

# **The Pulteney Foundation**

## **Financial Report**

**For the Year Ended 31 December 2020**

# **The Pulteney Foundation**

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**For the Year Ended 31 December 2020**

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## The Pulteney Foundation

### Statement by Trustees

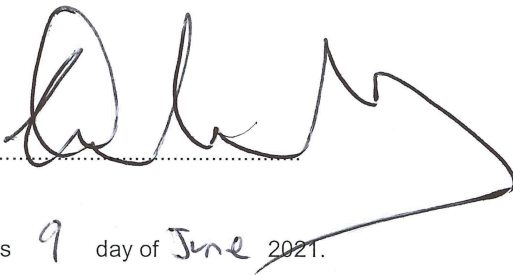
For the Year Ended 31 December 2020

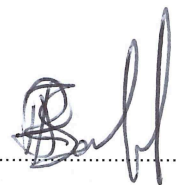
The Trustees of The Pulteney Foundation have determined that The Pulteney Foundation is not a reporting entity. The Trustees have determined that this special purpose financial report should be prepared in accordance with the requirements of the trust deed of The Pulteney Foundation and with section 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 2020 and the financial position of the Foundation as at 31 December 2020 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 9 day of June 2021.

## The Pulteney Foundation

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2020

	2020 \$	2019 \$
<b>Donations</b>		
Scholarship Fund	144,995	10,594
Building Fund	13,090	6,380
Other	1,010,490	-
<b>Total Donations</b>	<b>1,168,575</b>	<b>16,974</b>
<b>Fundraising</b>		
Long Lunch / Countdown Event	75,775	109,770
Golf Day	20,158	5,425
Business Directory	1,727	155
Chic & Champagne	-	2,920
<b>Total Fundraising</b>	<b>97,660</b>	<b>118,270</b>
<b>Interest</b>		
Scholarship Fund	97	1,008
Building Fund	530	422
Batten Rowing Fund	329	480
General Fund	2,397	2,895
<b>Total Interest</b>	<b>3,353</b>	<b>4,805</b>
<b>Dividends &amp; Distributions</b>		
Morgan Stanley Managed Investments (General)	30,773	60,741
Morgan Stanley Managed Investments (Scholarship)	25,773	54,660
<b>Total Dividends &amp; Distributions</b>	<b>56,546</b>	<b>115,401</b>

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 2020

	2020 \$	2019 \$
<b>Expenses from Ordinary Activities</b>		
Bank Charges	(1,008)	(855)
Morgan Stanley Administration & Advisory Fees (General)	(7,495)	(8,202)
Morgan Stanley Administration & Advisory Fees (Scholarship)	(7,884)	(7,121)
Auditing Fees	(1,500)	(1,400)
Entertainment	(817)	-
Scholarship Fund Grants	(129,200)	(135,458)
Postage	(905)	-
Promotional Costs	(42,988)	-
Travel & Sundry	(2,862)	-
<b>Total Expenses from Ordinary Activities</b>	<b>(194,659)</b>	<b>(153,036)</b>
<b>Net Surplus from Ordinary Activities</b>	<b>1,131,475</b>	<b>102,414</b>
<b>Other Comprehensive Income</b>		
Unrealised gains / (losses) on Investments	320,026	39,244
Realised gains on investments	64,119	231,025
<b>Total Other Comprehensive Income for the Year</b>	<b>384,145</b>	<b>270,269</b>
<b>Total Comprehensive Income for the Year</b>	<b>1,515,620</b>	<b>372,683</b>
<b>Surplus Allocation Statement</b>		
Scholarship Fund	33,781	(76,661)
Building Fund	13,620	6,769
Batten Rowing Fund	329	480
General Fund	1,083,745	171,826
	<b>1,131,475</b>	<b>102,414</b>

The accompanying notes form part of these financial statements.

# The Pulteney Foundation

## Statement of Financial Position

As at 31 December 2020

	2020	2019
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
<b>Cash at Bank</b>		
Scholarship Fund (CBA)	15,087	14,990
Scholarship Fund (Morgan Stanley)	247,770	663,858
Building Fund	83,697	81,927
Batten Rowing Fund	51,372	51,043
General Fund (CBA)	1,511,010	413,035
General Fund (Morgan Stanley)	275,401	762,223
<b>Total Cash at Bank</b>	<b>2,184,337</b>	<b>1,987,076</b>
Trade Debtors	1,250	750
GST Receivable	4,978	2,967
Accrued income	17,571	23,684
<b>TOTAL CURRENT ASSETS</b>	<b>2,208,136</b>	<b>2,014,477</b>
<b>NON-CURRENT ASSETS</b>		
Financial Assets	3 2,534,427	1,282,302
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,534,427</b>	<b>1,282,302</b>
<b>TOTAL ASSETS</b>	<b>4,742,563</b>	<b>3,296,779</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade & Other Creditors	2,000	7,817
Accruals	4,865	4,765
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,865</b>	<b>12,582</b>
<b>TOTAL LIABILITIES</b>	<b>6,865</b>	<b>12,582</b>
<b>NET ASSETS</b>	<b>4,735,698</b>	<b>3,284,197</b>
<b>MEMBERS' FUNDS</b>		
<b>Reserves</b>		
Scholarship Fund	1,274,496	1,255,837
Building Fund	95,514	81,894
Batten Rowing Fund	51,335	51,006
General Fund	2,964,560	1,801,574
<b>Investment Revaluation Reserve</b>		
Scholarship Fund	4 194,228	37,182
General Fund	4 155,565	56,704
<b>TOTAL ACCUMULATED FUNDS</b>	<b>4,735,698</b>	<b>3,284,197</b>

The accompanying notes form part of these financial statements.

## The Pulteney Foundation

### Statement of Changes in Equity

For the Year Ended 31 December 2020

	Reserves - Scholarship Fund	Reserves - Building Fund	Reserves - Batten Rowing Fund	Reserves - General Fund	Investment Revaluation Reserve - Scholarship Fund	Investment Revaluation Reserve - General Fund	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2020</b>	<b>1,255,837</b>	<b>81,894</b>	<b>51,006</b>	<b>1,801,574</b>	<b>37,182</b>	<b>56,704</b>	<b>3,284,197</b>
Surplus for the year	33,781	13,620	329	1,083,745	-	-	1,131,475
Other comprehensive income for the year	-	-	-	-	141,924	178,102	320,026
Transfers to retained earnings - realised gains in accordance with AASB 9	(15,122)	-	-	79,241	15,122	(79,241)	-
<b>Balance at 31 December 2020</b>	<b>1,274,496</b>	<b>95,514</b>	<b>51,335</b>	<b>2,964,560</b>	<b>194,228</b>	<b>155,565</b>	<b>4,735,698</b>
<b>Balance at 1 January 2019</b>	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
Transfers to retained earnings - realised gains in accordance with AASB 9	100,664	-	-	130,361	(100,664)	(130,361)	-
<b>Balance at 31 December 2019</b>	<b>1,255,837</b>	<b>81,894</b>	<b>51,006</b>	<b>1,801,574</b>	<b>37,182</b>	<b>56,704</b>	<b>3,284,197</b>

The accompanying notes form part of these financial statements.

## The Pulteney Foundation

### Statement of Cash Flows

For the Year Ended 31 December 2020

	2020	2019
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	1,266,466	134,744
Payments to suppliers	(73,187)	(11,330)
Scholarship Fund grants	(129,200)	(135,458)
Interest received	3,353	4,805
Net cash provided by / (used in) from operating activities	5 1,067,432	(7,239)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Dividends and distributions from investments	61,928	111,813
Net (purchase of) / proceeds from investments	(932,099)	1,214,884
Net cash (used in) / provided by investing activities	(870,171)	1,326,697
Net increase in cash held	197,261	1,319,458
Cash and cash equivalents at beginning of year	1,987,076	667,618
Cash and cash equivalents at end of year	2,184,337	1,987,076

The accompanying notes form part of these financial statements.



## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 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).

#### 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)

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

## 2 Summary of Significant Accounting Policies continued

### (c) Financial Instruments continued

#### Financial assets continued

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

#### *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 that 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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

## 2 Summary of Significant Accounting Policies continued

### (c) Financial Instruments continued

#### Financial assets continued

##### *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 assets has increased significant since initial recognition and when estimating ECL, the Foundation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Foundation's historical experience and informed credit assessment and including forward 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.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 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.

### 3 Financial Assets

	2020	2019
	\$	\$
NON-CURRENT		
Shares at Market Value - Morgan Stanley	2,534,427	1,282,302
	<u>2,534,427</u>	<u>1,282,302</u>

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 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

	2020	2019
	\$	\$
Surplus for the year	1,131,475	333,439
Cash flows classified as investing activities:		
Dividends and distributions	(61,928)	(231,025)
Realised (gains) on investments	-	(111,813)
Decrease/ (increase) in trade and other receivables	3,602	(4,606)
(Decrease) /increase in trade and other payables	(5,717)	6,766
Net cash provided from operating activities	<u>1,067,432</u>	<u>(7,239)</u>

## 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 2020, 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 2020 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, 9<sup>th</sup> June 2021



## **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 2020 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, 9<sup>th</sup> June 2021

### **ACCOUNTANTS & ADVISORS**

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