

The Pulteney Foundation

Financial Report

For the Year Ended 31 December 2019

The Pulteney Foundation

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For the Year Ended 31 December 2019

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The Pulteney Foundation

Statement by Trustees

For the Year Ended 31 December 2019

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 2019 and the financial position of the Foundation as at 31 December 2019 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

10th

day of

June

2020.

The Pulteney Foundation

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

	2019 \$	2018 \$
Donations		
Scholarship Fund	10,594	56,060
Building Fund	6,380	41,986
Total Donations	16,974	98,046
Bequests		
Total Bequests	-	-
Fundraising		
Long Lunch	109,770	57,356
Golf Day	5,425	4,511
Business Directory	155	1,017
Whiskey Night	-	871
Chic & Champagne	2,920	2,363
Total Fundraising	118,270	66,118
Interest		
Scholarship Fund	1,008	2,034
Building Fund	422	2,291
Batten Rowing Fund	480	641
General Fund	2,895	2,612
Total Interest	4,805	7,578
Dividends & Distributions		
Perpetual Investments (General)	60,741	69,476
Perpetual Investments (Scholarship)	54,660	60,455
Total Dividends & Distributions	115,401	129,931
Realised Gain/(Loss) on Disposal of Investments		
Perpetual Investments (General)	-	5,195
Perpetual Investments (Scholarship)	-	2,227
Total Realised Gain/(Loss) on Disposal of Investments	-	7,422
Total Revenue from Ordinary Activities	255,450	309,095

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 2019

	2019	2018
	\$	\$
Expenses from Ordinary Activities		
Bank Charges	(855)	(1,062)
Perpetual Administration & Advisory Fees (General)	(8,202)	(11,556)
Perpetual Administration & Advisory Fees (Scholarship)	(7,121)	(10,030)
Auditing Fees	(1,400)	(1,300)
Entertainment	-	(1,000)
Annual Giving Expenses	-	(7,063)
Scholarship Fund Grants	(135,458)	(143,950)
Postage	-	(6,978)
Promotional Costs	-	(500)
Rowing Fund Payment	-	(6,900)
Building Fund Payment	-	(330,000)
Total Expenses from Ordinary Activities	(153,036)	(520,339)
Net Surplus from Ordinary Activities	102,414	(211,244)
Other Comprehensive Income		
Unrealised gains / (losses) on Investments	39,244	(185,478)
Realised gains on investments (General)	130,361	-
Realised gains on investments (Scholarship)	100,664	-
Total Other Comprehensive Income for the Year	270,269	(185,478)
Total Comprehensive Income for the Year	372,683	(396,722)
Surplus Allocation Statement		
Scholarship Fund	(76,661)	(33,203)
Building Fund	6,769	(285,723)
Batten Rowing Fund	480	(6,259)
General Fund	171,826	113,941
	102,414	(211,244)

The accompanying notes form part of these financial statements.

The Pulteney Foundation

Statement of Financial Position

		2019	2018
		\$	\$
As at 31 December 2019			
ASSETS			
CURRENT ASSETS			
Cash at Bank			
Scholarship Fund (CBA)		14,990	58,242
Scholarship Fund (Perpetual)		663,858	59,234
Building Fund		81,927	3,629
Batten Rowing Fund		51,043	50,526
General Fund (CBA)		413,035	427,534
General Fund (Perpetual)		762,223	68,453
Total Cash at Bank		1,987,076	667,618
Trade Debtors		750	250
GST Receivable		2,967	2,449
Accrued income		23,684	20,096
TOTAL CURRENT ASSETS		2,014,477	690,413
NON-CURRENT ASSETS			
Financial Assets - Shares	3	916,475	793,799
Financial Assets - Managed Investments	3	365,827	1,433,118
TOTAL NON-CURRENT ASSETS		1,282,302	2,226,917
TOTAL ASSETS		3,296,779	2,917,330
LIABILITIES			
CURRENT LIABILITIES			
Trade Creditors		7,817	2,451
Accruals		4,765	3,365
TOTAL CURRENT LIABILITIES		12,582	5,816
TOTAL LIABILITIES		12,582	5,816
NET ASSETS		3,284,197	2,911,514
MEMBERS' FUNDS			
Reserves			
Scholarship Fund		1,255,837	1,231,834
Building Fund		81,894	75,125
Batten Rowing Fund		51,006	50,526
General Fund		1,801,574	1,499,387
Investment Revaluation Reserve			
Scholarship Fund	4	37,182	12,185
General Fund	4	56,704	42,457
TOTAL ACCUMULATED FUNDS		3,284,197	2,911,514

The accompanying notes form part of these financial statements.

The Pulteney Foundation

Statement of Changes in Equity

For the Year Ended 31 December 2019	Reserves - Scholarship Fund	Reserves - Building Fund	Reserves - Build ing Fund	Reserves - n Rowing Fund	Reserves - Batte ral Fund	Gene Reserve - p Fund	Scholarshi Reserve - p Fund	Investment Revaluation Reserve - General Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2019	1,231,834	75,125	50,526	1,499,387	12,185	42,457	2,911,514		
Surplus / (deficit) for the year	(76,661)	6,769	480	171,826	-	-	102,414		
Other comprehensive income for the year	-	-	-	-	125,661	144,608	270,269		
Transfer to retained earnings - realised gains on investments in accordance with AASB 9	100,664			130,361	(100,664)	(130,361)	-		
Balance at 31 December 2019	1,255,837	81,894	51,006	1,801,574	37,182	56,704	3,284,197		
Balance at 1 January 2018	1,265,037	360,848	56,785	1,385,446	97,279	142,843	3,308,238		
Surplus / (deficit) for the year	(33,203)	(285,723)	(6,259)	113,941	-	-	(211,244)		
Other comprehensive income for the year	-	-	-	-	(85,094)	(100,386)	(185,480)		
Balance at 31 December 2018	1,231,834	75,125	50,526	1,499,387	12,185	42,457	2,911,514		

The accompanying notes form part of these financial statements.

The Pulteney Foundation

Statement of Cash Flows

	2019	2018
	\$	\$
For the year ended 31 December 2019		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	134,744	164,664
Payments to suppliers	(11,330)	(46,461)
Scholarship Fund Grants	(135,458)	(143,950)
Building Fund Grants	-	(330,000)
Rowing Fund Grants	-	(6,900)
Interest received	4,805	7,578
Net cash generated from operating activities	5 (7,239)	(355,069)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends and distributions from investments	111,813	129,683
Purchase of investments	(72,248)	(362,295)
Proceeds from sale of investments	1,287,132	270,150
Net cash (used in)/ provided by investing activities	1,326,697	37,538
Net increase in cash held	1,319,458	(317,531)
Cash and cash equivalents at beginning of year	667,618	985,149
Cash and cash equivalents at end of year	1,987,076	667,618

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 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

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).

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

As at 1st January 2019, existing financial assets of the Foundation were assessed in terms of the requirements of AASB 9. The assessment was conducted on instruments that had not been derecognised as at 1 January 2019. In this regard the Foundation has determined that the adoption of AASB 9 has impacted the classification of financial instruments as follows:

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.

Notes to the Financial Statements

For the Year Ended 31 December 2018

2 Summary of Significant Accounting Policies continued

(c) Financial Instruments continued

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.

(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 are 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

	2019	2018
31 December 2019	\$	\$
NON-CURRENT		
Shares at Market Value - Perpetual	916,475	793,799
Managed Investments at Market Value - Perpetual	365,827	1,433,118
	<u>1,282,302</u>	<u>2,226,917</u>

Notes to the Financial Statements

For the Year Ended 31 December 2018

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 31 December 2019

	2019	2018
	\$	\$
Surplus / (deficit) for the year	333,439	(211,244)
Cash flows classified as investing activities:		
Dividends and distributions	(231,025)	(129,682)
Realised (gains) / losses on investments	(111,813)	(7,422)
Decrease/ (increase) in trade and other receivables	(4,606)	(1,058)
Increase/(decrease) in trade and other payables	6,766	(5,664)
Net cash provided from operating activities	(7,239)	(355,070)

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 2019, 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 2019 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.

ACCOUNTANTS & ADVISORS

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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.

- 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, 10th June 2020

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 2019 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, 10th June 2020

ACCOUNTANTS & ADVISORS

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