

Jan Pentland Foundation

**Special purpose financial statements
for the year ended 30 June 2017**

Special purpose financial statements for the year ended 30 June 2017

	Page
Independent auditor's report	1
Board of Directors of the Corporate Trustee's declaration	4
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9

Independent Auditor's Report to the Trustees of Jan Pentland Foundation

Opinion

We have audited the financial report, being a special purpose financial report, of Jan Pentland Foundation (the "Entity") which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 9 to 12.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Entity's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the Trust Deed as described in note 3.

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 Entity in accordance with 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 and Restriction on Distribution and Use

We draw attention to Note 3 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the financial reporting requirements of the Trust Deed. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Trustees and should not be distributed or used by parties other than the Trustee. Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Trustees for the Financial Report

Management of the Entity is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 3 to the financial report is appropriate to meet the requirements of the Trust Deed and is appropriate to meet the needs of the Trustees. Management's responsibility also includes such internal control as management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Trustees are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Entity'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 Entity 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Isabelle Lefevre
Partner
Chartered Accountants
Melbourne, 18 December 2017

Board of Directors of the Corporate Trustee's declaration

As detailed in Note 3 to the financial statements, the Foundation is not a reporting entity because in the opinion of the Board of Directors of the Corporate Trustee there are unlikely to exist users of the financial statements who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the Board of Directors of the Corporate Trustee's reporting requirements under the Trust Deed.

The Board of Directors of the Corporate Trustee declare that:

- (a) in the Board of Directors of the Corporate Trustee's opinion, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable; and
- (b) in the Board of Directors of the Corporate Trustee's opinion, the attached financial statements and notes thereto are in accordance with the Trust Deed, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Foundation.

Signed in accordance with a resolution of the Board of Directors of the Corporate Trustee.

On behalf of the Board of Directors of the Corporate Trustee.


Director


Director

Melbourne, 18th December 2017

Statement of profit or loss and other comprehensive income for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Continuing operations			
Revenue	4	166,139	18,885
Scholarship awards		(43,674)	(5,307)
Administration expenses		(363)	(46)
Net profit		122,102	13,532
Other comprehensive income		-	-
Total comprehensive income for the period		122,102	13,532

Notes to the financial statements are included on pages 9 to 12.

Statement of financial position at 30 June 2017

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	8(a)	268,219	123,579
Other receivables	6	870	1,117
Total current assets		269,089	124,696
Total assets		269,089	124,696
Current liabilities			
Other payables	7	22,290	-
Total current liabilities		22,290	-
Total liabilities		22,290	-
Net assets		246,798	124,696
Equity			
Retained earnings		246,798	124,696
Total equity		246,798	124,696

Notes to the financial statements are included on pages 9 to 12.

Statement of changes in equity for the year ended 30 June 2017

	Retained earnings	Total
	\$	\$
Balance 1 July 2015	111,164	111,164
Loss for the year	13,532	13,532
Balance 30 June 2016	124,696	124,696
Balance 1 July 2016	124,696	124,696
Profit for the year	122,102	122,265
Balance 30 June 2017	246,798	246,962

Notes to the financial statements are included on pages 9 to 12.

Statement of cash flows for the year ended 30 June 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
Cash flows from operating activities			
Donations received		164,193	16,186
Interest received		2,193	3,241
Payments to approved recipients and suppliers		(21,746)	(5,353)
Net cash generated from operating activities	8(b)	144,640	14,074
Net increase in cash and cash equivalents			
		144,640	14,074
Cash and cash equivalents at the beginning of the year		123,579	109,505
Cash and cash equivalents at the end of the year	8(a)	268,219	123,579

Notes to the financial statements are included on pages 9 to 12.

1. General information

Jan Pentland Foundation is a Trust, operating in Australia. The Trustee is Jan Pentland Foundation Limited.

The address of its registered office and its principal place of business are as follows:

C/- Financial Counselling Australia
Level 6
179 Queen Street
Melbourne, VIC 3000

2. Application of new and revised Accounting Standards

2.1 *New and revised AASBs affecting amounts reported and/or disclosures in the financial statements*

In the current year, the Foundation has applied a number of amendments to AASBs and new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2016, and therefore relevant for the current year end.

Standards affecting presentation and disclosure

- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle*
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*

2.2 *Standards and Interpretations in issue not yet adopted*

A number of Australian Accounting Standards and Interpretations and IFRSs and IFRIC Interpretations are in issue but are not effective for the current year end. The reported results and position of the Foundation will not change on adoption of these pronouncements as they do not result in any changes to the Foundation's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Foundation does not intend to adopt any of these pronouncements before their effective date

3. Significant accounting policies

Financial reporting framework

The Foundation is not a reporting entity because in the opinion of the directors of the Corporate Trustee, there are unlikely to exist users of the financial statements who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the Trustee's reporting requirements under the Trust Deed.

For the purposes of financial reporting, the entity is a not-for-profit entity.

Statement of compliance

The financial statements have been prepared in accordance with the Trust Deed and the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 *Presentation of Financial Statements*, AASB 107 *Cash Flow Statements*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Foundation's accounting policies, which are described below, the directors are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following significant accounting policies have adopted in the preparation and presentation of the financial statements:

(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

For the purposes of the statement of cash flows, cash includes cash on hand, at banks and on deposit.

(c) 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 expense. Receivables and payables in the Statement of financial position are shown inclusive of GST.

(c) Provisions

Provisions are recognised when the Trust has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(d) Revenue

Donations are received from third parties and are recognised when they are unconditional and the Foundation is presently entitled to receive them.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

	30-Jun-17	30-Jun-16
	\$	\$
4. Revenue		
Operating activities		
Donations received	164,193	16,186
Interest earned	1,946	2,699
	166,139	18,885

5. Remuneration of auditor

The auditor of the Jan Pentland Foundation is Deloitte Touche Tohmatsu. The audit is done on a pro bono basis.

6. Other receivables

Interest receivable	870	1,117
	870	1,117

7. Other payables

Other payables	22,290	-
	22,290	-

8. Cash and cash equivalents

(a) Reconciliation of cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents included cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the period as at shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows

Cash and cash equivalents	<u>268,219</u>	<u>123,579</u>
---------------------------	----------------	----------------

(b) Reconciliation of profit for the period to the net cash flows from operating activities

Profit for the period	122,102	13,532
<u>Changes in net assets and liabilities:</u>		
Decrease/(increase) in assets		
Other receivables	247	542
Increase/(decrease) in liabilities		
Other payables	22,290	-
Net cash generated from operating activities	144,640	14,074

9. Commitments for expenditure

There are no commitments for expenditure as at 30 June 2017.

10. Contingent Liabilities

There are no contingent liabilities as at 30 June 2017

11. Subsequent events

There were no material post balance sheet events occurring after the reporting date requiring disclosure in these financial statements.