

SONY FOUNDATION AUSTRALIA LIMITED
TRUSTEE OF
SONY FOUNDATION AUSTRALIA TRUST
AND
SONY FOUNDATION CHILDREN'S
CAMP CHARITABLE TRUST

ABN 33 086 967 222

Annual Directors' (Trustees') Report and Financial Report

For the year ended 30 June 2020

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Sony Foundation Australia Limited

Directors' (Trustees') Report

For the year ended 30 June 2020

The directors of Sony Foundation Australia Limited, as "trustees" of Sony Foundation Australia Trust ("foundation") and Sony Foundation Children's Camp Charitable Trust, present the financial statements for the year ended 30 June 2020.

This financial report covers the operations of Sony Foundation Australia Trust and Sony Foundation Children's Camp Charitable Trust (the "foundations") as a consolidated entity with the Trustee.

1. Directors

The following persons held office as directors of the trustee during the financial year and up to the date of this report, unless otherwise stated, as detailed below:

J Kirby (Chairman) - completed tenure on 17 February 2020	C White - completed tenure on 17 February 2020
D Handlin	D Eales
Y Otsuki	C O'Connor - appointed to Chair on 17 February 2020
S Basil-Jones	G Fialho - appointed as Director 17 February 2020
M Fennessy	D Rosengren - appointed as Director on 21 May 2020
L Neal - completed tenure on 17 February 2020	

2. Information on Directors

Director	Qualifications and experience
J Kirby	AM, B.Ec, D.Univ, CPA. Chairman of Village Roadshow Corporation Pty. Ltd, Deputy Chairman, Village Roadshow Ltd, Chairman Victoria University Confucius Institute. Director, Asia Pacific Screen Academy, and Queensland College of Arts
D Handlin	AO, Chairman and CEO Australia & New Zealand
Y Otsuki	Managing Director, Sony Australia and New Zealand
L Neal	JP, Registered Nurse, Health Centre Manager, St Ignatius' College, Riverview
C White	LLB, Managing Director, International Quarterback
S Basil-Jones	Executive Vice President Australia, New Zealand & Northern Asia, Sony Pictures Releasing
D Eales	Chief Operating Officer, NewsCorp Australia
C O'Connor	GAICD, JP, Chief Executive Officer, Nova Entertainment
M Fennessy	AM, Chief Executive Officer, Endemol Shine Australia
G Fialho	General Manager, Sony Interactive Entertainment Australia & New Zealand
D Rosengren	MBBS, FACEM, Senior Staff Specialist Emergency Physician and Executive Director, Royal Brisbane and Women's Hospital

3. Directors' attendance at meetings

During the year there were Board meetings held.

	Number Eligible	Number Attended
J Kirby	2	2
D Handlin	3	3
Y Otsuki	3	2
L Neal	2	1
C White	2	2
S Basil-Jones	3	3
D Eales	3	2
C O'Connor	3	3
M Fennessy	3	2
G Fialho	2	2
D Rosengren	1	1

4. Principal activities

The principal activity of the Foundations are to undertake charitable fundraising activities and accept donations from businesses and the public at large. With those funds the Foundation provides a unique contribution to the development of the Australian community by supporting and assisting its youth and fostering their talents. This is an aggregated representation of both Sony Foundation Australia Trust and Sony Foundation Children's Camp Charitable Trust.

5. Future developments

The Foundations are expected to continue its fundraising activities, raising money for its charitable programs through donations from fundraising events, the public and corporate sponsors.

Directors' (Trustees') Report (continued)

For the year ended 30 June 2020

6. Place of business

The Foundations are limited by guarantee incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office: 11-19 Hargrave Street, East Sydney, NSW 2010
Principal place of business: 11-19 Hargrave Street, East Sydney, NSW 2010

7. Matters subsequent to the end of the financial year

No matters or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

- (a) the Foundations' operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Foundations' state of affairs in future financial years.

The trustees are not aware of any other matter or circumstance not otherwise dealt with in the financial statements that has significantly or may significantly affect the operations of the Foundations in subsequent financial years.

8. Changes in the state of affairs

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The outbreak and the response of the Government in dealing with the pandemic is impacting general activity levels within the community and the economy. Following the COVID-19 outbreak, the Foundation continued to deliver projects and programs to support vulnerable young Australians and also work to mitigate negative impact by developing new fundraising opportunities. There has however, been a substantial impact on the Foundation's event income stream given restrictions placed on events and large gatherings for the year ended 30 June 2020.

Subsequent to the reporting period, there has not been any significant changes with regard to charitable programs and projects, and Sony Foundation has been able to ensure that all prior funding commitments have been met. As circumstances remain unprecedented and restrictions on events and large gatherings remain a restraint on fundraising, Sony Foundation continues to pay close attention to potential implications of the pandemic and the impact on operations, which may include disruptions to future fundraising, the availability of employees and commitments to future projects.

There have been no other significant changes in the state of affairs of the Foundation during the year.

9. Review of operations

The net deficit of the Foundations for the financial year was \$831,586 (2019: net surplus of \$1,012,227) and was determined after:

	2020 \$	2019 \$
Donations from Corporate Partners and Sony Members Companies	227,624	313,154
Wharf 4 Ward	1,746,090	1,580,997
River 4 Ward	-	960,290
Brissy 4 Ward	586,798	427,475
You Can Campaign	48,974	65,005
John Eales Lunch	-	186,218
Drought relief	278,954	-
Other Fundraising income	141,392	166,026
Interest income	62,008	113,816
Volunteer services	210,075	-
Total income	3,301,915	3,812,981
Less:		
Fundraising expenses/outgoings	1,125,338	1,184,053
Outgoings to unrelated parties	24,268	71,456
Donation to Youth off the Streets	150,000	144,000
Donation to Schools for Holiday Camps	390,762	411,105
Donation to Talent Development Project	30,000	30,000
Donation to The Royal Women's Hospital Foundation VIC	121,000	94,000
Donation to The Royal Hospital for Women Foundation NSW	100,000	-
Donation to IHadCancer Online Platform	-	57,140
Donation to You Can Palliative VIC	54,000	-
Donation to Musicians Making a Difference	140,000	134,000
Donation to University of Western Australia	38,045	-
Donation to Centenary Institute of Cancer Medicine	-	5,000
Donation to Tour de Cure	150,000	170,000
Donation to Foundation for Rural and Regional Renewal	200,013	-
Donation to You Can Centre NSW	1,000,000	-
Donation to You Can Centre QLD	400,000	500,000
Other expenses	210,075	-
Total expenses	4,133,501	2,800,754
Net (Deficit)/Surplus	(831,586)	1,012,227

Sony Foundation Australia Limited

Directors' (Trustees') Report (continued)

For the year ended 30 June 2020

10. Taxation

Sony Foundation Australia Limited, as trustee of each of the foundations, has been endorsed as an income tax exempt entity under Subdivision 50-B of the Income Tax Assessment Act 1997 by the Commissioner of Taxation.

11. Dividends

As the Foundations are the charity under its constitution no dividends will ever be declared or paid.

12. Environmental regulation

The directors do not believe that the Foundation is subject to any specific environmental regulations.

13. Insurance of officers

During the financial year, a related entity, Sony Australia Limited, paid premiums to insure certain officers of the Foundations under its Association Liability Insurance policy, a blanket policy covering assets, directors and officers and employment practices for volunteers and staff.

The officers of the Foundations covered by the insurance policy are the directors and senior management team.

The liabilities insured include costs and expenses that may be incurred by defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Foundation.

14. Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

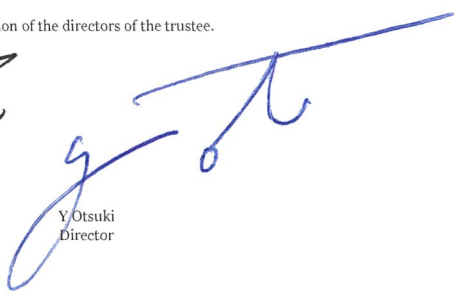
15. Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 60-40 of the *Australian Charities and Not-for-profit Commission (ACNC) Act 2012* is set out on page 6.

The report is made in accordance with a resolution of the directors of the trustee.



D Handlin
Director



Y Otsuki
Director

16 December 2020
Sydney



Auditor's Independence Declaration

As lead auditor for the audit of Sony Foundation Australia Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Sony Foundation Australia Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'Jason Hayes', with a large, stylized initial 'J'.

Jason Hayes
Partner
PricewaterhouseCoopers

Sydney
16 December 2020

PricewaterhouseCoopers, ABN 52 780 433 757

One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

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Sony Foundation Australia Limited

Statement of Comprehensive Income

For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Revenue from continuing operations	3, 8	3,301,915	3,812,981
Distribution to You Can Centres	8	(1,400,000)	(500,000)
Distribution to other charities	8	(1,373,820)	(1,045,245)
Fund raising expenses	8	(1,125,338)	(1,184,053)
Other expenses		(234,343)	(71,456)
Net (Deficit)/Surplus before income tax	8	(831,586)	1,012,227
Income tax expense		-	-
Net (Deficit)/Surplus after income tax	8	(831,586)	1,012,227
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (Loss)/Income for the year	8	(831,586)	1,012,227

The above Statement of Comprehensive Income should be read in conjunction with the accompanying commentary and notes.

Sony Foundation Australia Limited

Balance Sheet

As at 30 June 2020

	Notes	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	4	4,356,354	5,185,803
Receivables	5	357,120	598,588
Other assets		26,690	25,690
Total current assets		4,740,164	5,810,081
Total assets		4,740,164	5,810,081
Current liabilities			
Payables	6	1,406	24,639
Deferred income		79,700	149,600
Contract liabilities		52,192	-
Other current liabilities		35,927	323,967
Total current liabilities		169,225	498,206
Total liabilities		169,225	498,206
Net assets		4,570,939	5,311,875
Beneficiaries' Funds			
Retained surplus	9	4,570,939	5,311,875
Net Beneficiaries' Funds		4,570,939	5,311,875

The above Balance Sheet should be read in conjunction with the accompanying commentary and notes.

Sony Foundation Australia Limited

Statement of Changes in Equity

For the year ended 30 June 2020

	Notes	Retained surplus	Net Beneficiaries' Funds
		\$	\$
Balance at 30 June 2018	9	4,299,648	4,299,648
Surplus for the year, net of tax		1,012,227	1,012,227
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,012,227	1,012,227
Balance at 30 June 2019		5,311,875	5,311,875
Change in accounting policy		90,650	90,650
Adjusted balance at 1 July 2019		5,402,525	5,402,525
Deficit for the year, net of tax		(831,586)	(831,586)
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		(831,586)	(831,586)
Balance at 30 June 2020	9	4,570,939	4,570,939

The above Statement of Changes in Equity should be read in conjunction with the accompanying commentary and notes.

Sony Foundation Australia Limited

Cash Flow Statement

For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Cash receipts from donations, grants income and other sources (inclusive of goods and services tax where applicable)		3,626,905	3,930,430
Payments to suppliers (inclusive of goods and services tax)		(1,724,626)	(1,586,120)
Payments of donations and grants made by the Foundation (exclusive of goods and services tax)		<u>(2,798,220)</u>	<u>(2,463,345)</u>
Net cash outflow from operating activities		(895,941)	(119,035)
Cash flows from investing activities			
Interest received		<u>66,492</u>	<u>114,160</u>
Net cash inflow from investing activities		66,492	114,160
Net decrease in cash held		(829,449)	(4,875)
Cash at the beginning of the financial year		<u>5,185,803</u>	<u>5,190,678</u>
Cash at the end of the financial year	4	<u>4,356,354</u>	<u>5,185,803</u>

The above Cash Flow Statement should be read in conjunction with the accompanying commentary and notes.

Notes to the Financial Statements

For the year ended 30 June 2020

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Sony Foundation Australia Trust and Sony Foundation Children's Camp Charitable Trust as a consolidated entity with the Trustee.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profit Commission (ACNC) Act 2012*. Sony Foundation Australia Limited is a not for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of Sony Foundation Australia Limited comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(ii) New and amended standards adopted by the Foundation

The Foundation has applied the following standards and amendments for first time in their annual reporting period commencing 1 July 2019. The following standards have been identified as relevant on adoption and in future periods:

AASB 15 - Revenue from Contracts with Customers
AASB 1058 - Income of Not-for-Profit (NFP) Entities

The Foundation had to change its accounting policies and make certain retrospective adjustments following the adoption of AASB 15 and AASB 1058. This is disclosed in note 2.

AASB 16 - Leases
Amendments to Australian Accounting Standards - Annual improvements 2015-2017 cycle

All other standards and amendments to standards issued by the AASB that are mandatory for the first time in the reporting period commenced 1 July 2019 are not expected to materially affect the amounts recognised in the prior, current or future periods. The Foundation did not apply any pronouncements before their operative date in the financial year ended 30 June 2020.

(iii) New and amended standards and interpretations not yet adopted by the Foundation

There are no issued standards that are not yet effective that are expected to have a material impact on Foundation in the current or future financial years and on foreseeable future transactions.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention.

(v) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(b) Principles of consolidation

(i) Trusts

The Trusts (Sony Foundation Australia Trust and Sony Foundation Children's Camp Charitable Trust) are all entities over which the Trustee (Sony Foundation Australia Limited) has control. The Trustee controls an entity when the Trustee is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The Trusts are fully consolidated from the date on which control is transferred to the Trustee. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between the Trusts and the Trustees are eliminated. Unrealised loss are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies have been changed where necessary to ensure compliance with policies adopted by the Trusts and the Trustee.

(c) Revenue recognition

(i) Revenue

The *AASB 1058* clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with *AASB 15 Revenue from Contracts with Customers*. These standards supersede the NFP revenue recognition requirements previously under *AASB 1004 Contributions* as well as current revenue recognition guidance including *AASB 118 Revenue*, *AASB 111 Construction Contracts* and the related interpretations when they became effective. Revenue from contracts with customers is recognised using a five step approach to depict the transfer of promised goods or services to customers. It is measured at the transaction price specified in the contract. Revenue also excludes any taxes collected on behalf of third parties.

The following five steps are applied to determine revenue is recognised:

1. Identify the contract with a customer
2. Identify the separate performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the separate performance obligations in the contract
5. Recognise revenue when (or as) the Foundation satisfies its performance obligations.

Notes to the Financial Statements (continued)

For the year ended 30 June 2020

1. Summary of significant accounting policies (continued)

(c) Revenue recognition (continued)

The Foundation recognises revenue under AASB 1058 or AASB 15 as appropriate. In cases where there is an enforceable contract with a customer with sufficiently specific performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied. Performance obligations that have not been satisfied at the reporting date are recognised as deferred revenue.

Operating revenue comprises amounts received from fundraising events & activities, membership subscriptions and donations. Fundraising revenue is recognised on an accrual basis and is recognised as per below:

Events income

Events sales (such as Wharf4Ward, River4Ward, Brissy4Ward and other events alike), include ticket fees for tables and seats to be purchased for the fundraising charity lunch, where performance obligations are satisfied on the day of the event are recognised as the event occurs (point in time). Charity auction sales include the proceeds from the sale of auction items provided by airlines, hotels and media partners; performance obligations are satisfied when the right to the auction item has been transferred to the purchasing entity.

Corporate Partnership income

Annual membership subscription contracts with sponsoring businesses are recognised where sufficiently specific performance obligations are satisfied (point in time). Amounts where the performance obligation is not sufficiently specific and/or consideration is significantly less than the fair value of the asset, the revenue is recognised immediately under AASB 1058.

Donations

Donations are accounted for on a cash basis, which includes staff and public donations, as well as cash pledges at events held (point in time).

(ii) Volunteer services received

Volunteer services in the form of professional and rental services have been elected by the Foundation for revenue recognition under AASB 1058, only when the services have been provided and the amounts can be measured reliably (point in time).

(iii) Interest revenue

Interest revenue is recognised as it accrues.

(d) Income tax

The Foundation is a public benevolent institution. For the current year it has been exempted from the payment of income tax by the Australian Taxation Office. This exemption is to be reviewed annually.

(e) Receivables

All receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Impairment of receivables

The Foundation has 2 types of financial assets that are subject to AASB 9's expected credit loss model:

- trade receivables
- receivables from related parties

The Foundation was required to revise its impairment methodology under AASB 9 for each of these classes of assets.

Trade receivables:

The Foundation applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Foundation uses the incumbent process for calculating the loss allowances on trade receivables. Management believes that the incumbent approach to the loss allowance calculation is in accordance with AASB 9 and allows the recognition of the lifetime expected credit losses at every reporting date. As such there has been no change to the impairment of trade receivables due to the implementation of AASB 9.

Receivables from related parties:

Receivables from related parties at amortised cost are considered to be low risk, and therefore the impairment provision is determined as 12 months expected credit losses. Applying the expected credit risk model resulted in no material recognition of a loss allowance in the current financial period.

(f) 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. The amounts are unsecured and are paid within 30 days of recognition.

Sony Foundation Australia Limited

Notes to the Financial Statements (continued)

For the year ended 30 June 2020

(g) Cash and cash equivalents

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of change in value.

(h) Goods and Services Tax (GST)

Receivables and payables are stated inclusive of the amount of GST receivable or payable where applicable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

2. Changes in accounting policies

AASB 15 - Revenue from Contracts with Customers

AASB 15 replaces the provisions for *AASB 111 Construction Contracts*, *AASB 118 Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for the revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which the Foundation expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Foundation adopted AASB 15 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Foundation elected to apply the standard to all contracts as at 1 July 2019, which had a \$90,650 impact on The Foundation's revenue recognition policy, Note 1 (c) has been changed to reflect the terminology of AASB 15.

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

The Company 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 to 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.

Notes to the Financial Statements (continued)

For the year ended 30 June 2020

	2020	2019
	\$	\$
3. Revenue		
<i>From continuing operations:</i>		
Donations	227,624	313,154
Fundraising activities	2,753,234	3,321,006
You Can Campaign	48,974	65,005
	<u>3,029,832</u>	<u>3,699,165</u>
<i>Other revenue:</i>		
Volunteer services	210,075	-
Interest	62,008	113,816
Total revenue	<u><u>3,301,915</u></u>	<u><u>3,812,981</u></u>
4. Cash and cash equivalents assets (current)		
Cash at bank and on hand	1,253,031	1,195,765
Deposit at call	3,103,323	3,990,038
Total cash and cash equivalent	<u><u>4,356,354</u></u>	<u><u>5,185,803</u></u>
The weighted average interest rate in 2020 was 1.61% (2019: 2.60%).		
5. Receivables (current)		
Trade receivables	318,809	502,876
Related party receivables	-	95,712
GST receivable	38,311	-
Total current receivables	<u><u>357,120</u></u>	<u><u>598,588</u></u>
(a) Fair value and credit risk		
Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.		
The credit risk on each class of receivables mentioned above is the carrying amount. There is no security over receivables.		
6. Payables (current)		
Trade payables	934	24,400
Related party payables	472	239
Total current payables	<u><u>1,406</u></u>	<u><u>24,639</u></u>

Notes to the Financial Statements (continued)

For the year ended 30 June 2020

	2020 \$	2019 \$
7. Information and declarations to be furnished under the Charitable Fundraising Act 1991		
Gross proceeds from fundraising appeals:		
Wharf 4 Ward	1,746,090	1,580,997
River 4 Ward	-	960,290
Brissy 4 Ward	586,798	427,475
You Can Campaign	48,974	65,005
John Eales Lunch	-	186,218
Drought Relief	278,954	-
Other fundraising events	141,392	166,026
Total proceeds	2,802,208	3,386,011
Costs from fundraising appeals:		
Wharf 4 Ward	338,153	395,348
River 4 Ward	18,290	228,660
Brissy 4 Ward	156,266	85,647
You Can Campaign	572,375	413,673
John Eales Lunch	659	15,420
Other fundraising costs/(gain)	31,871	8,344
Total costs	1,117,614	1,147,092
Net surplus obtained from fundraising appeals	1,684,594	2,238,919
Add/(less) income/(expenses) not related to fundraising and auctions:		
Corporate Partners	152,008	227,798
Donations from Sony companies	47,016	21,229
Public donations	8,721	12,260
City2Surf donations	12,155	14,906
Interest income	62,008	113,816
Volunteer services	210,075	-
Children's Camp	(5,646)	(30,396)
Operational expenses	(18,622)	(40,910)
Other expenses	(210,075)	(150)
Total	257,640	318,553
Funds available for distribution	1,942,234	2,557,472
Funds distributed to You Can Centres	(1,400,000)	(500,000)
Funds distributed to other charities	(1,373,820)	(1,045,245)
(Deficit)/Surplus for the financial year	(831,586)	1,012,227
Comparison by monetary figures and percentages	%	%
Total cost of fundraising/gross income from fundraising	39.88%	33.88%
Net surplus from fundraising/gross income from fundraising	60.12%	66.12%
Total cost of services provided/total expenditure	32.77%	44.09%
Total cost of services provided/gross income received	41.04%	32.27%

Notes to the Financial Statements (continued)

For the year ended 30 June 2020

	2020 \$	2019 \$
8. Detailed income and expenditure for the financial year		
<i>Income:</i>		
Donations	227,624	313,154
Fundraising activities	2,802,208	3,386,011
Volunteer services	210,075	-
Interest income	62,008	113,816
Total income	3,301,915	3,812,981
<i>Expenditure:</i>		
Bank charges	2,643	2,001
Fundraising expenses/Corporate and Charity Partners	1,125,338	1,184,053
Printing & stationery	-	150
Telephone & fax	-	68
Communication/Promotional material	15,330	38,089
Children's Holidays camps	5,646	30,396
Bad debt expense	-	100
Sundry expense	649	652
Other expenses	210,075	-
Distribution to You Can Centres	1,400,000	500,000
Distribution to other charities	1,373,820	1,045,245
Total expenditure	4,133,501	2,800,754
Operating (Deficit)/Surplus	(831,586)	1,012,227
9. Beneficiaries' funds		
Total members funds at the beginning of the financial year	5,311,875	4,299,648
Change in accounting policy	90,650	-
Adjusted balance at the beginning of the financial year	5,402,525	4,299,648
Operating (Deficit)/Surplus - current year	(831,586)	1,012,227
Total beneficiaries funds at the end of the financial year	4,570,939	5,311,875
10. Key management personnel disclosures		
No key management personnel of the trustee of the Foundation received, or was due to receive, remuneration, directly or indirectly, from the Foundation in 2020 (2019: Nil).		
11. Remuneration of auditors		
The audit of the Foundation is carried out on a pro-bono basis as agreed between the parties.		
12. Related parties		
The following directors held office as a director of the Foundation during the year ended 30 June 2020.		
J Kirby (Chairman) - completed tenure on 17 February 2020	C White - completed tenure on 17 February 2020	
D Handlin	D Eales	
Y Otsuki	C O'Connor - appointed to Chair on 17 February 2020	
S Basil-Jones	G Fialho - appointed as Director 17 February 2020	
M Fennessy	D Rosengren - appointed as Director on 21 May 2020	
L Neal - completed tenure on 17 February 2020		
No remuneration was received or receivable by the directors of the Foundation as disclosed in Note 10 to the financial statements.		

Notes to the Financial Statements (continued)

For the year ended 30 June 2020

12. Related parties (continued)

a) Transactions with other related parties

The following transactions occurred with related parties:

	2020	2019
	\$	\$
<i>Revenue</i>		
Donations	15,401	19,672
Fundraising activities	1,051,347	944,270
Others	-	-
	<u>1,066,748</u>	<u>963,942</u>
<i>Expenditure</i>		
Fundraising expenses/Corporate and Charity Partners	714,713	188,127
Administrative expenses	2,480	4,267
	<u>717,193</u>	<u>192,394</u>

b) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2020	2019
	\$	\$
<i>Current receivable</i>		
Other related parties	-	95,712
<i>Current payables (Reimbursement)</i>		
Other related parties	472	239

13. Matters subsequent to the end of the financial year

Except as disclosed in note 16, no matters or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

- (a) the Foundation's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Foundation's state of affairs in future financial years.

The trustees are not aware of any other matter or circumstance not otherwise dealt with in the financial statements that has significantly or may significantly affect the operations of the Foundations in subsequent financial years.

14. Segment information

The principal activity of the Foundations are to act as a charitable institution within Australia.

15. Commitments for expenditure

	2020	2019
	\$	\$
Within one year	1,722,400	1,475,133
Later than one year but not later than five years	186,733	-
Later than five years	-	-
	<u>1,909,133</u>	<u>1,475,133</u>

The above balance comprises of contractual donation commitments as at 30 June 2020. The majority of the commitments due within one year relate to the You Can Centre in Sydney.

16. COVID-19 impact

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The outbreak and the response of the Governments in dealing with the pandemic is impacting general activity levels within the community and the economy. Following the COVID-19 outbreak, the Foundation continued to deliver projects and programs to support vulnerable young Australians and also work to mitigate negative impact by developing new fundraising opportunities. There has however, been a substantial impact on our event income stream given restrictions placed on events and large gatherings for the year ended 30 June 2020.

Subsequent to the reporting period, there has not been any significant changes with regard to charitable programs and projects, and Sony Foundation has been able to ensure that all prior funding commitments have been met. As circumstances remain unprecedented and restrictions on events and large gatherings remain a restraint on fundraising, Sony Foundation continues to pay close attention to potential implications of the pandemic and the impact on operations, which may include disruptions to future fundraising, the availability of employees and commitments to future projects.

Sony Foundation Australia Limited

Directors' (Trustees') Declaration

In the trustees' opinion:

- (a) the financial statements and notes set out on pages 7 to 17 are in accordance with the *Australian Charities and Not-for-Profit Commission (ACNC) Act 2012*, including:
 - (i) complying with Accounting Standards, the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Foundations' financial position as at 30 June 2020 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable,
- (c) the provisions of the *NSW Charitable Fundraising Act 1991* and the regulations under that Act and the conditions attached to the fundraising authority have been complied with for the year ended 30 June 2020, and
- (d) the provisions of the *WA Charitable Collections Act 1946* and the regulations under that Act and the conditions attached to the fundraising authority have been complied with for the year ended 30 June 2020.

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



D Handlin
Director



Y Otsuki
Director

16 December 2020
Sydney



Independent auditor's report

To the members of Sony Foundation Australia Limited

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of Sony Foundation Australia Limited (the Company) and its controlled entities (together the Foundations) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Foundations' financial position as at 30 June 2020 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2020
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the cash flow statement for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' (trustees') declaration.

Basis for qualified opinion

Cash from donations and other fundraising activities are a significant source of revenue for the Foundations. The directors of the Company (being also trustees of the controlled entities) have determined that it is impracticable to establish control over the collection of revenue from these sources prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from cash donations and other fundraising activities was limited, our audit procedures with respect to revenue from these sources had to be restricted to the amounts recorded in the Foundations' financial records. As a result, we are unable to express an opinion as to whether revenue from cash donations and other fundraising activities is complete.

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

PricewaterhouseCoopers, ABN 52 780 433 757

One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

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Independence

We are independent of the Foundations in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Other information

The directors of the Company (the directors), being also trustees of the controlled entities are responsible for the other information. The other information comprises the information included in the Directors' (Trustees') Report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors (trustees) for the financial report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the 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 ability of the Foundations 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 Foundations or to cease operations, or have no realistic alternative but to do so.

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 the 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 at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Report on the Requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015

We have audited the financial report of Sony Foundation Australia Limited and its controlled entities (together the Foundations) as required by Section 24(2) of the NSW Charitable Fundraising Act 1991 (NSW Act). The directors of the Company (trustees) are responsible for the preparation and presentation of the financial report in accordance with the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulations 2015 (NSW Regulations). Our responsibility is to express an opinion on the financial report based on our audit.

Auditor's Opinion

In our opinion, in all material respects:

- (a) The financial report and associated records of Sony Foundation Australia Limited have been properly kept, during the financial year ended 30 June 2020, in accordance with:
 - (i) Sections 20(1), 22(1-2) and 24(1-3) of the *NSW Charitable Fundraising Act 1991*; and
 - (ii) Sections 10 and 11 of the *NSW Charitable Fundraising Regulations 2015*.
- (b) Money received as a result of fundraising appeal activities conducted by the Foundations during the financial year ended 30 June 2020 has been properly accounted for and applied in accordance with the above mentioned NSW Act and NSW Regulations.

PricewaterhouseCoopers

Jason Hayes
Partner

Sydney
16 December 2020