Charlie Teo Foundation

ABN 57 622 041 061

Financial Report

For the Year Ended 30 June 2021

Charlie Teo Foundation

ABN 57 622 041 061

Contents

Charlie Teo Foundation

ABN 57 622 041 061

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
Income			
Donation and fundraising income	4(a)	**3,221,975**	2,202,884
Revenue from contracts with customers	4(b)	**368,441**	614,919
Interest received		**33,617**	113,931
Other income	4(c)	**136,965**	103,775
Program expenses			
Brain cancer research funding	5	**(1,754,824)**	(2,003,629)
Fundraising expenses			
Event and fundraising expenses	6	**(177,239)**	(156,147)
Administrative expenses			
Employee benefits expense		**(508,519)**	(529,634)
Rent (in-kind donation)		**(94,065)**	(94,554)
Insurance expense		**(8,992)**	(6,666)
Software and computer expenses		**(2,151)**	(6,816)
Intangibles - amortisation		**(865)**	(865)
Other operating expenses		**(5,793)**	(19,727)
Profit before income tax		**1,208,550**	217,471
Income tax expense		**-**	-
Profit for the year		**1,208,550**	217,471
Other comprehensive income			
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**1,208,550**	217,471

The accompanying notes form part of these financial statements.

Charlie Teo Foundation

ABN 57 622 041 061

Statement of Financial Position

As At 30 June 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**9,365,754**	7,676,243
Trade and other receivables	8	**49,108**	103,400
Other assets	9	**5,384**	22,210
TOTAL CURRENT ASSETS		**9,420,246**	7,801,853
NON-CURRENT ASSETS			
Intangible assets	10	**1,429**	2,294
TOTAL NON-CURRENT ASSETS		**1,429**	2,294
TOTAL ASSETS		**9,421,675**	7,804,147
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**430,484**	27,647
Employee benefits	12	**21,043**	18,474
TOTAL CURRENT LIABILITIES		**451,527**	46,121
NON-CURRENT LIABILITIES			
Employee benefits	12	**8,132**	4,560
TOTAL NON-CURRENT LIABILITIES		**8,132**	4,560
TOTAL LIABILITIES		**459,659**	50,681
NET ASSETS		**8,962,016**	7,753,466
EQUITY			
Retained earnings		**8,962,016**	7,753,466
TOTAL EQUITY		**8,962,016**	7,753,466

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Retained Earnings	Total
	$	$
Balance at 1 July 2020	**7,753,466**	**7,753,466**
Profit for the year	**1,208,550**	**1,208,550**
Other comprehensive income for the year	**-**	**-**
Total comprehensive income for the year	**1,208,550**	**1,208,550**
Balance at 30 June 2021	**8,962,016**	**8,962,016**

2020

	Retained Earnings	Total
	$	$
Balance at 1 July 2019	7,535,995	7,535,995
Profit for the year	217,471	217,471
Other comprehensive income for the year	-	-
Total comprehensive income for the year	217,471	217,471
Balance at 30 June 2020	7,753,466	7,753,466

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Donations and fundraising income		**3,619,320**	2,860,523
Payments to suppliers and employees		**(740,357)**	(927,281)
Research funding paid		**(1,396,666)**	(2,003,629)
Income from JobKeeper and Cashflow boost		**172,224**	68,516
Interest received		**34,990**	115,347
Net cash provided by/(used in) operating activities		**1,689,511**	113,476
Net increase/(decrease) in cash and cash equivalents held		**1,689,511**	113,476
Cash and cash equivalents at beginning of year		**7,676,243**	7,562,767
Cash and cash equivalents at end of financial year	7	**9,365,754**	7,676,243

The accompanying notes form part of these financial statements.

The financial report covers Charlie Teo Foundation as an individual entity. Charlie Teo Foundation is a not-for-profit company limited by guarantee, registered and domiciled in Australia.

The principal activity of the company for the year ended 30 June 2021 was the funding of brain cancer research.

The functional and presentation currency of Charlie Teo Foundation is Australian dollars.

The financial report was authorised for issue by the Directors on 2 December 2021.

Comparatives are consistent with prior years, unless otherwise stated. Balances in the financial report have been rounded to the nearest dollar.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012.*

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer.

2. Identify the performance obligations.

3. Determine the transaction price.

4. Allocate the transaction price to the performance obligations.

5. Recognise revenue when (or as) each performance obligation is satisfied.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Revenue from contracts with customers

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Sale of event and raffle tickets, auction proceeds and sponsorships

Revenue from the sale of event and raffle tickets, auction proceeds and sponsorships are recognised when the services have been provided to the customer.

Grant revenue

Grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Donations

Donations, bequests and other transactions where the contributions to acquire the asset is significantly less than fair value are recognised when the Company obtains control of the contribution or the right to receive the contribution.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

(d) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

2 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets as those measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

Trade receivables

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and has multiplied this by the amount of the expected loss arising from default.

2 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable, then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increases in credit risk, then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs. Subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade and other payables.

(e) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

2 Summary of Significant Accounting Policies

(f) Intangibles

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Leases

At inception of a contract, the Company assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2 Summary of Significant Accounting Policies

(h) Leases

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit and loss.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2021. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(k) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards.

Australian Accounting Standards - Simplified Disclosures

As a result of the application of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the company will prepare general purpose financial statements in accordance with Australian Accounting Standards - Simplified Disclosures for the year ended 30 June 2022. This will result in additional disclosures, including comparative balances.

3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The directors have not made any significant estimates and judgements that are likely to affect the future operations of the Company.

Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Donation and Fundraising, Revenue and Other Income

(a) Donation and fundraising income

	2021	2020
	$	$
- Donations from Major Donors	**623,696**	341,700
- Donations from Corporates	**1,008,001**	1,017,767
- Donations from Community	**626,677**	572,068
- Event donations	**794,812**	271,349
- Bequests	**168,789**	-
	3,221,975	2,202,884

(b) Revenue from contracts with customers

	2021	2020
	$	$
Other event income		
- Event raffle	**4,326**	39,279
- Event registrations	**147,000**	152,627
- Event sponsorships	**35,000**	33,182
- Event auction	**182,115**	189,831
	368,441	414,919
Grants		
- Grants	**-**	200,000
	368,441	614,919

(c) Other income

	2021	2020
	$	$
- JobKeeper	**104,850**	50,250
- Cashflow Boost	**32,115**	53,525
	136,965	103,775

5 Brain Cancer Research Funding

	2021	2020
	$	$
More Data		
More Data Gift to Macquarie University, Australia The Immune System Strikes Back – Targeting the Kynurenine Pathway, Tranche 2	-	75,564
More Data Grant to Garvan Institute of Medical Research, Australia Cancer Genomics - The Next Level, Tranche 1, 2 and 3	**462,500**	702,121
More Data Grant to UNSW Sydney, Australia Starving Brain Cancer, Tranche 1	**136,500**	-
More Data Grant to Duke University, U.S. Unshackling the Immune System, Tranche 1	**258,036**	-
More Data 'Alegra's Army' Grant to Newcastle University, Australia Harnessing the Power from Within to Tackle DIPG/DMG, Tranche 1 and 2	**103,661**	108,739
More Data Grant to The Jackson Laboratory, U.S. The Evolution of Childhood Brain Cancer, Tranche 1	-	401,718
Charlie Teo Foundation Brain Tumour Bank Consumables	**4,173**	9,851
Charlie Teo Foundation Brain Tumour Bank – Tempus Labs, U.S. Tumour sequencing	-	311,220
Charlie Teo Foundation Brain Tumour Bank IT	**28,900**	-
Better Tools		
Methodological Tools 'Alegra's Army' Grant to Washington University, U.S. Nasal Drug Delivery to the Brainstem for DIPG/DMG, Tranche 1	-	260,810
Clinical Tools Grant to University of Southern California, U.S. Targeting Brain Cancer's Body Clock, Tranche 1	**136,501**	-
Clinical Tools Grant to The University of Texas, MD Anderson Cancer Center, U.S. A New Drug for GBM, Tranche 1	**159,477**	-
Teo Research Rebel		
Teo Research Rebel Grant to University of Technology, Australia Space Biology to Treat Brain Cancer, Tranche 1 and 2	**66,395**	133,606
Teo Research Rebel Grant to University of Sydney, Australia. The Cancer Clock is (not) Ticking, Tranche 1	**100,000**	-
Teo Research Rebel Grant to University of South Australia, Australia. Harnessing AI to Halt Brain Cancer, Tranche 1	**100,000**	-
Teo Research Rebel Grant to Weizmann Institute of Science, Israel. Is the Gut-Brain Axis the Key to Brain Cancer? Tranche 1	**100,000**	-
Teo Research Rebel Grant to University of Lausanne, Switzerland. 'Looking Inside' Brain Tumours for a Cure, Tranche 1	**98,681**	-
	1,754,824	2,003,629

Notes to the Financial Statements

For the Year Ended 30 June 2021

6 Fundraising Expenses

	2021	2020
	$	$
Event expenses		
Event catering & venue	**85,871**	95,640
Event production	**52,649**	22,671
Event software & auction	**3,305**	13,510
Event travel	**-**	2,720
Other fundraising expenses		
Items purchased for sale	**2,773**	1,396
Fundraising and charity database software	**9,449**	6,002
Merchant fees	**23,192**	14,208
	177,239	156,147

7 Cash and Cash Equivalents

	2021	2020
	$	$
Cash at bank and in hand	**1,706,418**	2,156,835
Short-term deposits	**7,659,336**	5,519,408
	9,365,754	7,676,243

8 Trade and Other Receivables

	2021	2020
	$	$
CURRENT		
Trade receivables	**16,500**	-
GST receivable	**32,076**	66,236
Accrued income	**532**	37,164
	49,108	103,400

9 Other Assets

	2021	2020
	$	$
CURRENT		
Prepayments	**5,384**	22,210

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Intangible Assets

	2021 $	2020 $
Computer software		
Cost	**4,325**	4,325
Accumulated amortisation and impairment	**(2,896)**	(2,031)
Total Intangibles	**1,429**	2,294

Movements in carrying amounts of intangible assets

	Computer software $	Total $
Year ended 30 June 2021		
Balance at the beginning of the year	**2,294**	**2,294**
Amortisation	**(865)**	**(865)**
Closing value at 30 June 2021	**1,429**	**1,429**

11 Trade and Other Payables

	2021 $	2020 $
CURRENT		
Trade payables	**364,936**	377
Sundry payables and accrued expenses	**65,548**	27,270
	430,484	27,647

12 Employee Benefits

	2021 $	2020 $
CURRENT		
Annual leave	**21,043**	18,474

	2021 $	2020 $
NON-CURRENT		
Long service leave	**8,132**	4,560

13 Members' Guarantee

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 $10 each towards meeting any outstandings and obligations of the Company. At 30 June 2021 the number of members was 5 (2020: 5).

14 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is $ 198,538 (2020: $191,990).

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (2020: nil).

16 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of the company are considered key management personnel.

For details of remuneration disclosures relating to key management personnel - refer to Note 14: Key Management Personnel Remuneration.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no transactions with related parties during the year ended 30 June 2021.

17 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Notes to the Financial Statements

For the Year Ended 30 June 2021

18 Income and expenditure - fundraising appeals

This disclosure is made under the *Charitable Fundraising Act 1991* (NSW).

	2021 $	2020 $
Details of aggregate gross income and direct expenses of fundraising appeals		
Gross income from donations and fundraising appeals	**3,590,416**	2,817,803
Less: Total direct cost of fundraising appeals	**(177,239)**	(156,147)
Net surplus obtained from donations and fundraising appeals	**3,413,177**	2,661,656
Statement showing how funds received were applied to charitable purpose		
Funds brought forward from previous year	**7,753,466**	7,535,995
Net surplus obtained from donations and fundraising appeals	**3,413,177**	2,661,656
Other income	**170,582**	217,706
Funds available for application to charitable purpose	**11,337,225**	10,415,357
Expenses	**(620,385)**	(658,262)
Distributions paid and other program expenses	**(1,754,824)**	(2,003,629)
Funds carried forward	**8,962,016**	7,753,466

In relation to proceeds unspent at balance date, the company carries forward any amounts for expenditure in future years on projects related to the company's charitable purpose. Accordingly, amounts applied in any particular year to the charitable purpose may be greater or less than the net surplus obtained from fundraising appeals in that year.

19 Statutory Information

The registered office and principal place of business of the company is:

Charlie Teo Foundation
Level 1, 605 Botany Road
ROSEBERY NSW 2018

Charlie Teo Foundation

ABN 57 622 041 061

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 16, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and

    (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and

    (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the company.

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.

Director ....

Dated this 2nd day of December 2021

Charlie Teo Foundation

ABN 57 622 041 061

Independent Auditor's Report to the members of Charlie Teo Foundation

Opinion

We have audited the financial report of Charlie Teo Foundation (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 Charlie Teo Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance and its cash flows for the year then ended; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of 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 & 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.

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

Responsibilities of the 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 Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Independent Auditor's Report to the members of Charlie Teo 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 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

Independent Auditor's Report to the members of Charlie Teo Foundation

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kelly Partners Assurance Services

Peter Dawkins
Registered Auditor Number 4334
North Sydney

Dated this 6th day of December 2021