

The Pulteney Foundation

Financial Report

For the Year Ended 31 December 2018

The Pulteney Foundation

Contents

For the Year Ended 31 December 2018

	Page
Financial Statements	
Statement by Trustees	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Independent Audit Report	10
Auditors Independence Declaration under Section 60-40 of the Australian Charities and Not-For-Profits Commission Act 2012	13

The Pulteney Foundation

Statement by Trustees

31 December 2018

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 2018 and the financial position of the Foundation as at 31 December 2018 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 13 day of June 2019

The Pulteney Foundation

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December
2018

	2018 \$	2017 \$
Donations		
Scholarship Fund	56,060	20,615
Building Fund	41,986	25,890
Total Donations	98,046	46,505
Bequests		
Scholarship Fund	-	169,526
Total Bequests	-	169,526
Fundraising		
Long Lunch	57,356	719
Golf Day	4,511	5,294
Fee Lottery	-	(610)
Business Directory	1,017	(3,609)
Whiskey Night	871	(197)
Chic & Champagne	2,363	2,197
170th Gala Dinner	-	73,983
Sponsorship Income	-	4,545
Total Fundraising	66,118	82,322
Interest		
Scholarship Fund	2,034	1,213
Building Fund	2,291	2,908
Batten Rowing Fund	641	696
General Fund	2,612	1,187
Total Interest	7,578	6,004
Dividends & Distributions		
Perpetual Managed Investments (General)	69,476	58,843
Perpetual Managed Investments (Scholarship)	60,455	51,537
Total Dividends & Distributions	129,931	110,380
Realised Gain/(Loss) on Disposal of Investments		
Perpetual Managed Investments (General)	5,195	11,549
Perpetual Managed Investments (Scholarship)	2,227	11,334
Total Realised Gain/(Loss) on Disposal of Investments	7,422	22,883
Total Revenue from Ordinary Activities	309,095	437,620

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
2018

	2018 \$	2017 \$
Expenses from Ordinary Activities		
Bank Charges	(1,062)	-
Perpetual Administration & Advisory Fees (General)	(11,556)	(11,161)
Perpetual Administration & Advisory Fees (Scholarship)	(10,030)	(9,687)
Auditing Fees	(1,300)	(1,250)
Entertainment	(1,000)	(2,923)
Annual Giving Expenses	(7,063)	(10,162)
Scholarship Fund Grants	(143,950)	(123,266)
Legal Fees	-	(447)
Postage	(6,978)	-
Promotional Costs	(500)	-
Rowing Fund Payment	(6,900)	-
Building Fund Payment	(330,000)	-
Total Expenses from Ordinary Activities	(520,339)	(158,896)
Net Surplus from Ordinary Activities	(211,244)	278,724
Other Comprehensive Income		
Unrealised Gains on Investments	(185,478)	101,014
Total Other Comprehensive Income for the Year	(185,478)	101,014
Total Comprehensive Income for the Year	(396,722)	379,738
Surplus Allocation Statement		
Scholarship Fund	(33,203)	121,273
Building Fund	(285,723)	102,783
Batten Rowing Fund	(6,259)	696
General Fund	113,941	53,096
	(211,244)	277,848

The accompanying notes form part of these financial statements.

The Pulteney Foundation

Statement of Financial Position

31 December 2018	2018	2017
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash at Bank		
Scholarship Fund (CBA)	58,242	199,937
Scholarship Fund (Perpetual)	59,234	57,801
Building Fund	3,629	261,215
Batten Rowing Fund	50,526	56,785
General Fund (CBA)	427,534	342,854
General Fund (Perpetual)	68,453	66,557
Total Cash at Bank	667,618	985,149
Trade Debtors	250	750
GST Receivable	2,449	1,140
Accrued income	20,096	19,847
TOTAL CURRENT ASSETS	690,413	1,006,886
NON-CURRENT ASSETS		
Financial Assets - Shares	3 793,799	855,988
Financial Assets - Managed Investments	3 1,433,118	1,456,841
TOTAL NON-CURRENT ASSETS	2,226,917	2,312,829
TOTAL ASSETS	2,917,330	3,319,715
LIABILITIES		
CURRENT LIABILITIES		
Trade Creditors	2,451	10,230
Accruals	3,365	1,250
TOTAL CURRENT LIABILITIES	5,816	11,480
TOTAL LIABILITIES	5,816	11,480
NET ASSETS	2,911,514	3,308,235
MEMBERS' FUNDS		
Reserves		
Scholarship Fund	1,231,834	1,265,037
Building Fund	75,125	360,848
Batten Rowing Fund	50,526	56,785
General Fund	1,499,387	1,385,443
Investment Revaluation Reserve		
Scholarship Fund	4 42,457	142,843
General Fund	4 12,185	97,279
TOTAL ACCUMULATED FUNDS	2,911,514	3,308,235

The accompanying notes form part of these financial statements.

The Pulteney Foundation

Statement of Changes in Equity

	Reserves - Scholarship Fund	Reserves - Building Fund	Reserves - Batten Rowing Fund	Reserves - General Fund	Investment Revaluation Reserve - General Fund	Investment Revaluation Reserve - Scholarship Fund	Total
For the Year Ended 31 December 2018	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2018	1,265,037	360,848	56,785	1,385,443	97,279	142,843	3,308,235
Surplus for the year	(33,203)	(285,723)	(6,529)	113,941	-	-	(211,514)
Other comprehensive income for the year	-	-	-	-	(85,094)	(100,386)	(185,480)
Balance at 31 December 2018	1,231,834	75,125	50,256	1,499,384	12,185	42,457	2,911,241
Balance at 1 January 2017	1,143,764	258,065	56,089	1,332,349	50,449	88,659	2,929,375
Surplus for the year	121,273	102,783	696	53,095	-	-	277,847
Other comprehensive income for the year	-	-	-	-	46,830	54,184	101,014
Balance at 31 December 2017	1,265,037	360,848	56,785	1,385,443	97,279	142,843	3,308,235

The accompanying notes form part of these financial statements.

The Pulteney Foundation

Statement of Cash Flows

	2018	2017
	\$	\$
31 December 2018		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	164,664	297,603
Payments to suppliers	(46,461)	(29,410)
Scholarship Fund Grants	(143,950)	(123,713)
Building Fund Grants	(330,000)	-
Rowing Fund Grants	(6,900)	-
Interest received	7,578	6,004
Net cash generated from operating activities	5 (355,069)	150,484
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends and distributions from investments	129,682	101,688
Purchase of investments	(362,295)	(431,109)
Proceeds from sale of investments	270,150	225,810
Net cash (used in)/ provided by investing activities	37,537	(103,611)
Net increase in cash held	(317,532)	46,873
Cash and cash equivalents at beginning of year	985,149	938,276
Cash and cash equivalents at end of year	667,617	985,149

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2018

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 50-5 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 2018

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.

(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.

3 Financial Assets

	2018	2017
31 December 2018	\$	\$
NON-CURRENT		
Shares at Market Value - Perpetual	793,799	855,988
Managed Investments at Market Value - Perpetual	1,433,118	1,456,841
	<u>2,226,917</u>	<u>2,312,829</u>

4 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.

Notes to the Financial Statements

For the Year Ended 31 December 2018

5 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities 31 December 2018		2018	2017
		\$	\$
Surplus for the year		(211,244)	277,847
Cash flows classified as investing activities:			
Dividends and distributions		(129,682)	(101,688)
Realised (gains) / losses on investments		(7,422)	(22,883)
Decrease/ (increase) in trade and other receivables		(1,058)	(10,440)
Increase/(decrease) in trade and other payables		(5,664)	7,648
Net cash provided from operating activities		<u>(355,070)</u>	<u>150,484</u>