

# **Desmond Prentice Charitable Fund**

ABN 50 134 930 730

## **Special Purpose Annual Financial Statements**

For the year ended 30 June 2015

# Desmond Prentice Charitable Fund

ABN 50 134 930 730

## Special Purpose Annual Financial Statements

For the year ended 30 June 2015

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# Desmond Prentice Charitable Fund

ABN 50 134 930 730

Financial statements for the year ended 30 June 2015

## Statement of comprehensive income

	Note	2015 \$	2014 \$
<b>Revenue and other income</b>			
Donations received	2(e)	100,000	100,000
Investment income	2(e), 3	146,714	70,584
Other income	2(e), 4	6,182	9,594
Net gain/(loss) on disposal of available-for-sale investments	2(g)	0	18,083
<b>Total revenue and other income</b>		<b>252,896</b>	<b>198,261</b>
<b>Expenditure</b>			
Professional fees	2(f), 5	5,246	5,675
Management & administration costs	2(f)	9,892	8,739
Donations paid	2(f)	51,811	41,522
<b>Total expenditure</b>		<b>66,949</b>	<b>55,936</b>
<b>Net surplus for the year</b>		<b>185,947</b>	<b>142,325</b>
<b>Other comprehensive income</b>			
Net changes in fair value of available-for-sale financial investments		(139,305)	31,335
<b>Other comprehensive income for the year</b>		<b>(139,305)</b>	<b>31,335</b>
<b>Total comprehensive income for the year</b>		<b>46,642</b>	<b>173,660</b>
<b>Trust funds at beginning of the year</b>		<b>1,036,111</b>	<b>862,451</b>
<b>Trust funds at end of the year</b>		<b>1,082,753</b>	<b>1,036,111</b>

*The statement of comprehensive income is to be read in conjunction with the attached notes.*

# Desmond Prentice Charitable Fund

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Financial statements for the year ended 30 June 2015

## Statement of financial position

	Note	2015 \$	2014 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2(c), 6	164,750	41,427
Income receivable	2(h)	111,164	44,773
Other receivables	2(i), 8	6,172	10,823
<b>Total current assets</b>		<b>282,086</b>	<b>97,023</b>
<b>Non-current assets</b>			
Available-for-sale financial investments	2(c), 7	804,415	943,719
<b>Total non-current assets</b>		<b>804,415</b>	<b>943,719</b>
<b>Total assets</b>		<b>1,086,501</b>	<b>1,040,742</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	2(j), 9	3,648	4,531
<b>Total current liabilities</b>		<b>3,648</b>	<b>4,531</b>
<b>Total liabilities</b>		<b>3,648</b>	<b>4,531</b>
<b>Net assets</b>		<b>1,082,853</b>	<b>1,036,211</b>
<b>Funds</b>			
Settlement Sum		100	100
Trust Funds		1,082,753	1,036,111
<b>Total trust funds</b>		<b>1,082,853</b>	<b>1,036,211</b>

*The statement of financial position is to be read in conjunction with the attached notes.*

# Desmond Prentice Charitable Fund

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Financial statements for the year ended 30 June 2015

## Notes to the financial statements

### 1. Change of trustee

The Trustee of the Trust from 1 March 2015 is Perpetual Trustee Company Limited (the "Trustee"), a fully owned subsidiary of Perpetual Limited. Prior to 1 March 2015, the Trustee of the Trust was Trust Company (Australia) Limited. The Trustee's registered office is Level 12, Angel Place, 123 Pitt Street, Sydney NSW 2000.

### 2. Statement of significant accounting policies

#### (a) Basis of preparation

Statement of compliance

This special purpose financial statement has been prepared for distribution to the Trustee and to satisfy the requirements of the Trust Deed, Australian Charities and Not-for-profits Commission Act 2012 and the Private Ancillary Fund Guidelines 2009. The accounting policies used in the preparation of this report are, in the opinion of the Trustee, appropriate to meet the needs of the Trustee.

The financial statements have also been prepared on an accruals basis and are based on historical costs, except for investments, which have been measured at market values.

The requirements of Accounting Standards issued by the Australian Accounting Standards Board and other professional reporting requirements do not have mandatory applicability to the Trust in relation to the year ended 30 June 2015 because the Trustee has determined that the Trust is not a reporting entity. However, the Trustee has determined that in order for the financial statements to present fairly the Trust's results of operations and state of affairs, the requirements relating to the measurement, recognition and classification of assets, liabilities, revenue and expenses should be complied with, except as noted in these policies as a result of the requirements of the Trust Deed.

The financial report does not include the disclosure requirements of the following pronouncements having a material effect:

- > AASB 7 *Financial Instruments: Disclosures*
- > AASB 107 *Statement of Cash Flows*
- > AASB 110 *Events after the Reporting Period*
- > AASB 132 *Financial Instruments: Presentation*

As the Trust is not a reporting entity, the Trust does not comply with IFRS. The accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements were approved by the Trustee on the date of signing of the Trustees' Declaration.

Functional and presentation currency

The financial report is presented in Australian dollars, which is the functional currency of the Trust.

Use of estimates and judgement

It was concluded that judgements made by management in the application of Australian Accounting Standards did not have a significant effect on the financial report. No estimates with a significant risk of material adjustment in the next year were noted.

# Desmond Prentice Charitable Fund

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Financial statements for the year ended 30 June 2015

## Notes to the financial statements (continued)

### (b) Income tax

The Foundation is exempt from income tax being a tax-exempt entity established under the Private Ancillary Fund Guidelines 2009. The income of the Foundation is exempt from tax pursuant to section 50-5 of the *Income Tax Assessment Act 1997*. The Foundation's income will remain exempt from tax provided it continues to comply with the requirements of the Income Tax Assessment Act.

### (c) Valuation of available-for-sale financial investments

Assets are included in the Statement of Financial Position at net market value as at balance date and movements in the net market value of investment assets are recognised in the Statement of Comprehensive Income in the periods in which they occur.

The Trust recognises financial assets on the date it becomes party to the contractual provisions of the asset. Costs of realisation are not included in the determination of net market value.

Net market values have been determined as follows:

Listed equities and other listed securities

Australian listed equities are valued at the last trade price quoted on the Australian Securities Exchange as at the close of the last business day of the reporting period or, lacking any sales, at the last available price.

Shares that are primarily traded on overseas exchanges are generally valued at the last trade price at the close of trading at the end of the period on their respective exchanges, and those values are then translated into Australian dollars at the application exchange rate as at valuation date.

Certain costs incurred in acquiring investments such as brokerage and stamp duty are capitalised in the initial cost of investments.

Unit trusts and managed investments

Unit trusts and managed investments are valued at the redemption price, or other valuation as advised by the investment managers, as at the last business day of the reporting period and are based on the net market values of the underlying investments. The price is exclusive of any implicit distribution due on the investment.

Unit values denominated in foreign currency are translated into Australian dollars as at the valuation date.

Fixed income securities

Fixed income securities are valued as at the last business day of the reporting period with reference to the face value of the security or, if such prices are not readily available, either at cost or at price for securities of comparable maturity, quality and type.

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with a bank or financial institution and other highly liquid investments with short periods to maturity (that is, less than twelve months from the date of issue).

The net changes in the fair value of available-for-sale investments are included in the statement of comprehensive income as 'Other Comprehensive Income'.

# Desmond Prentice Charitable Fund

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Financial statements for the year ended 30 June 2015

## Notes to the financial statements (continued)

### (d) Goods and services tax

Revenue, expenses and the cost of the acquisition of assets are recognised gross of the amounts of Goods and Services Tax (GST), with the refundable component of the GST disclosed as a separate revenue item.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

### (e) Revenue recognition

Revenue is recognised when the Trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donations received

Donations are recognised as revenue when the Trust gains control of the donation and the amount can be measured reliably.

Investment income

Investment income comprises interest, dividends and distributions from managed funds. All investment income is recognised on an accruals basis, with the exception of dividends which is recognised when the dividend has been paid, or in the case of dividend reinvestment schemes, when the dividend is credited to the benefit of the Trust.

Other income

Other income comprises refund of franking credits and GST.

### (f) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with the use of the resources.

Professional fees

Professional fees for the year relate to payments for professional accounting, auditing and consultancy services rendered to the Trust during the year.

Management and administration costs

Management and administration costs are those incurred in connection with the administration of the Trust, its investments and compliance with constitutional and statutory requirements.

Donations paid

Donations paid relate to payments to eligible entities during the year as resolved by the Trustees of the Trust.

## **Desmond Prentice Charitable Fund**

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Financial statements for the year ended 30 June 2015

### **Notes to the financial statements (continued)**

#### **(g) Net gain on disposal of available-for-sale investments**

The gain or loss on disposal of all non-current assets and available-for-sale financial investments have been determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

#### **(h) Investment income receivable**

Investment income receivable relates to distributions from the Trust's available-for-sale financial investments, which were paid post year-end but relates to the last quarter of the current reporting period.

#### **(i) Other receivables**

Other receivables comprise refund of franking credits for the current reporting period but received post year-end.

#### **(j) Other payables**

Other payables comprise fees for professional services rendered for the current reporting period but paid post year-end.



# Desmond Prentice Charitable Fund

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Financial statements for the year ended 30 June 2015

## Notes to the financial statements (continued)

	Note	2015 \$	2014 \$
<b>3. Investment income</b>			
Interest income from cash-at-bank and short term deposits		1,871	2,402
Distributions from managed funds		144,843	68,182
<b>Total investment income</b>	2(e)	<b>146,714</b>	<b>70,584</b>
<b>4. Other income</b>			
Refund of franking credits		5,454	9,594
Refund of goods and services tax		728	0
<b>Total other income</b>	2(e)	<b>6,182</b>	<b>9,594</b>
<b>5. Professional fees</b>			
Accountancy fees		3,840	1,990
Auditors' remuneration		1,148	2,500
Legal fees		258	1,185
<b>Total professional fees</b>	2(f)	<b>5,246</b>	<b>5,675</b>
<b>6. Cash and cash equivalents</b>			
Trust Company Cash Fund		0	41,327
Perpetual Cash Account		164,650	0
Cash on hand		100	100
<b>Total cash and cash equivalents</b>	2(c)	<b>164,750</b>	<b>41,427</b>
<b>7. Available-for-sale financial investments</b>			
Investments in managed funds		804,415	943,719
<b>Total available-for-sale financial investments</b>	2(c)	<b>804,415</b>	<b>943,719</b>

# Desmond Prentice Charitable Fund

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Financial statements for the year ended 30 June 2015

## Notes to the financial statements (continued)

	Note	2015 \$	2014 \$
<b>8. Other receivables</b>			
Franking credit refund receivable		5,444	9,594
GST refundable		728	1,229
<b>Total other receivables</b>	2(i)	<b>6,172</b>	<b>10,823</b>
<b>9. Other payables</b>			
Accountancy fee payable		2,750	1,250
Auditors' remuneration payable		898	2,500
Trustee fee payable		0	781
<b>Total other payables</b>	2(j)	<b>3,648</b>	<b>4,531</b>

## Desmond Prentice Charitable Fund

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Financial statements for the year ended 30 June 2015

### Notes to the financial statements (continued)

#### 10. Related parties and related-party transactions

##### (a) Trustee

One of the co-trustees, Perpetual Trustee Company Limited (ABN 42 000 001 007), is a wholly owned subsidiary of Perpetual Limited (ACN 000 431 827). The Trustee has entered into agreements with a number of Perpetual Limited subsidiaries who will perform services for the Trust. The fee for these services is paid out of the management fee paid to the Trustee.

##### (b) Key management personnel

Key management personnel includes persons who were Directors of Perpetual Trustee Company Limited during the year or since the end of the year and up to the date of this report:

Chris Green (Appointed 1 October 2008)  
Andrew Thomas (Appointed 29 March 2012, Resigned 15 July 2015)  
Paul Prindable (Alternate for Andrew Thomas) (Appointed 29 March 2012, Resigned 8 June 2015)  
Mark Smith (Appointed 7 January 2013)  
Gillian Larkins (Appointed 7 January 2013)  
Glenn Foster (Alternate for Gillian Larkins) (Appointed 25 January 2013)  
Joanne Hawkins (Alternate for Gillian Larkins) (Appointed 25 January 2013)  
Rodney Ellwood (Alternate for Chris Green) (Appointed 1 November 2013)  
Andrew Baker (Appointed 17 August 2015)  
Irene Worrell (Appointed 24 September 2015)

Further those who were Directors of The Trust Company (Australia) Limited during the year up to the time of the transfer of Trustee on 1 March 2015 were:

Andrew Cannane (Appointed 23 December 2011)  
Chris Green (Appointed 18 December 2013)  
Mark Smith (Appointed 24 February 2014)  
Gillian Larkins (Appointed 24 February 2-14, Resigned 27 July 2015)  
Andrew Thomas (Appointed 24 February 2014, Resigned 15 July 2015)

##### (c) Key management personnel loan disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their related entities at any time during the reporting period.

##### (d) Other transactions within the Trust

Apart from those details discussed in this note, no key management personnel have entered into a contract with the Trust since the end of the previous financial year and there were no contracts involving directors' interests existing at year end.

## Desmond Prentice Charitable Fund

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Financial statements for the year ended 30 June 2015

### Notes to the financial statements (continued)

#### (e) Trustee fees and other transactions

##### Trustee fees

The Trustee's fee is set at 0.28% per on the first \$236,000 plus 5.50% per annum on the income earned by the Trust (after taking account of GST and reduced input tax credits) and is disclosed in the statement of comprehensive income.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable/receivable at year-end between the Trust and the Trustee were as follows:

	2015	2014
	\$	\$
Trustee fees paid and payable directly by the Trust	<u>9,892</u>	<u>8,739</u>

##### Investments

The Trust also held investments in the following schemes which are also managed by the Trustee or its related parties. Income receivable from these investments are not included in this disclosure.

	2015	2014
	\$	\$
Trust Company Bond Fund	332,485	347,590
Trust Company Diversified Property Fund	235,016	233,605
Trust Company Share Imputation Fund	236,914	362,524
<b>Total related party investments</b>	<u><b>804,415</b></u>	<u><b>943,719</b></u>

**Special purpose compilation report to the Trustees of the  
Desmond Prentice Charitable Fund**

Scope

We have compiled the special purpose financial statements for the Trustees of the abovenamed Trust, which comprises the Statement of Comprehensive Income, Statement of Financial Position, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is to satisfy the requirements of the Trust Deed and/or the reporting requirements for as required by the *Australian Charities and Not-for-profits Commission Act 2012* and the *Private Ancillary Fund Guidelines 2009*.

The responsibility of the Trustees

The Trustees are solely responsible for the information contained in the special purpose financial statements and have determined that the accounting policies used are consistent with the financial reporting requirements of the abovenamed Trust's Trust Deed and are appropriate to meet the needs of the Trustee.

Our responsibilities

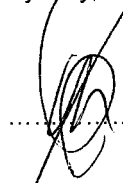
On the basis of information provided by the Trustee, we have compiled the accompanying special purpose financial statements in accordance with *APES 315: Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Trustees provided, into the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly, no assurance is expressed.

The special purpose financial statements were prepared for the benefit for the Trustees of the abovenamed Trust and for the purpose identified above. We do not accept responsibility to any other person for the contents of this special purpose financial statement.

**Perpetual Trustee Company Limited**

ABN 42 000 001 007  
Level 12, 123 Pitt Street  
Sydney, NSW 2000

  
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Dated: 25 FEB 2013

## Desmond Prentice Charitable Fund

ABN 50 134 930 730

Financial statements for the year ended 30 June 2015

### Trustees' declaration

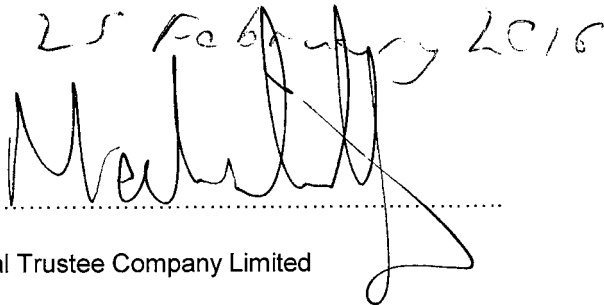
In the opinion of the Trustees of the Desmond Prentice Charitable Fund

- (a) the Trust is not publicly accountable nor a reporting entity;
- (b) the financial statements and notes, set out on pages 1 to 10, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:
  - (i) giving a true and fair view of the financial position of the Trust as at 30 June 2015 and of its performance, as represented by the results of its operations for the financial year ended on that date in accordance with the statement of compliance and basis of preparation described in Note 2; and
  - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations), the requirements of the Trust deed and the *Private Ancillary Fund Guidelines 2009* to the extent described in Note 2, and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- (c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated:

25 February 2016



.....  
**Director**  
Perpetual Trustee Company Limited



## **Independent audit report to the members of Desmond Prentice Charitable Fund**

### **Report on the financial report**

We have audited the accompanying financial report, being a special purpose financial report, of Desmond Prentice Charitable Fund (the Trust), which comprises the statement of financial position as at 30 June 2015, and the statement of comprehensive income for the year ended on that date, notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information and the trustees' declaration of the Trust.

This audit report has also been prepared for the members of the Trust in pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC).

### ***Trustees' responsibility for the financial report***

The Trustees of the Trust are responsible for the preparation of the special purpose financial report that gives a true and fair view in accordance with the ACNC and have determined that the basis of preparation described in Note 2 to the financial statements is appropriate to meet the requirements of the ACNC and the *Private Ancillary Fund Guidelines 2009* and is appropriate to meet the needs of the members. The Trustees' responsibility also includes such internal control as the Trustees determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report, being a special purpose financial report, based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation of the financial report that gives a true and fair view 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 Trust's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards to the extent described in Note 2 and the ACNC, a true and fair view which is consistent with our understanding of the Trust's financial position and of its performance.

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



### ***Independence***

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

### ***Auditor's opinion***

In our opinion, the financial report of Desmond Prentice Charitable Fund is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the Trust's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 2 and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### ***Basis of accounting***

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the ACNC and the *Private Ancillary Fund Guidelines 2009*. As a result, the financial report may not be suitable for another purpose.

*KPMG*

KPMG

Andrew Reeves  
*Partner*

Sydney

25 February 2016