

The Pulteney Foundation

Financial Report

For the Year Ended 31 December 2021

The Pulteney Foundation

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For the Year Ended 31 December 2021

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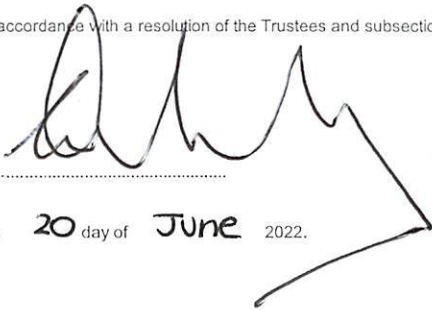
The Pulteney Foundation**Statement by Trustees****For the Year Ended 31 December 2021**


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 regulation.

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 2021 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 Regulation 2013.


Trustee:
Dated this 20 day of June 2022.


Trustee:

The Pulteney Foundation

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
Donations			
Scholarship Fund		339,500	1,144,995
Building Fund		2,790	13,090
Other		3,006	10,490
Total Donations		345,296	1,168,575
Fundraising			
Long Lunch/Countdown Event		72,119	75,775
Golf Day		-	20,158
Business Directory		-	1,727
Chic & Champagne		2,545	-
Total Fundraising		74,664	97,660
Interest			
Scholarship Fund		15	97
Building Fund		85	530
Batten Rowing Fund		51	329
General Fund		1,526	2,397
Total Interest		1,677	3,353
Dividends & Distributions			
Morgan Stanley Managed Investments (General)		29,853	30,773
Morgan Stanley Managed Investments (Scholarship)		25,193	25,773
Total Dividends & Distributions		55,046	56,546

The Pulteney Foundation

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2021

Note	2021 \$	2020 \$
Expenses from Ordinary Activities		
Bank Charges	(1,562)	(1,006)
Morgan Stanley Administration & Advisory Fees (General)	(11,783)	(7,495)
Morgan Stanley Administration & Advisory Fees (Scholarship)	(13,735)	(7,884)
Auditing Fees	-	(1,500)
Entertainment	-	(819)
Scholarship Fund Grants	(87,251)	(129,200)
Postage	-	(905)
Promotional Costs	(4,768)	(42,988)
Travel & Sundry	-	(2,862)
Long Lunch Expenses	(1,265)	-
Legal Fees	(411)	-
Amelioration Bursary Expense	(46,629)	-
Total Expenses from Ordinary Activities	(167,404)	(194,659)
Net Surplus from Ordinary Activities	309,279	1,131,475
Other Comprehensive Income		
Unrealised gains / (losses) on Investments	109,624	320,026
Realised gains on investments	259,268	64,119
POSA Scholarship	800	-
Total Other Comprehensive Income for the year	678,971	1,515,620
Total Comprehensive Income for the year		
Surplus Allocation Statement		
Scholarship Fund	217,093	33,781
Building Fund	2,875	13,620
Batten Rowing Fund	51	329
General Fund	89,260	1,083,745
	309,279	1,131,475

The Pulteney Foundation

Statement of Financial Position
As at 31 December 2021

ASSETS

CURRENT ASSETS

	Note	2021 \$	2020 \$
Cash at Bank			
Scholarship Fund (CBA)		15,102	15,087
Scholarship Fund (Morgan Stanley)		218,089	247,770
Building Fund		84,922	83,697
Batten Rowing Fund		51,423	51,372
General Fund (CBA)		1,807,838	1,511,010
General Fund (Morgan Stanley)		233,515	275,401
Total Cash at Bank		2,410,889	2,184,337
Trade Debtors		1,250	1,250
GST Receivable		9,699	4,978
Accrued Income		-	17,571
TOTAL CURRENT ASSETS		2,421,838	2,208,136

NON CURRENT ASSETS

Financial Assets	3	3,001,861	2,534,427
TOTAL NON CURRENT ASSETS		3,001,861	2,534,427
TOTAL ASSETS		5,423,699	4,742,563

LIABILITIES

CURRENT LIABILITIES

Trade & Other Creditors		3,005	2,000
Accruals		3,415	4,865
Other Liabilities		2,611	-
TOTAL CURRENT LIABILITIES		9,031	6,865
TOTAL LIABILITIES		9,031	6,865
NET ASSETS		5,414,668	4,735,698

MEMBERS' FUNDS

Reserves

Scholarship Fund		1,612,394	1,274,496
Building Fund		98,389	95,514
Batten Rowing Fund		51,386	51,335
General Fund		3,193,082	2,964,560
Investment Revaluation Reserve			
Scholarship Fund	4	245,725	194,228
General Fund	4	213,692	155,565
TOTAL ACCUMULATED FUNDS		5,414,668	4,735,698

The accompanying notes form part of these financial statements

The Pulteney Foundation

Statement of Changes in Equity
For the Year Ended 31 December 2021

	Reserves- Scholarship Fund \$	Reserves- Building Fund \$	Reserves- Batten Rowing Fund \$	Reserves- General Fund \$	Investment Reval Reserve- Scholarship Fund \$	Investment Reval Reserve- General Fund \$	Total Equity \$
Balance at 1 January 2020	1,255,837	81,894	51,006	1,801,574	37,182	56,704	3,284,197
Net Surplus from Ordinary Activities	33,781	13,620	329	1,083,745	-	-	1,131,475
Other comprehensive income for the year	-	-	-	-	141,924	178,102.00	320,026
Transfer of funds to/(from) reserve	(15,122)			79,241	15,122	(79,241)	-
Balance as at 31 December 2020	<u>1,274,496</u>	<u>95,514</u>	<u>51,335</u>	<u>2,964,560</u>	<u>194,228</u>	<u>155,565</u>	<u>4,735,698</u>

	Reserves- Scholarship Fund \$	Reserves- Building Fund \$	Reserves- Batten Rowing Fund \$	Reserves- General Fund \$	Investment Reval Reserve- Scholarship Fund \$	Investment Reval Reserve- General Fund \$	Total 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	369,691
Transfer of funds to/(from) reserve	120,005			139,262	(120,005)	(139,262)	-
Balance as at 31 December 2021	<u>1,612,394</u>	<u>98,389</u>	<u>51,386</u>	<u>3,193,082</u>	<u>245,725</u>	<u>213,692</u>	<u>5,414,668</u>

The accompanying notes form part of these financial statements

The Pulteney Foundation

Statement of Cash Flows
For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
Cashflows from Operating Activities:			
Receipts from customers		440,972	1,266,466
Payments to suppliers		(85,349)	(73,187)
Scholarship Fund grants		(87,251)	(129,200)
Interest received		1,677	3,353
Net cash provided by from operating activities	5	270,049	1,067,432
Cash flows - Investing Activities:			
Dividends and distributions from investments		314,313	61,928
Net (purchase of) proceeds from investments		(357,810)	(932,099)
Net Cash Used in Investing Activities		(43,497)	(870,171)
Net increase in cash and cash equivalents held		226,552	197,261
Cash and cash equivalents at beginning of year		2,184,337	1,987,076
Cash and cash equivalents at end of financial year		2,410,889	2,184,337

The accompanying notes form part of these financial statements

The Pulteney Foundation

Notes to the Financial Statements For the Year Ended 31 December 2021

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.

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 2021

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 2021****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 2021

3 Financial Assets

	2021	2020
	\$	\$
NON-CURRENT		
Shares at Market Value - Morgan Stanley	3,001,861	2,534,427
	<u>3,001,861</u>	<u>2,534,427</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

	2021	2020
	\$	\$
Surplus for the year	309,279	1,131,475
Cash flows classified as investing activities:		
Dividends and distributions	(55,046)	(61,928)
POSA Scholarship	800	-
Decrease/ (increase) in trade and other receivables	(4,721)	(2,511)
Decrease/ (increase) in trade and other assets	20,182	6,113
(Decrease) /increase in trade and other payables	(445)	(5,717)
Net cash provided by operating activities	<u>270,049</u>	<u>1,067,432</u>

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES
AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE TRUSTEES OF THE PULTENEY FOUNDATION INC**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants



Damien Pozza
Partner

Adelaide
South Australia

20 June 2022

Nexia Edwards Marshall

ABN 38 238 591 759

Level 3

153 Flinders Street

Adelaide SA 5000

GPO Box 2163

Adelaide SA 5001

p +61 8 8139 1111

f +61 8 8139 1100

w nexiaem.com.au

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**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE PULTENEY FOUNDATION INC**

Opinion

We have audited the financial report of The Pulteney Foundation Inc ('the Foundation'), which comprises the statement of financial position as at 31 December 2021, the statement of 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 trustees.

In our opinion, the accompanying financial report of The Pulteney Foundation, is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the Foundation's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (ii) 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 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE PULTENEY FOUNDATION INC (CONT)**

Trustees' Responsibility for the Financial Report

The trustees of the Foundation is responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The trustees is also responsible for such internal control as it determines 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 members either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.

Nexia Edwards Marshall

ABN 38 238 591 759

Level 3

153 Flinders Street

Adelaide SA 5000

GPO Box 2163

Adelaide SA 5001

p +61 8 8139 1111

f +61 8 8139 1100

w nexiaem.com.au

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**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE PULTENEY FOUNDATION INC (CONT)**

Auditor's responsibility for the audit of the financial report (cont)

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

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants



Damien Pozza
Partner

Adelaide
South Australia

20 June 2022