

The Pulteney Foundation

Financial Report

For the Year Ended 31 December 2016

The Pulteney Foundation

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For the Year Ended 31 December 2016

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The Pulteney Foundation

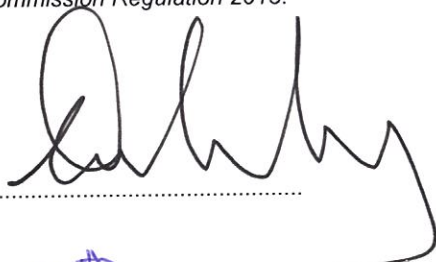
Statement by Trustees

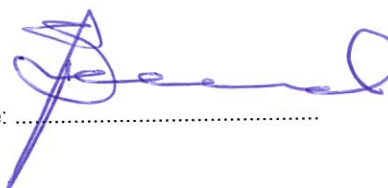
The Trustees of The Pulteney Foundation have determined that The Pulteney Foundation is not a reporting entity. The Trustees have determined that this special purpose financial report should be prepared in accordance with the requirements of the trust deed of The Pulteney Foundation and with section 60.40 of the *Australian Charities and Not-For-Profits Commission Regulation 2013*.

In the opinion of the Trustees of The Pulteney Foundation:

- (a) the accompanying Statement of Profit or Loss and other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes attached thereto, are drawn up so as to present fairly the results of the Foundation for the year ended 31 December 2016 and the financial position of the Foundation as at 31 December 2016 in accordance with the accounting policies stated in Note 2 to the financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Foundation is able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Trustees and subsection 60.15 of the *Australian Charities and Not-For-Profits Commission Regulation 2013*.

Trustee: 

Trustee: 

Dated this 24th day of May 2017

The Pulteney Foundation

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2016

	2016 \$	2015 \$
Donations		
Scholarship Fund	9,180	11,955
Building Fund	32,690	46,634
Batten Rowing Fund	-	536
Speech Night Prizes	-	380
Total Donations	41,870	59,505
Bequests		
Scholarship Fund	210,000	-
Building Fund	-	2,000
Total Bequests	210,000	2,000
Fundraising		
Long Lunch	97,868	73,107
Business Breakfast	935	-
Golf Day	8,612	9,257
Fee Lottery	(493)	2,151
Business Directory	(4,873)	(244)
Whiskey Night	-	1,595
Sponsorship Income	-	9,091
Total Fundraising	102,049	94,957
Interest		
Scholarship Fund	1,012	5,914
Building Fund	2,070	1,931
Batten Rowing Fund	589	921
General Fund	1,594	8,682
Total Interest	5,265	17,448
Dividends & Distributions		
Perpetual Managed Investments (General)	39,544	44,138
Perpetual Managed Investments (Scholarship)	33,328	20,322
Total Dividends & Distributions	72,872	64,460
Realised (Loss) on Disposal of Investments		
Perpetual Managed Investments (General)	(10,672)	(27,728)
Perpetual Managed Investments (Scholarship)	(9,047)	(20,723)
Total Realised (Loss) on Disposal of Investments	(19,719)	(48,451)
Total Revenue from Ordinary Activities	412,337	189,919

The accompanying notes form part of these financial statements.

The Pulteney Foundation

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2016

	2016	2015
	\$	\$
Expenses from Ordinary Activities		
Bank charges	(1,144)	(1,097)
Perpetual Administration & Advisory Fees (General)	(10,537)	(11,133)
Perpetual Administration & Advisory Fees (Scholarship)	(9,135)	(5,060)
Auditing Fees	(2,590)	(1,300)
Entertainment	(576)	(1,235)
Annual Giving Expenses	(5,427)	(6,131)
Scholarship Fund Grants	(113,365)	(72,235)
Speech Night Prizes	-	(250)
Total Expenses from Ordinary Activities	(142,774)	(98,441)
Net Surplus from Ordinary Activities	269,563	91,478
Other Comprehensive Income		
Unrealised Gains on Investments	127,544	11,564
Total Other Comprehensive Income for the Year	127,544	11,564
Total Comprehensive Income for the Year	397,107	103,042
Surplus Allocation Statement		
Scholarship Fund	122,253	(59,827)
Building Fund	34,760	50,565
Batten Rowing Fund	589	1,457
General Fund / Foundation	111,961	99,283
	269,563	91,478

The Pulteney Foundation

Statement of Financial Position

As at 31 December 2016

	2016	2015
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash at Bank		
Scholarship Fund (CBA)	-	32,385
Scholarship Fund (Perpetual)	104,609	52,210
Building Fund	232,025	180,783
Batten Rowing Fund	56,089	55,400
General Fund (CBA)	398,982	194,625
General Fund (Perpetual)	146,571	54,097
Total Cash at Bank	938,276	569,500
Trade Debtors	-	6,922
GST Receivable	142	626
Accrued income	11,155	8,551
TOTAL CURRENT ASSETS	949,573	585,599
NON-CURRENT ASSETS		
Available-for-Sale Financial Assets - Shares	729,202	702,142
Available-for-Sale Financial Assets - Managed Investments	1,254,432	1,274,874
TOTAL NON-CURRENT ASSETS	1,983,634	1,977,016
TOTAL ASSETS	2,933,207	2,562,615
LIABILITIES		
CURRENT LIABILITIES		
Trade Creditors	2,582	6,352
Accruals	1,250	23,995
TOTAL CURRENT LIABILITIES	3,832	30,347
TOTAL LIABILITIES	3,832	30,347
NET ASSETS	2,929,375	2,532,268
MEMBERS' FUNDS		
Reserves		
Scholarship Fund	1,143,764	1,021,511
Building Fund	258,065	223,305
Batten Rowing Fund	56,089	55,500
General Fund	1,332,349	1,220,388
Investment Revaluation Reserve		
Scholarship Fund	3 88,659	20,450
General Fund	3 50,449	(8,886)
TOTAL ACCUMULATED FUNDS	2,929,375	2,532,268

The accompanying notes form part of these financial statements.

The Pulteney Foundation

Statement of Changes in Equity

For the Year Ended 31 December 2016

	Reserves - Scholarship Fund \$	Reserves - Building Fund \$	Reserves - Batten Rowing Fund \$	Reserves - General Fund \$	Investment Revaluation Reserve - General Fund \$	Investment Revaluation Reserve - Scholarship Fund \$	Total \$
Balance at 1 January 2016	1,021,511	223,305	55,500	1,220,388	(8,886)	20,450	2,532,268
Surplus allocation for the year	122,253	34,760	589	111,961	-	-	269,563
Other comprehensive income for the year	-	-	-	-	59,335	68,209	127,544
Balance at 31 December 2016	1,143,764	258,065	56,089	1,332,349	50,449	88,659	2,929,375
Balance at 1 January 2015	1,081,338	172,740	54,043	1,121,105	-	-	2,429,226
Surplus allocation for the year	(59,827)	50,565	1,457	99,283	-	-	91,478
Other comprehensive income for the year	-	-	-	-	(8,886)	20,450	11,564
Balance at 31 December 2015	1,021,511	223,305	55,500	1,220,388	(8,886)	20,450	2,532,268

The accompanying notes form part of these financial statements.

The Pulteney Foundation

Statement of Cash Flows

For the Year Ended 31 December 2016

	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	360,841	156,223
Payments to suppliers	(55,440)	(24,203)
Scholarships paid to Pulteney Grammar School	(113,365)	(48,240)
Interest received	5,265	17,448
Net cash generated from operating activities	4 197,301	101,228
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends and distributions from investments	70,268	55,909
Purchase of investments	(320,859)	(1,633,005)
Proceeds from sale of investments	422,066	380,588
Net cash (used in)/ provided by investing activities	171,475	(1,196,508)
Net increase/(decrease) in cash held	368,776	(1,095,280)
Cash and cash equivalents at beginning of year	569,500	1,664,780
Cash and cash Equivalents at end of year	938,276	569,500

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Basis of Preparation

The Trustees have prepared the financial statements of the trust on the basis that the trust is a non reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the trust deed and Section 60-40 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The financial statements have been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current revaluations of non-current assets.

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.

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*.

The Foundation is specifically exempt from paying income tax under section SO- 5 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

Recognition and Measurement

Investments are recognised when the entity becomes a party to the contractual provisions to the instrument. This is equivalent to the date that the Foundation commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Investments are initially measured at cost and are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2 Summary of Significant Accounting Policies continued

(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.

3 Reserves

(a) Investment revaluation reserve - Scholarship Fund

The investment revaluation reserve - scholarship fund records the changes in fair value of available for sale investments purchased from funds raised specifically for scholarship purposes. Amounts are reclassified to profit or loss 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 available for sale investments purchased from funds contributed from the Pulteney Old Scholars Foundation, general bequests and earnings from fundraising activities. Amounts are reclassified to profit or loss on disposal of the investment or when an impairment arises.

4 Cash Flow Information

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

	2016	2015
	\$	\$
Surplus for the year	269,563	91,478
Cash flows classified as investing activities:		
Dividends and distributions	(70,268)	(55,909)
Realised losses on investments	19,719	48,451
Decrease/ (increase) in trade and other receivables	4,802	(8,116)
Increase/(decrease) in trade and other payables	(26,515)	25,324
Net cash provided from operating activities	197,301	101,228

The Pulteney Foundation

Independent auditor's report to the trustees

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of The Pulteney Foundation (the Foundation), which comprises the statement of financial position as at 31 December 2016, 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 statement by the trustees.

In our opinion the financial report of The Pulteney Foundation has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) giving a true and fair view of the Foundation's financial position as at 31 December 2016 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, 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 Foundation in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Foundation's financial reporting responsibilities under the trust deed and ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

CHARTERED ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000

GPO Box 11050
Adelaide SA 5001

Telephone: +61 8 8409 4333

williambuck.com

Responsibilities of the Trustees for the Financial Report

The trustees of the Foundation are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the trust deed and ACNC Act. The trustees' responsibility also includes such internal control as the trustees 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 trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to dissolve the Foundation or to cease operations, or has no realistic alternative but to do so.

The trustees are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

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Adelaide SA 5000

GPO Box 11050
Adelaide SA 5001

Telephone: +61 8 8409 4333
williambuck.com

- Conclude on the appropriateness of the trustees' 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 Foundation'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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees 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.



William Buck
ABN 38 280 203 274



G.W. Martinella
Partner

Adelaide, 24th May 2017

**CHARTERED ACCOUNTANTS
& ADVISORS**

Level 6, 211 Victoria Square
Adelaide SA 5000
GPO Box 11050
Adelaide SA 5001
Telephone: +61 8 8409 4333
williambuck.com

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-For-Profits Commission Act 2012 to the Trustees of The Pulteney Foundation

I declare that, to the best of my knowledge and belief during the year ended 31 December 2016 there have been:

- no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



William Buck
ABN 38 280 203 274



G.W. Martinella
Partner

Adelaide, 24th May 2017

CHARTERED ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
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GPO Box 11050
Adelaide SA 5001
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williambuck.com