

THE MARY POTTER FOUNDATION INCORPORATED
ABN 12 271 835 080

FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2019

**THE MARY POTTER FOUNDATION INCORPORATED
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

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General Information

The financial report covers The Mary Potter Foundation Inc. as an individual entity. The financial report is presented in Australian dollars, which is the Association's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the Declaration by the Board.

THE MARY POTTER FOUNDATION INCORPORATED BOARD REPORT

The Board of The Mary Potter Foundation Incorporated (the Foundation) has prepared this report in respect of the financial year ended 30 June 2019.

BOARD MEMBERS

The Board of the Foundation at any time during or since the end of the financial year are:

Danny Watson	Chair (deceased July 2018)
Chris Sharpley	Treasurer/Deputy Chair/Acting Chair from July 2018 Chair from October 2018
John O'Connell	Treasurer from October 2018 Deputy Chair from July 2019
Louisa McClurg	
Judith Morris	
Elizabeth Scarce	resigned May 2019
Michael Willson AM	resigned October 2018
Sharon Kendall	from July 2018, CEO of Calvary Health Care Adelaide Ltd
Roger Harvey	from October 2018
Paul Tanti	from July 2019
Sr Anne Sheridan	nominated by The Little Company of Mary (LCM)

PRINCIPAL ACTIVITIES & SIGNIFICANT CHANGES

The principal activities of the Foundation were the provision of funding and equipment to the Mary Potter Hospice and Calvary Cancer Services through fundraising activities. No significant change in the nature of these activities occurred during the year.

RESULTS

A net deficit for the financial year was \$19,312 (2018 net surplus: \$666,281).

FINANCIAL INTERESTS OF OFFICERS

Since the end of the previous financial year, no Officer of the Foundation, or a firm of which the Officer is a member, or a body corporate in which the Officer has a significant financial interest, has received or become entitled to receive a benefit, either directly or indirectly, from the Foundation as a result of a contract between the Officer, firm or corporate and the Foundation, except as disclosed in Note 15 to the financial statements.

The term 'Officer' includes Board members who receive no remuneration, and managers who take part in the day-to-day management of the Foundation and receive remuneration in the normal course of their employment.

**THE MARY POTTER FOUNDATION INCORPORATED
BOARD REPORT**

INDEMNIFICATION OF OFFICERS

The Foundation paid a premium in relation to a Board Members and Officers Liability policy indemnifying the Board Members or Officers of the Foundation for losses which the Board Member or Officer may become legally obligated to pay on account of any claim made against them for a wrongful act committed during the policy period.

Signed in accordance with a resolution of the Members of the Board:

Chris Sharpley
Chair

John O'Connell
Treasurer

Date

THE MARY POTTER FOUNDATION INCORPORATED
INCOME AND EXPENDITURE STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
INCOME			
Fundraising Revenue	2	1,115,950	1,028,095
Bequests		732,676	366,187
Investments Gains/(Losses) and Changes in Value	6	(175,773)	894,609
Investment Income	2	740,193	595,462
Other Income	2	9,091	828
TOTAL INCOME		<u>2,422,137</u>	<u>2,885,181</u>
EXPENDITURE			
Fundraising Expenses		175,393	181,826
Benevolent Funding	3	1,645,575	1,501,092
Employment Related Costs		437,628	379,328
Depreciation	3	7,192	7,302
Investment Expenses		44,481	39,614
Other Administration Expenses		131,180	109,738
TOTAL EXPENDITURE		<u>2,441,449</u>	<u>2,218,900</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>(19,312)</u>	<u>666,281</u>

The accompanying notes form part of these financial statements

THE MARY POTTER FOUNDATION INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash & Cash Equivalents	4	5,963,265	6,561,517
Trade & Other Receivables	5	250,980	145,394
Other Current Assets	7	15,672	10,376
TOTAL CURRENT ASSETS		<u>6,229,916</u>	<u>6,717,287</u>
NON-CURRENT ASSETS			
Financial Assets	6	10,140,858	9,804,919
Property, Plant & Equipment	8	27,624	3,677
TOTAL NON-CURRENT ASSETS		<u>10,168,481</u>	<u>9,808,596</u>
TOTAL ASSETS		<u>16,398,398</u>	<u>16,525,883</u>
CURRENT LIABILITIES			
Trade & Other Payables	9	57,246	157,442
Provisions	10	38,122	67,667
Other Liabilities	11	128,516	106,949
TOTAL CURRENT LIABILITIES		<u>223,884</u>	<u>332,058</u>
TOTAL LIABILITIES		<u>223,884</u>	<u>332,058</u>
NET ASSETS		<u>16,174,513</u>	<u>16,193,825</u>
EQUITY			
Accumulated Funds	12	15,380,676	14,713,919
Financial Asset Reserve	6, 12	793,837	1,479,906
TOTAL EQUITY		<u>16,174,513</u>	<u>16,193,825</u>

The accompanying notes form part of these financial statements

THE MARY POTTER FOUNDATION INCORPORATED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Accumulated Funds \$	Financial Asset Reserve \$	Total \$
BALANCE AT 1 JULY 2018		14,713,919	1,479,906	16,193,825
Other Comprehensive Income		-	(686,069)	(686,069)
Net Surplus/(Deficit) for the Year		666,757	-	666,757
BALANCE AT 30 JUNE 2019	12	<u>15,380,676</u>	<u>793,837</u>	<u>16,174,513</u>

The accompanying notes form part of these financial statements

THE MARY POTTER FOUNDATION INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts in the Course of Operations		1,931,695	1,641,491
Payments to Employees & Suppliers		<u>(2,563,998)</u>	<u>(2,384,606)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	<u>(632,303)</u>	<u>(743,115)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant & Equipment		(31,139)	-
Proceeds on Disposal of Property, Plant & Equipment		9,090	-
Interest & Dividends Received		567,811	596,290
Acquisition of Investments		(7,437,166)	(2,251,232)
Proceeds on Disposal of Investments		<u>6,925,455</u>	<u>1,732,202</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>34,051</u>	<u>77,260</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		<u>(598,252)</u>	<u>(665,855)</u>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		6,561,517	7,227,372
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	14	<u><u>5,963,265</u></u>	<u><u>6,561,517</u></u>

The accompanying notes form part of these financial statements

THE MARY POTTER FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation

The Board of The Mary Potter Foundation Inc. (the Foundation) have prepared the financial report on the basis that the Foundation is not a reporting entity as there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The Foundation is an incorporated association and a registered charity with the Australian Charities and Not-for-Profits Commission. Accordingly, this Special Purpose Financial Report has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*.

These financial statements are presented in Australian dollars (\$), and have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the disclosure requirements of:

- AASB 101 Presentation of Financial Statements
- AASB 107 Statement of Cash Flows
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048 Interpretation and Application of Standards
- AASB 1054 Australian Additional Disclosures

These financial statements do not conform with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

b) Income Tax

The Foundation is exempt from income tax pursuant to the *Income Tax Assessment Act 1997*. Accordingly, Australian Accounting Standard AASB 112 *Income Taxes* has not been applied and no provision for income tax has been included in the financial reports.

c) Revenue Recognition

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Donations, Appeals and Events Revenue

Donations, appeals and events revenue is recognised as revenue when the Foundation becomes entitled to the revenue, which usually coincides with the receipt of monies. Where a donation or bequest is in a form other than cash, it is recorded by the Foundation at a value which approximates the market value at time of receipt.

THE MARY POTTER FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (cont.)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

c) Revenue Recognition (cont.)

Investment income

Investment income comprises interest and dividends. Interest income is recognised as it accrues. Dividends and trust distributions from investment portfolios are recognised as revenue when the Foundation becomes entitled to the income, which usually coincides with the receipt of monies.

d) Employee Entitlements

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

The Foundation's liability for long service leave is included in long-term employee benefits at note 10. They are measured at the present value of the expected future payments to be made to employees.

e) Goods & 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 the expense.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities.

Receivables and payables in the assets and liabilities statements are shown inclusive of GST.

f) Cash & Cash Equivalents

Cash & Cash Equivalents in the Statement of Financial Position comprise Cash at Bank and Cash on Hand and short-term deposits where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash flows, Cash and Cash Equivalents consist of Cash and Cash Equivalents as defined above plus term deposits net of any outstanding bank overdrafts.

g) Trade & Other Receivables

Trade & Other Receivables are carried at amounts due. The collectability of debts is assessed at balance date.

h) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated using the straight-line method over their estimated useful lives commencing from the time the asset is held ready for use.

THE MARY POTTER FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (cont.)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

i) Impairment of Assets

The carrying amount of tangible assets are reviewed annually by the Board to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of expected cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

j) Listed Investments

Listed shares and managed investments are recorded at market value in the financial statements.

Unrealised gains/(losses) are recorded in the Financial Asset Reserve. The listed investments are reported as Non-Current Financial Assets.

k) Benevolent Funding

Benevolent funding includes payments made to Calvary Health Care Adelaide Ltd along with funding for additional staff, education, therapy programs, equipment and refurbishment, and patient and family support. Payment is based on meeting the deficit of the Mary Potter Hospice but with the annual total not exceeding 20% of the cost of investments.

l) Restricted Income

The Foundation receives donations for Calvary Cancer Services. The Calvary Cancer Services' donations are recorded as income when received and unspent funds are deferred to the following year. The balance of Restricted Funding - Calvary Cancer Services reported as other liabilities in the Statement of Financial Position represents unspent funds at the end of the year.

	2019	2018
	\$	\$
2. INCOME		
Fundraising Revenue		
Membership	1,327	1,436
Other Donations	550,554	468,480
Appeals	211,458	189,341
Events	294,906	324,893
Other Fundraising	57,705	43,945
	<u>1,115,950</u>	<u>1,028,095</u>
Investment Income		
Interest	129,688	144,728
Dividends	610,505	450,734
	<u>740,193</u>	<u>595,462</u>
Other Income		
Other Income	-	828
Gain on Disposal of Assets	9,091	-
	<u>9,091</u>	<u>828</u>

THE MARY POTTER FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (cont.)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
3. SURPLUS FROM ORDINARY ACTIVITIES		
Surplus from ordinary activities has been arrived at after charging/(crediting) the following items:		
Benevolent funding expenditure		
Contribution to Calvary Health Care Adelaide	727,650	693,000
Nurses' Education	16,617	37,075
Hospice Support	767,401	673,088
Equipment & Refurbishment	133,907	97,929
	1,645,575	1,501,092
Depreciation of:		
Motor Vehicles	4,452	5,156
Office Equipment & Furniture	2,740	2,146
	7,192	7,302
Net Expense including movement in provisions:		
Employee Benefits	7,672	12,005
Auditors remuneration		
Audit of the Foundation	5,722	5,460
4. CASH & CASH EQUIVALENTS		
Cash on Hand and at Bank	944,031	653,266
Cash on deposit	5,019,234	5,908,251
	5,963,265	6,561,517
5. TRADE & OTHER RECEIVABLES		
Trade Receivables	18,500	7,000
GST Receivable	7,092	9,248
Sundry Receivables	225,388	129,146
	250,980	145,394
6. FINANCIAL ASSETS		
Non-Current		
Listed Shares & Managed Funds at Market Value	10,140,858	9,804,919
Reconciliation of the Financial Asset Reserve		
Opening Balance of Financial Asset Reserve	1,479,906	661,044
Closing Market Value of Investments	10,140,858	9,804,919
Less: Closing Cost of Investments	(9,347,021)	(8,325,013)
Closing Balance of Investment Fluctuation Reserve	793,837	1,479,906
Changes in Market Value of Investments for the Year	(686,069)	818,862

THE MARY POTTER FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (cont.)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
7. OTHER CURRENT ASSETS		
Prepayments	15,672	10,376
	<u>15,672</u>	<u>10,376</u>
8. PROPERTY, PLANT & EQUIPMENT		
Motor Vehicles		
At Cost	26,271	25,779
Accumulated Depreciation	(3,901)	(25,228)
	<u>22,370</u>	<u>551</u>
Office Equipment & Furniture		
At Cost	65,419	60,552
Accumulated Depreciation	(60,165)	(57,426)
	<u>5,254</u>	<u>3,126</u>
Total Property Plant & Equipment	<u>27,624</u>	<u>3,677</u>
9. TRADE & OTHER PAYABLES		
Trade Payables & Accruals	57,246	151,338
Other Payables	-	6,104
	<u>57,246</u>	<u>157,442</u>
10. PROVISIONS		
Provisions include the following liabilities recognised for employee entitlements:		
Provision for Annual Leave	15,706	27,610
Provision for Long Service Leave	22,416	40,057
	<u>38,122</u>	<u>67,667</u>
11. OTHER LIABILITIES		
Income Received in Advance	87,771	56,500
Restricted Funding - Calvary Cancer Services	40,745	50,449
	<u>128,516</u>	<u>106,949</u>
12. EQUITY		
ACCUMULATED FUNDS		
Accumulated Funds at the Beginning of the Year	14,713,919	14,866,500
Net Surplus/(Deficit) for the Year	666,757	(152,581)
Accumulated Funds at the End of the Year	<u>15,380,676</u>	<u>14,713,919</u>
FINANCIAL ASSET RESERVE		
Opening Balance	1,479,906	661,044
Change in revaluation during the year	(686,069)	818,862
	<u>793,837</u>	<u>1,479,906</u>
TOTAL EQUITY	<u>16,174,513</u>	<u>16,193,825</u>

THE MARY POTTER FOUNDATION INCORPORATED
NOTES TO HE FINANCIAL STATEMENTS (cont.)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
13. EMPLOYEE BENEFITS		
Number of employees	FTE	FTE
Number of Employees at Year-end (Full Time Equivalent)	3.1	5.0

Superannuation Plans

For the year ended 30 June 2019 the Foundation contributed to superannuation funds for eligible employees, with a minimum contribution of 9.5% of gross salary.

The liabilities recognised for employee benefits are reported in note 10.

14. CASH FLOW INFORMATION

i) Reconciliation of Cash & Cash Equivalents at the End of the Year

Cash & Cash Equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

Cash on Hand & Cash at Bank	944,031	653,266
Short Term Deposits	5,019,234	5,908,251
	5,963,265	6,561,517

ii) Reconciliation of operating surplus for the year to net cash flow from operating activities

Operating Result	(19,312)	666,281
Non-cash Flows in Operating Result:		
Depreciation	7,192	7,302
(Surplus)/Deficit on Disposal of Investments	(510,296)	(75,747)
(Increase)/Decrease in Investments Values	686,069	(818,862)
(Surplus)/Deficit on Disposal of Assets	(9,091)	-
Non-operating Activities		
Interest & Dividends Received	(567,811)	(596,290)
Changes in Assets & Liabilities:		
(Increase)/Decrease in Receivables	(105,585)	212,369
(Increase)/Decrease in Prepayments	(5,296)	(236)
Increase/(Decrease) in Payables	(100,196)	(153,638)
Increase/(Decrease) in Income Received in Advance	21,567	34,840
Increase/(Decrease) in Employee Provisions	(29,544)	(19,134)
Cash flows from Operating Activities	(632,303)	(743,115)

THE MARY POTTER FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (cont.)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

15. RELATED PARTIES

Board Members

The names of each person holding the position of Board Member on The Mary Potter Foundation Inc. Board during the financial year are listed in the Board Report.

Danny Watson was a former employee of Macquarie Private Portfolio Management Limited (MPPM). Mr Watson retired from MPPM prior to his appointment to the Foundation Board. MPPM were engaged by the Foundation to manage a portfolio of investments (being cash, managed funds and shares). All dealings were under normal commercial terms and conditions.

Louisa McClurg was employed by Minter Ellison until August 2018. The firm provided legal services to update the constitution.

Calvary Health Care Adelaide Ltd provides payroll services for the employees. This service is provided at no charge.

16. INCORPORATION

The Mary Potter Foundation Inc. was incorporated in South Australia on 25 October 1988 under the *Associations Incorporation Act 1985 (SA)* (as amended). The registered office is at 89 Strangways Terrace, North Adelaide, South Australia and its principal activities are fundraising.

17. EVENTS SUBSEQUENT TO BALANCE DATE

At the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Board, to affect significantly the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation.

18. ESTATE ENTITLEMENT

The Foundation is entitled to a residual interest in the Estate of Dene Snook (Deceased). It is not known when this entitlement will be realised.

THE MARY POTTER FOUNDATION INCORPORATED

DECLARATION BY THE BOARD

In the opinion of the Board of The Mary Potter Foundation Incorporated (the Foundation):

- 1) the attached financial statements and notes comply with the *Australian Charities and Not-for-profits Commission Act 2012*, the Accounting Standards as described in note 1 to the financial statements, the *Australian Charities and Not-for-profits Regulation 2013* and other mandatory professional reporting requirements;
- 2) the accompanying Income and Expenditure Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the notes to the financial statements give a true and fair view of the Foundation's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and,
- 3) at the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Board made pursuant to section 60.15 (2) of the *Australian Charities and Not-for-profits Regulation 2013*.

Chris Sharpley
Chair

John O'Connell
Treasurer

Date