

Charles Darwin University Foundation
A Company Limited by Guarantee
ABN 97 059 501 165

General Purpose Financial Report
For the year ended 31 December 2018

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Charles Darwin University Foundation

A Company Limited by Guarantee

Directors' Report

The Directors of the Charles Darwin University Foundation ("the Company") submit the annual financial report for the year ended 31 December 2018.

Company name

Charles Darwin University Foundation is a public company which is limited by guarantee and licensed to omit the word "Limited" from its name.

Directors

The names and qualifications of the Directors of the Company as at the date of this report are:

Simon Maddocks	Appointed 24 March 2014 Vice-Chancellor and President of Charles Darwin University Bachelor of Agricultural Science (Hons) Doctor of Philosophy Certified Practising Agriculturalist Fellow of the Australian Institute of Company Directors
Trevor Dalton	Appointed 23 May 2007 Chair, Chinese Garden Committee Property developer, investor and development adviser Bachelor of Applied Science (Valuation) Fellow of the Australian Property Institute Vice President, Property Council of Australia Northern Territory Member Valuation Board of Review
David McHugh	Appointed 25 May 2017 Chartered Professional Engineer Fellow of the Institute of Engineers Australia Fellow of the Australian Institute of Project Management
Angelica Poulos	Appointed 4 November 2013 Chair, Greek Guardians Committee Proprietor, Nakara Electrics
Craig Sanders	Appointed 20 May 2015 Senior Executive Engineer, Jacobs Engineering Bachelor of Engineering Fellow of the Institute of Engineers Australia Certified Practising Engineer
Jason Schoolmeester	Appointed 22 May 2014 Chair, Alumni Committee Executive Director, Defence NT, Northern Australia Economic and Industry Development, Northern Territory Government Bachelor of Business Bachelor of Laws

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Directors' Report (continued)

Directors' interest

As the Company is limited by guarantee and has no share capital, no Director has an interest in the shares of the Company.

Except as referred to elsewhere in this report, no Director has an interest in a contract or proposed contract with the Company.

Principal activities

The principal activity of the Company during the year was to act as a trustee of the Charles Darwin University Foundation Trust.

Short-term and long-term objective

The Company's short-term and long-term objective is to act as Trustee of a trust to support and assist Charles Darwin University and the Council of the University to encourage and foster the interest and financial support of those persons and organisations interested in assisting and promoting the University.

Strategies

To achieve these objectives, the Company has adopted the following strategies:

- To extend invitations to those persons and organisations interested in assisting and promoting Charles Darwin University to become Members of the Foundation and through such membership to participate and enjoy more actively and effectively in supporting and assisting the Council to promote and carry out the activities of the University.
- To encourage the making of gifts and testamentary dispositions to the Foundation or generally for the benefit of the University or any of its funds or accounts or any trusts or funds established to benefit the University.
- To enlist the support including the financial support of those persons and organisations interested in assisting and promoting the University to improve the education provided by the University including the employment of teaching staff with special skills, the carrying out of research, the provision of funds for scholarships, bursaries and educational allowances, visits from distinguished scholars and others with qualifications which enable them to contribute to the education of the students and the teaching staff of the University, the acquisition of books, works of art, plant and equipment, land and buildings and the construction and maintenance of buildings and facilities.
- To raise money for the purposes aforesaid by any method that seems desirable.

Key performance measures

The Company monitors the performance of the trust through evaluation of member statistics and financial donations.

Review of operations

The Company did not operate in its own right during the year and consequently neither a profit nor a loss was recorded for the year.

The Company has no assets or liabilities and there was no change in this situation from the previous year.

Charles Darwin University Foundation
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Directors' Report (continued)

Changes in state of affairs

During the financial year there was no significant change in the state of affairs of the Company.

Subsequent events and future developments

No significant events and future developments have occurred after the balance date which are likely to significantly affect operations, results or the state of affairs in subsequent financial years.

Dividends

The Constitution prohibits the declaration of a dividend and no dividend has been paid during the financial year.

Directors' remuneration

During or since the financial year, no Director of the Company has received or become entitled to receive any benefit by reason of a contract entered into by the Company or a body corporate that was related to the Company when the contract was made or when the Director received, or became entitled to receive, the benefit with:

- A director, or
- A firm of which a director is a member, or
- An entity in which a director has a substantial financial interest, except as referred to in Note 6 to the financial statements - Related Party Disclosures.

Indemnification of officers and auditors

The Company has not, during or since the financial year indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Auditor's independence declaration

The auditor's independence declaration is included on page 7 of the financial report.

Directors' meetings

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director (while they were a Director). During the year three Directors' meetings were held.

Director	No. eligible to attend	No. attended
Deborah Fracaro (Resigned on 22 nd May 2018)	2	1
Neil Balnaves (Resigned on 12 th December 2018)	3	2
Simon Maddocks	3	3
Geoff Cussen (Resigned on 22 nd May 2018)	2	0
Trevor Dalton	3	3
David McHugh	3	3
Angelica Poulos	3	3
Craig Sanders	3	3
Jason Schoolmeester	3	2

Charles Darwin University Foundation

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Directors' Report (continued)

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Company. At 31 December 2018, the total amount that members of the Company are liable to contribute if the Company is wound up is \$4,720 (2017: \$4,720).

The financial statements have been rounded off to the nearest dollar.

Signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors.



.....
Director



.....
Director

Darwin

Date: 11 March 2019



Auditor-General

Auditor's Independence Declaration to the Directors of the Charles Darwin University Foundation

I declare that, to the best of my knowledge and belief, during the financial year ended 31 December 2018 there have been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'Julie Crisp'.

Julie Crisp
Auditor-General for the Northern Territory

Darwin

5 March 2019



Auditor-General

Independent Auditor's Report to the Directors of Charles Darwin University Foundation

Year Ended 31 December 2018

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Opinion

I have audited the accompanying Financial Report of the Charles Darwin University Foundation which comprises the statement of financial position as at 31 December 2018, the statements of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

In my opinion the Financial Report of Charles Darwin University Foundation has been prepared in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Charles Darwin University Foundation's financial position as at 31 December 2018 and of its financial performance and its cash flows for the year then ended; and
- complying with *Australian Accounting Standards* and the Corporations Regulations 2001.

Basis for Opinion

I conducted the audit in accordance with *Australian Auditing Standards*. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of my report.

I am independent of the Charles Darwin University Foundation in accordance with the *Corporations Act 2001* 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 the audit of the Financial Report in Australia. I have fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Directors of the Charles Darwin University Foundation, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

Other Information is financial and non-financial information in the Charles Darwin University Foundation's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information I obtained prior to the date of this Auditor's Report was the "*Directors' Report*" shown on page 3 of the Financial Report.

My opinion on the Financial Report does not cover the Other Information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with the audit of the Financial Report, my responsibility is to read the Other Information. In doing so, I consider whether the Other Information is materially inconsistent with the Financial Report or the knowledge obtained in the audit, or otherwise appears to be materially misstated.



Auditor-General

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I am required to report if I conclude that there is a material misstatement of this Other Information. Based upon the work I have performed on the Other Information that I obtained prior to the date of this Auditor's Report, I have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of the Charles Darwin University Foundation are responsible for the preparation of the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards*; gives a fair view in accordance with the *Corporations Act 2001*, and for such internal control as the Directors determine is necessary to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error.

In preparing the Financial Report, the Directors are responsible for assessing the ability of the Charles Darwin University Foundation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the Charles Darwin University Foundation or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Charles Darwin University Foundation's Financial Reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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 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 the Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- 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 my 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.
- 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 Charles Darwin University Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Auditor-General

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- Conclude on the appropriateness of management's 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 Charles Darwin University Foundation's ability to continue as going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report however, future events or conditions may cause the Charles Darwin University Foundation to cease to continue as a going concern.
- 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in blue ink, appearing to read 'Julie Crisp'.

Julie Crisp
Auditor-General for the Northern Territory

Darwin, Northern Territory

12 March 2019

Director's Declaration

In accordance with a resolution of the Directors of the Charles Darwin University Foundation, the Directors declare that:

1. The financial statements and notes, as set out on pages 12 to 23, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position of the Company as at 31 December 2018 and of its performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors.



.....
Director



.....
Director

Darwin

Date: 11 March 2019

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2018

	Notes	2018 \$	2017 \$
Revenue		-	-
Current year surplus before income tax		-	-
Income tax expense		-	-
Net current year surplus		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Charles Darwin University Foundation
A Company Limited by Guarantee
Statement of Financial Position

As at 31 December 2018

	Notes	2018 \$	2017 \$
Current assets			
Cash and cash equivalents		-	-
Total current assets		-	-
Total non-current assets		-	-
Total assets		-	-
Current liabilities			
Total current liabilities		-	-
Total non-current liabilities		-	-
Total liabilities		-	-
Net assets		-	-
Trust funds			
Settled funds		-	-
Total trust funds		-	-

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Charles Darwin University Foundation
A Company Limited by Guarantee
Statement of Changes in Trust Funds

For the year ended 31 December 2018

	Settled funds \$	Total \$
Balance at 1 January 2017	-	-
Surplus for the year attributable to members of the Company	-	-
Other comprehensive income for the year	-	-
Balance at 31 December 2017	-	-
Balance at 1 January 2018	-	-
Surplus for the year attributable to members of the Company	-	-
Other comprehensive income for the year	-	-
Balance at 31 December 2018	-	-

The above Statement of Changes in Trust Funds should be read in conjunction with the accompanying notes

Statement of Cash Flows

For the year ended 31 December 2018

Notes	2018 \$	2017 \$
Cash flows from operating activities		
Net cash attributable to operating activities	-	-
Cash flows from investing activities		
Net cash attributable to investing activities	-	-
Cash flows from financing activities		
Net cash attributable to financing activities	-	-
Net increase in cash and cash equivalents	-	-
Cash at the beginning of the financial year	-	-
Cash at the end of the financial year	-	-

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

Charles Darwin University Foundation
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Notes to the Financial Statements

For the year ended 31 December 2018

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Charles Darwin University Foundation
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Notes to the Financial Statements

For the year ended 31 December 2018

Note 1: General information

Charles Darwin University Foundation is a not-for-profit company limited by guarantee acting as a trustee of the Charles Darwin University Foundation Trust incorporated and operating in Australia. Charles Darwin University Foundation's registered office and principal place of business is:

Registered and principal office:

Charles Darwin University, Darwin NT 0909, Australia

Note 2: Significant Accounting Policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations and complies with other requirements of the law.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS') as applicable for not for profit entities.

The financial statements were authorised for issue by the Trustee on 31 January 2019.

Basis of preparation

The financial report has been prepared on the basis of historical cost. All amounts are presented in Australian dollars, unless otherwise indicated.

Critical accounting judgements and key sources of estimation uncertainty

In the application of Australian Accounting Standards, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

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

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Charles Darwin University Foundation
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Notes to the Financial Statements

For the year ended 31 December 2018

Note 2: Significant Accounting Policies (continued)

Adoption of new and revised Accounting Standards

In the current year the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies.

At the date of authorisation of the financial report, a number of Standards and Interpretations were issued but not yet effective.

Standard	Application date	Implications
AASB15 <i>'Revenue from Contracts with Customers'</i>	1 January 2019	There will be no material impact to the entity
AASB16 <i>'Leases'</i>	1 January 2019	There will be no material impact to the entity
AASB1058 <i>'Income for Not-for-Profit Entities'</i>	1 January 2019	There will be no material impact to the entity
AASB1059 <i>'Service Concession Arrangements: Grantors'</i>	1 January 2019	There will be no material impact to the entity

Charles Darwin University Foundation
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Notes to the Financial Statements

For the year ended 31 December 2018

Note 2: Significant Accounting Policies (continued)

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Trustee's Responsibility for Liabilities of the Trust

The Company acts as trustee for the Charles Darwin University Foundation Trust, and may incur liabilities in its capacity as trustee. Any such liabilities recorded in the Statement of Financial Position of the Trust at 31 December 2018, are included in the company's Statement of Financial Position at that date.

(b) Right of Indemnity

The Company has a continuing right of indemnity out of the assets of Charles Darwin University Foundation Trust in respect of the liabilities incurred as trustee and, to the extent that the Company has incurred any liabilities in its capacity as trustee, that right is recorded in the Statement of Financial Position of the Company. Based on the valuation of the assets in the Statement of Financial Position of the Trust at 31 December 2018, sufficient trust assets existed to fully indemnify the Company against any liabilities incurred by the Company in its capacity as trustee.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

Charles Darwin University Foundation
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Notes to the Financial Statements

For the year ended 31 December 2018

Note 3: Liabilities subject to trustee indemnity

Notes	2018 \$	2017 \$
Current assets		
<u>Cash and cash equivalents</u>		
Cash at bank	1,305,409	828,466
<u>Trade receivables and Other current financial assets</u>		
Related party receivable	4,127,007	5,104,992
<u>Other assets</u>		
Prepayment	744	1,312
Total current assets	5,433,160	5,934,770
Non-current assets		
Investment property	305,000	310,000
Financial assets	236,643	262,632
Total non-current assets	541,643	572,632
Total assets	5,974,803	6,507,402
Current liabilities		
<u>Other financial liabilities</u>		
Payables	-	6,375
Related party payable	-	8,171
Total liabilities	-	14,546
Net assets	5,974,803	6,492,856
Trust funds		
Investment revaluation reserve	142,169	168,158
Settled funds	100	100
Retained surplus	5,832,534	6,324,598
Total trust funds	5,974,803	6,492,856

Charles Darwin University Foundation
A Company Limited by Guarantee
Notes to the Financial Statements

For the year ended 31 December 2018

Note 4: Liability of members

The Company is limited by guarantee and the liability of each member is limited to an amount of \$20. At 31 December 2018 the number of active members was 236 (2017 - 236).

Note 5: Contingent liabilities

No claim has been made or threatened against the Company by any party regarding alleged breach of Trust or other obligations of the Company as trustee of the Trust and there are no known circumstances likely to give rise to any such claim.

Note 6: Related party disclosures

The following related party relationships existed during the financial year:

The Company acts as trustee of the Charles Darwin University Foundation Trust which was established with approval from the Charles Darwin University Council as the fundraising arm of Charles Darwin University by encouraging donations and contributions for use in the promotion, advancement and development of Charles Darwin University. During the year, all administrative expenses incurred by the Trust were paid on its behalf by Charles Darwin University.

The ultimate controlling entity of the Company is considered to be Charles Darwin University.

Details of Key Management Personnel

The Directors and other members of key management personnel of the Company during the year were:

Non-Executive Directors

Deborah Fracaro (Resigned on 22nd May 2018)

Neil Balnaves – Chancellor (Resigned on 12th December 2018)

Simon Maddocks – Vice-Chancellor and President of Charles Darwin University

Geoff Cussen (Resigned on 22nd May 2018)

Trevor Dalton

David McHugh

Angelica Poulos

Craig Sanders

Jason Schoolmeester

Remuneration of Key Management Personnel

No member of key management personnel received compensation directly from the Company in relation to management of the affairs of the Charles Darwin University Foundation.

Transactions with Key Management Personnel

During the year the Trust received donations from various Directors of the Trustee Company and/or Director-related entities.

Charles Darwin University Foundation
A Company Limited by Guarantee
Notes to the Financial Statements

For the year ended 31 December 2018

Note 7: Remuneration of Auditors

Amount received, or due and receivable, by the auditors for auditing the financial report of:

	2018	2017
	\$	\$
CDU Foundation (Trustee) and CDU Foundation Trust	10,000	8,981

The above audit services are supplied by the Auditor-General for the Northern Territory. Charles Darwin University has undertaken to pay all administration costs on behalf of the Trust including the audit fees.

Note 8: Financial instruments

(a) Capital risk management

There is no capital risk exposure to the Charles Darwin University Foundation as the Company does not have any borrowings.

(b) Financial risk management objectives

Charles Darwin University Foundation acts as trustee of Charles Darwin University Foundation Trust. The Trust has appointed the board to make all of the financial decisions for the Trust. During the year, there was no distribution made from the Trust to the Trustee Company.

(c) Market risk

There is no market risk exposure to the Charles Darwin University Foundation as there is no dividend being distributed to the Trustee Company by the Charles Darwin University Foundation.

(d) Credit risk

The Charles Darwin University Foundation's exposure to credit risk is mainly restricted to receivables. The Company does not have significant exposure to receivables. The Company's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

(e) Interest rate risk management

The Charles Darwin University Foundation's exposure to interest rate risk is minimised as there are no borrowings by the Company.

(f) Liquidity risk management

Charles Darwin University Foundation acts as trustee of Charles Darwin University Foundation Trust. The Trust's liquidity risk is managed by maintaining all Charles Darwin University Foundation Trust in interest yielding deposits.

Charles Darwin University Foundation
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Notes to the Financial Statements

For the year ended 31 December 2018

Note 9: Events occurring after the balance sheet date

There are no matters or circumstances which significantly affected or may affect the operations of the Company, the results of those operations, or the state of the affairs of the Company in future financial years.