

The Pulteney Foundation

Financial Report

For the Year Ended 31 December 2022

The Pulteney Foundation

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For the Year Ended 31 December 2022

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The Pulteney Foundation**Statement by Trustees
For the Year Ended 31 December 2022**

The Trustees of The Pulteney Foundation ('the Foundation') have determined that the Foundation is not a reporting entity. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for profits Commission Act 2012 and associated regulations.

In the opinion of the Trustees of The Pulteney Foundation:

- (a) the attached financial statements and notes give a true and fair view of the Foundation's financial position as at 31 December 2022 and of its performance for the financial year ended on that date and comply with the Accounting Standards as described in note 2 to the financial statements; 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.

Signed in accordance with a resolution of the Trustees and subsection 60.15 of the Australian Charities and Not-For-Profits Commission Regulations 2022.

Trustee: 

Dated this 7 day of 6 2023

Trustee: 

The Pulteney Foundation

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
Revenue			
Donations			
Scholarship Fund		273,786	339,500
Building Fund		-	2,790
Other		100	3,006
Total Donations		273,886	345,296
Fundraising			
Long Lunch/Countdown Event		-	72,119
Golf Day		14,011	-
Chic & Champagne		-	2,545
Event Income		112,109	-
Merchandise Sales		18,852	-
Total Fundraising		144,972	74,664
Interest			
Scholarship Fund		55	15
Building Fund		310	85
Batten Rowing Fund		188	51
General Fund		3,775	1,526
Total Interest		4,328	1,677
Dividends & Distributions			
Morgan Stanley Managed Investments (General)		51,113	29,853
Morgan Stanley Managed Investments (Scholarship)		44,086	25,193
Total Dividends & Distributions		95,199	55,046
Total Revenue		518,385	476,683

The Pulteney Foundation

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
Expenses from Ordinary Activities			
Bank Charges		(1,510)	(1,562)
Morgan Stanley Administration & Advisory Fees (General)		(10,978)	(11,783)
Morgan Stanley Administration & Advisory Fees (Scholarship)		(12,560)	(13,735)
Auditing Fees		(1,500)	-
Scholarship Fund Grants		(103,860)	(87,251)
Postage		(905)	-
Promotional Costs		(41,273)	(4,768)
Travel & Sundry		(43)	-
Long Lunch Expenses		(19,967)	70,854
Golf Day Expenses		(5,511)	-
Event Expenses		(180,742)	-
Chic & Champagne Expenses		(544)	-
Legal Fees		(3,236)	(411)
Amelioration Bursary Expense		(19,315)	(46,629)
Donation - Pulteney Grammar School Inc		(1,000,000)	-
Annual Giving Costs		(8,111)	-
Business Directory		(682)	-
Total Expenses from Ordinary Activities		(1,410,737)	(95,285)
Net Surplus/(Deficit) from Ordinary Activities		(892,352)	381,398
Other Comprehensive Income			
Unrealised gains / (losses) on Investments		(710,171)	109,624
Realised gains on Investments		175,400	259,268
PCSA Scholarship		-	800
Total Other Comprehensive Income/(Loss) for the year		(534,771)	369,692
Total Comprehensive Income/(Loss) for the year		(1,427,123)	751,090
Surplus Allocation Statement			
Scholarship Fund		182,162	217,093
Building Fund		310	2,875
Batten Rowing Fund		188	51
General Fund		(1,075,012)	89,260
		(892,352)	309,279

The Pulteney Foundation

Statement of Financial Position
As at 31 December 2022

ASSETS

CURRENT ASSETS

	Note	2022 \$	2021 \$
Cash at Bank			
Scholarship Fund (CBA)		74,263	15,102
Scholarship Fund (Morgan Stanley)		79,263	218,089
Building Fund		85,232	84,922
Batten Rowing Fund		51,611	51,423
General Fund (CBA)		791,430	1,807,838
General Fund (Morgan Stanley)		73,822	233,515
Total Cash at Bank		<u>1,155,621</u>	<u>2,410,889</u>
Trade Debtors		24,892	1,250
GST Receivable		21,891	9,699
TOTAL CURRENT ASSETS		<u>1,202,404</u>	<u>2,421,838</u>

NON CURRENT ASSETS

Financial Assets	3	2,817,252	3,001,861
TOTAL NON CURRENT ASSETS		<u>2,817,252</u>	<u>3,001,861</u>
TOTAL ASSETS		<u>4,019,656</u>	<u>5,423,699</u>

LIABILITIES

CURRENT LIABILITIES

Trade & Other Creditors		27,191	3,005
Accruals		4,915	3,415
Other Liabilities		-	2,611
TOTAL CURRENT LIABILITIES		<u>32,106</u>	<u>9,031</u>
TOTAL LIABILITIES		<u>32,106</u>	<u>9,031</u>
NET ASSETS		<u>3,987,550</u>	<u>5,414,668</u>

MEMBERS' FUNDS

Reserves

Scholarship Fund		1,875,959	1,612,394
Building Fund		98,699	98,389
Batten Rowing Fund		51,574	51,386
General Fund		2,212,067	3,193,082
Investment Revaluation Reserve			
Scholarship Fund		(79,505)	245,725
General Fund		(171,244)	213,692
TOTAL ACCUMULATED FUNDS		<u>3,987,550</u>	<u>5,414,668</u>

The accompanying notes form part of these financial statements

The Pulteney Foundation

Statement of Changes in Equity
For the Year Ended 31 December 2022

	Reserves- Scholarship	Reserves- Building	Reserves- Batten Rowing	Reserves- General	Investment Reval Reserve- Scholarship Fund	Investment Reval Reserve- General Fund	Total
	Fund	Fund	Fund	Fund	Fund	Fund	Equity
	\$	\$			\$	\$	\$
Balance at 1 January 2021	1,274,496	95,514	51,335	2,964,560	194,228	155,565	4,735,698
Net Surplus from Ordinary Activities	217,093	2,875	51	89,260	-	-	309,279
Other comprehensive income for the year	800	-	-	-	171,502	197,389.00	369,691
Transfer of funds to/(from) reserve	120,005	-	-	139,262	(120,005)	(139,262)	-
Balance as at 31 December 2021	1,612,394	98,389	51,386	3,193,082	245,725	213,692	5,414,668

	Reserves- Scholarship	Reserves- Building	Reserves- Batten Rowing	Reserves- General	Investment Reval Reserve- Scholarship Fund	Investment Reval Reserve- General Fund	Total
	Fund	Fund	Fund	Fund	Fund	Fund	Equity
	\$	\$			\$	\$	\$
Balance at 1 January 2022	1,612,394	98,389	51,386	3,193,082	245,725	213,692	5,414,668
Net Surplus from Ordinary Activities	182,162	310	188	(1,075,012)	-	-	(892,352)
Other comprehensive income for the year	-	-	-	-	(243,827)	(290,939)	(534,766)
Transfer of funds to/(from) reserve	81,403	-	-	93,997	(81,403)	(93,997)	-
Balance as at 31 December 2022	1,875,959	98,699	51,574	2,212,067	(79,505)	(171,244)	3,987,550

The accompanying notes form part of these financial statements

The Pulteney Foundation

Statement of Cash Flows
For the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
Cashflows from Operating Activities:			
Receipts from customers		418,868	440,972
Payments to suppliers		(1,296,004)	(85,349)
Scholarship Fund grants		(103,860)	(87,251)
Interest received		4,328	1,677
Net cash provided by/(used in) operating activities	5	(976,668)	270,049
Cash flows - Investing Activities:			
Dividends and distributions from investments		71,557	314,313
Net (purchase of) proceeds from investments		(350,157)	(357,810)
Net Cash Used in Investing Activities		(278,600)	(43,497)
Net increase/(decrease) in cash and cash equivalents held		(1,255,268)	226,552
Cash and cash equivalents at beginning of year		2,410,889	2,184,337
Cash and cash equivalents at end of financial year		1,155,621	2,410,889

The accompanying notes form part of these financial statements

The Pulteney Foundation

Notes to the Financial Statements For the Year Ended 31 December 2022

1 Basis of Preparation

The Trustees of The Pulteney Foundation ('the Foundation') have determined that the Foundation is not a reporting entity because there are no users dependent on general purpose financial statements. These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and associated regulation. The trustees have determined that the accounting policies adopted are appropriate to meet the needs of the members of the Foundation.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

New or amended Accounting Standards and Interpretations adopted, not yet mandatory or early adopted

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Foundation for the annual reporting period ended 31 December 2022. The Foundation has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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

Current and non-current classification

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

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

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

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(c) Financial Instruments

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

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

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 Foundation classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

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

The Pulteney Foundation

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Summary of Significant Accounting Policies continued

(c) Financial Instruments continued

Financial assets continued

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 Foundation'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.

Fair value through other comprehensive income

Equity instruments

Investments originally classified as available for sale investments have now been reclassified as equity instruments at fair value through other comprehensive income.

The Foundation has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Foundation has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (investment revaluation reserve). On disposal, any balance in the investment revaluation reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Impairment of financial assets

At the end of the reporting period the Foundation assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

An investment (or a group of investments) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss" event having occurred, which has an impact on the estimated future cash flows of the investment(s).

In the case of investments carried at cost, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately.

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

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

The Foundation uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Foundation uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Foundation in full, without recourse to the Foundation to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

The Pulteney Foundation

Notes to the Financial Statements
For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies continued

(c) Financial Instruments continued

Financial assets continued

Trade receivables

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

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 Foundation 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.

(d) Revenue and other income

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Fundraising, donations and bequests are recognised when the Foundation obtains control over the funds, which is generally at the time of receipt.

Dividends and distributions is recognised when the Foundation's right to receive payment is established.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(f) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

The Pulteney Foundation

Notes to the Financial Statements
For the Year Ended 31 December 2022

3 Financial Assets

	2022	2021
	\$	\$
NON-CURRENT		
Shares at Market Value - Morgan Stanley	2,817,252	3,001,861
	<u>2,817,252</u>	<u>3,001,861</u>

4 Reserves

(a) Investment revaluation reserve - Scholarship Fund

The investment revaluation reserve - scholarship fund records the changes in fair value of investments classified as equity instruments at fair value through other comprehensive income purchased from funds raised specifically for scholarship purposes. Amounts are reclassified to retained earnings on disposal of the investment or when an impairment arises.

(b) Investment revaluation reserve - General Fund

The investment revaluation reserve - general fund records the changes in fair value of investments classified as equity instruments at fair value through other comprehensive income purchased from funds contributed from the Pulteney Old Scholars Foundation, general bequests and earnings from fundraising activities. Amounts are reclassified to retained earnings on disposal of the investment or when an impairment arises.

5 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	2022	2021
	\$	\$
Surplus /(Deficit) for the year	(892,352)	309,279
Cash flows classified as investing activities:		
Dividends and distributions	(95,199)	(55,046)
POSA Scholarship	-	800
Decrease/ (increase) in trade and other receivables	(12,192)	(4,721)
Decrease/ (increase) in trade and other assets	-	20,182
(Decrease) /increase in trade and other payables	23,075	(445)
Net cash provided by/(used in) operating activities	<u>(976,668)</u>	<u>270,049</u>