "Preserved". Non-preserved donations are taken to income in the period in which they are received. Preserved donations which are enforceable and contain sufficiently specific performance obligations are credited directly to the appropriate trust account. When either the specified timing of, or the specified expenditure of, each such defined donation occurs, the donation is then taken to income.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 2. Significant accounting policies (continued)

Facility hiring fees

These are the Foundation's receipts on behalf of the Apex Underprivileged Childrens Trust for the hiring of its facilities at Shoalhaven Heads NSW (the Shack), Smiggin Holes NSW (the Chalet), and at Wallaroo SA (the Copper Coast), and are taken to income in the period of the occupancy.

These receipts are not representative of commercial rates and, as such, are GST exempt. This income is deemed to cover only certain expenses. The commercial value of such income is not included in these Financial Statements.

The Chalet's facilities are quite often booked for the same times years in advance. Hiring-fees received for accommodation in the 2020/2021 year are held under current liabilities in the Foundation's Statement of Financial Position, and brought to revenue as the occupancy occurs.

Hiring-fees received for accommodation in 2021/2022 and subsequent years are held under non-current liabilities on the Foundation's Statement of Financial Position, to be brought to revenue as the occupancy occurs in those years.

Bond deposits are required to cover any damage to the premises caused by the hirer. These receipts are held in the Foundation's Statement of Financial Position as a provision under non-current liabilities. These deposits are returned to the hirer when that hirer has ceased use of the facilities.

The Apex Underprivileged Childrens Trust's facility at South Australia's "Copper Coast" primarily caters for underprivileged children and their parents and carers. Any revenue associated with this usage of the retreats is taken by The Cancer Council of South Australia, through whom the accommodation reservations are made. The Foundation does not receive this revenue.

When the facility is not occupied by persons as defined above, the facility is available for normal tourist park rental. Consequent receipts are taken to income in the period of receipt, as it is presumed to also be the period of occupancy.

All income received by the three Underprivileged Children's Trust facilities is at a heavily subsidised rate. The difference between the subsidised amounts received at the market value of the provision of the accommodation amounting to \$251,500 for the year ended 30 June 2020 (2019: \$471,750) has not been recorded in the financial statements.

Membership fees

Up to 30 June 2019, membership fees were not recognised in the Statement of Profit and Loss as income, but as a reduction in expenses in the period in which they are received. From 1 July 2019 membership fees have been allocated to Apex Foundation Community Fund.

Expenses

Initially, all expenses are paid by the Foundation on behalf of the trusts for which it is sole trustee. These expenses are recognised in the Statement of Profit and Loss and Comprehensive Income in two groups:

a. Expenditure that is not specific to the operations of a specific trust or trusts, but is applicable to all trusts, is defined as being "distributed" to all trusts. This distribution is on a pro-rata based on the ratio that each trust's equity (excluding the written down value of property, improvements and equipment) bears to the total of the equity of all trusts (excluding the written down value of property, improvements, and equipment).

b. Expenditure that is specific to a particular trust or trusts, is defined as being "allocated" to that trust or trusts.

Income tax

As the Foundation is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Foundation's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 2. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the Foundation's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Foundation has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are 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.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Note 2. Significant accounting policies (continued)

Property, plant and equipment

I. General

The Foundation carries each class of property, plant and equipment at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

In periods where the freehold land and buildings are not subject to an independent valuation, director's valuations are conducted to ensure the carrying amount for the land and buildings is not materially different to the fair value.

II. Freehold Property – The Shack at Shoalhaven Heads NSW

On behalf of the Apex Underprivileged Childrens Trust, the Foundation carries freehold land and buildings of the Shack at Shoalhaven Heads. These land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent accumulated depreciation for buildings.

The Foundation's directors commissioned a valuation by an independent licensed valuer in September 2016. This resulted in a valuation of \$1,600,000. An entry to revalue the Shack property was accordingly put through in September 2016.

III. Leasehold Property – The Chalet at Smiggin Holes NSW

On behalf of the Apex Underprivileged Childrens Trust, the Foundation's Chalet facility at Smiggin Holes was held under a lease from the NSW government through their Office of Environment and Heritage. The renewal of this lease had been the subject of protracted negotiations. In February 29th 2016, in cognizance of the fact that the Apex Underprivileged Childrens Trust did not hold a formal lease for the Chalet, the Directors confirmed the carrying of the Chalet in the Foundation's statement of financial position at a written down value of one dollar. During the year the Foundation secured a 15 year lease ending on 30 September 2034 on this property. This lease has been accounted for under AASB 16 at cost.

IV. Leasehold Property – The Copper Coast Retreats in Wallaroo SA

The Apex Underprivileged Childrens Trust's Copper Coast Retreat facility consists of four retreats in the North Beach Tourist Park in Wallaroo South Australia. This tourist park is owned by, and managed under the auspices of, the District Council of the Copper Coast in Kadina South Australia. Each of the four retreats is leased from the Council for five years from June 30th 2018. The facility is carried in the Foundation's statement of financial position at the purchase or construction cost less accumulated depreciation.

V. Improvements to Properties

The treatment of improvements to the properties of the Apex Underprivileged Childrens Trust in the Foundation's accounts are considered on a case-by-case basis. This is due to:

- a) The normal contribution of free labour by Apex Clubs and Apexians to the improvement project.
- b) The question as to whether the improvement project increases the value of the property, or whether the project is deemed to be maintenance.

Where it is resolved to carry an improvement in the Foundation's statement of financial position, it is measured on the cost basis less accumulated depreciation and any accumulated impairment losses.

Where it is resolved to not carry the improvement in the Foundations' statement of financial position, any costs associated with the improvement are expensed in the Foundation's statement of profit and loss.

In the event that the carrying amount of improvements to properties is greater than its estimated recoverable amount, the carrying amount is written down immediately to that estimated recoverable amount, and impairment losses are recognised either in profit or loss as depreciation or as an asset adjustment or as a devaluation if the impairment losses relate to a revalued asset. A formal assessment of recoverable amounts is made when impairment indicators are present.

Note 2. Significant accounting policies (continued)

VI. Plant and Equipment

Plant and equipment items are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. Plant and equipment items that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired (see Income: Gifts in Kind).

In the event that the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss as depreciation or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amounts is made when impairment indicators are present.

VII. Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Buildings - Shack	40 years
Buildings - Copper Coast	32 years
Improvements - Copper Coast	10 years
Equipment - Shack	5 - 10 years
Equipment - Copper Coast	3 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

VIII. Impairment of Properties, Improvements, or Equipment

At the end of each reporting period, the Foundation assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard. Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Foundation expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Note 2. Significant accounting policies (continued)

The Foundation has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Foundation's incremental borrowing rate.

Employee benefits

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred. The Superannuation Guarantee Levy expense in the 2019/20 year was \$2,712 and in the 2018/2019 year was \$8,262.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 2. Significant accounting policies (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Foundation based on known information. This consideration extends to the nature of the products and services offered, customers, suppliers, staffing and geographic regions in which the Foundation operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Foundation unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Fair value measurement hierarchy

The Foundation is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The Foundation determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Impairment of property, plant and equipment

The Foundation assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Foundation and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

The freehold land and buildings (known as The Shack) were independently valued in September 2016 by Walsh and Monaghan. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the demand for land and buildings in the area and sales data for similar properties.

Note 4. Current assets - cash and cash equivalents

	2020 \$	2019 \$
Operational cash with Westpac	133,106	74,222
Interest bearing cash with investment manager	311,841	349,339
	<u>444,947</u>	<u>423,561</u>

Note 5. Current assets - trade and other receivables

	2020 \$	2019 \$
Other receivables	5,820	-
Imputation credits receivable	97,789	53,388
GST refunds receivable/(payable)	(2,148)	3,340
Unsettled transactions due from investment manager	-	56,780
	<u>101,461</u>	<u>113,508</u>

Note 6. Current assets - financial assets at fair value through profit or loss

	2020 \$	2019 \$
ASX listed securities	4,548,873	4,602,102
Fixed interest income securities	1,833,573	2,390,780
	<u>6,382,446</u>	<u>6,992,882</u>

Note 7. Current assets - Other current assets

	2020 \$	2019 \$
Accrued revenue	-	18,243
Prepayments	6,061	5,857
	<u>6,061</u>	<u>24,100</u>

Note 8. Non-current assets - property, plant and equipment

	2020 \$	2019 \$
Land - at valuation -Shack	750,000	750,000
Building at cost - Chalet	149,000	149,000
Less: Accumulated depreciation	(148,999)	(148,999)
	<u>1</u>	<u>1</u>
Building at valuation - Shack	850,000	850,000
Less: Accumulated depreciation	(80,101)	(58,854)
	<u>769,899</u>	<u>791,146</u>
Buildings & improvements at cost - Copper Coast	432,224	432,224
Less: Accumulated depreciation	(61,047)	(47,786)
	<u>371,177</u>	<u>384,438</u>
Improvements at cost - Chalet	312,673	312,673
Less: Accumulated depreciation	(312,670)	(312,670)
	<u>3</u>	<u>3</u>
Office equipment - at cost	166,561	160,562
Less: Accumulated depreciation	(156,352)	(147,255)
	<u>10,209</u>	<u>13,307</u>
	<u><u>1,901,289</u></u>	<u><u>1,938,895</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land Shack \$	Buildings Shack \$	Buildings Chalet \$	Bldg and Impr. Copper Coast \$	Impr. Chalet \$	Equipment \$	Total \$
Balance at 1 July 2019	750,000	791,146	1	384,438	3	13,307	1,938,895
Additions	-	-	-	-	-	6,000	6,000
Depreciation expense	-	(21,247)	-	(13,261)	-	(9,098)	(43,606)
Balance at 30 June 2020	<u>750,000</u>	<u>769,899</u>	<u>1</u>	<u>371,177</u>	<u>3</u>	<u>10,209</u>	<u>1,901,289</u>

Note 9. Non-current assets - right-of-use assets

	2020 \$	2019 \$
Smiggin Holes land and buildings - right-of-use	<u>12</u>	<u>-</u>

The right-of-use asset represents the lease of Smiggin Holes property (Chalet) recorded at cost. During the year the lease of this property was renewed for 15 years ending 30 September 2034 for an annual lease payment of \$1. Under this lease the property can only be used as a lodge providing charitable respite accommodation to underprivileged, disadvantaged, chronically ill people with disabilities and their families/carers.

Note 10. Current liabilities - trade and other payables

	2020 \$	2019 \$
Accrued expenses	17,018	26,162
Other payables	1,203	-
	<u>18,221</u>	<u>26,162</u>
Total trade payables of trusts the responsibility of which is vested in trusts for which the Foundation is sole trustee		

Note 11. Current liabilities - lease liabilities

	2020 \$	2019 \$
Lease liability	1	-
Lease liability of trusts the responsibility of which is vested in trusts for which the Foundation is sole trustee	1	-
	<u>1</u>	<u>-</u>

Note 12. Non-current liabilities - payables

	2020 \$	2019 \$
Chalet hiring fees received in advance	-	6,600
Chalet refundable bond deposit	-	13,250
	<u>-</u>	<u>19,850</u>
Total non-current payables of trusts the responsibility of which is vested in trusts for which the Foundation is sole trustee		

Note 13. Non-current liabilities - lease liabilities

	2020 \$	2019 \$
Lease liability	11	-
Lease liability of trusts the responsibility of which is vested in trusts for which the Foundation is sole trustee	11	-
	<u>11</u>	<u>-</u>

Note 14. Trust funds - ACNC registered charitable trusts

	2020 \$	2019 \$
The Apex Foundation Association of Civilian Widows – New South Wales Trust	376,049	401,736
Apex Foundation Community Fund (Formerly The Trustee for Apex Necessitous Circumstances Trust)	371,179	418,070
Apex Fine Arts Scholarship Trust	35,110	37,367
Civilian Widows of Queensland Foundation Trust	845,148	951,183
Association of Civilian Widows Trust of Western Australia	1,416,221	1,529,969
Apex Foundation Charitable Trust	1,461,423	1,590,207
The Trustee for Apex Underprivileged Childrens Trust	3,016,394	2,969,702
	<u>7,521,524</u>	<u>7,898,234</u>

Note 14. Trust funds - ACNC registered charitable trusts (continued)

	Balance at 1 July 2018	Income from managed investments	Donations, direct trust income and deposits	Direct trust income	Direct trust expenses	Trust managem ent charge	Grants made and other withdrawals	Balance at 30 June 2019
Charitable Trust Underprivileged Childrens Trust	1,555,549	131,151	5,630	50,023	(126)	(29,818)	(122,202)	1,590,207
Apex Foundation Community Fund	2,866,245	104,974	116,401	168,427	(147,607)	(56,486)	(82,252)	2,969,702
Civilian Widows-NSW	415,133	35,335	40	-	-	(8,045)	(24,393)	418,070
Civilian Widows-QLD	391,068	33,266	-	-	-	(7,607)	(14,991)	401,736
Civilian Widows-WA	911,932	78,655	-	-	-	(17,804)	(21,600)	951,183
Fine Arts Trust	1,479,178	127,383	-	-	-	(28,816)	(47,776)	1,529,969
Cowled Foundation	42,263	3,381	-	-	-	(777)	(7,500)	37,367
	979,384	22,011	-	-	-	(1,724)	(999,671)	-
	<u>8,640,752</u>	<u>536,156</u>	<u>122,071</u>	<u>218,450</u>	<u>(147,733)</u>	<u>(151,077)</u>	<u>(1,320,385)</u>	<u>7,898,234</u>

	Balance at 1 July 2019	Deficit allocated	Donations, direct trust income and deposits	Direct trust expenses	Grants made and other withdrawals	Balance 30 June 2020
Charitable Trust Underprivileged Childrens Trust	1,590,207	(111,355)	27,271	-	(44,700)	1,461,423
Apex Foundation Community Fund	2,969,702	(101,166)	272,127	(124,269)	-	3,016,394
Civilian Widows-NSW	418,070	(29,170)	13,329	-	(31,050)	371,179
Civilian Widows-QLD	401,736	(25,687)	-	-	-	376,049
Civilian Widows-WA	951,183	(54,877)	-	-	(51,158)	845,148
Fine Arts Trust	1,529,969	(97,429)	-	-	(16,319)	1,416,221
	37,367	(2,307)	50	-	-	35,110
	<u>7,898,234</u>	<u>(421,991)</u>	<u>312,777</u>	<u>(124,269)</u>	<u>(143,227)</u>	<u>7,521,524</u>

Note 15. Trust funds - Apex reserve and clubs trusts

	2020 \$	2019 \$
Apex Charitable Reserve	103,066	216,943
Apex Overseas Relief Reserve	46,040	49,185
Apex Mascot Reserve	816,020	929,801
Apex Western Australia Reserve	68,214	72,873
Apex Hoppers Crossing Reserve	66,576	71,123
Apex Southern Clubs Reserve	35,189	36,709
Apex Northern Clubs Reserve	161,354	172,066
	<u>1,296,459</u>	<u>1,548,700</u>

Note 15. Trust funds - Apex reserve and clubs trusts (continued)

	Balance at 1 July 2018	Income from managed funds	Direct trust income	Trust management charge	Grants made and other withdrawals	Balance at 30 June 2019
Charitable Reserve	213,068	17,758	-	(4,099)	(9,784)	216,943
Overseas Relief Reserve	46,054	4,037	-	(906)	-	49,185
Mascot Reserve	910,995	76,120	-	(17,546)	(39,768)	929,801
WA Reserve	75,539	6,289	-	(1,455)	(7,500)	72,873
Hoppers Crossing Reserve	66,584	5,846	-	(1,307)	-	71,123
Northern Clubs Reserve	125,203	12,219	34,644	-	-	172,066
Southern Clubs Reserve	33,707	3,002	-	-	-	36,709
	<u>1,471,150</u>	<u>125,271</u>	<u>34,644</u>	<u>(25,313)</u>	<u>(57,052)</u>	<u>1,548,700</u>
	Balance at 1 July 2019	Deficit allocated	Grants made and other withdrawals	Balance at 30 June 2020		
Charitable Reserve	216,943	(13,877)	(100,000)	103,066		
Overseas Relief Reserve	49,185	(3,145)	-	46,040		
Mascot Reserve	929,801	(58,781)	(55,000)	816,020		
WA Reserve	72,873	(4,659)	-	68,214		
Hoppers Crossing Reserve	71,123	(4,547)	-	66,576		
Northern Clubs Reserve	172,066	(7,246)	(3,466)	161,354		
Southern Clubs Reserve	36,709	(1,520)	-	35,189		
	<u>1,548,700</u>	<u>(93,775)</u>	<u>(158,466)</u>	<u>1,296,459</u>		

Note 16. Fair value measurement

Fair value hierarchy

The following tables detail the Apex Foundation's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2020				
<i>Assets</i>				
Listed shares and managed investments	6,382,446	-	-	6,382,446
Land and buildings	-	-	1,519,899	1,519,899
Total assets	<u>6,382,446</u>	<u>-</u>	<u>1,519,899</u>	<u>7,902,345</u>
2019				
<i>Assets</i>				
Listed shares and managed investments	6,992,882	-	-	6,992,882
Land and buildings	-	-	1,541,146	1,541,146
Total assets	<u>6,992,882</u>	<u>-</u>	<u>1,541,146</u>	<u>8,534,028</u>

There were no transfers between levels during the financial year.

Note 17. Key management personnel disclosures

Compensation

No compensation was made to directors in either the 2019/2020 or 2018/2019 years. The directors do not receive any compensation for their services as directors. No other persons are considered to be "Key Management Personnel".

Note 18. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 17.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 19. Events after the reporting period

The impact of COVID 19 has had a large effect on the income earning capacity of the Under Privileged Children's Trust. The Chalet has been closed for the whole of the 2020 snow season and will not reopen till 2021. The SHACK was closed for a number of months and has reopened at a reduce capacity in line with the New South Wales government guidelines. The Copper Coast Facility, closed as well during the first period of COVID, but has reopened in line with The South Australian government guidelines re accommodation.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Charities and Not-for-profits Commission Act 2012, the Australian Accounting Standards - Reduced Disclosure Requirements and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Apex Foundation's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Apex Foundation will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors

A handwritten signature in black ink, appearing to read "A. Wilshire".

Anthony John Wilshire
Director

A handwritten signature in black ink, appearing to read "Stephen Bigarelli".

Stephen Linneo Bigarelli
Director

10 November 2020



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Apex Foundation

ABN: 58 001 347 897

Independent Audit Report to the members of Apex Foundation

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Apex Foundation (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Apex Foundation is in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- complying with *Australian Accounting Standards – Reduced Disclosure Requirements*, the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Australian Accounting Standards – Reduced Disclosure Requirements*, *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine necessary 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.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Apex Foundation
ABN: 58 001 347 897

Independent Audit Report to the members of Apex Foundation

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located in the auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
Level 3, 845 Pacific Highway
CHATSWOOD NSW 2067

Dated this 11th day of November 2020