

**THE ERYLDENE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

ABN 68 051 439 984

**FINANCIAL REPORT FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2016**

**TO BE PRESENTED AT THE
ANNUAL GENERAL MEETING AT
ERYLDENE, 17 MCINTOSH STREET, GORDON
ON 21th MAY 2017**

I N D E X

Notice of Meeting

Directors' Statement

Charitable Fundraising Authority Declaration

Directors' Declaration

Auditors' Independence Declaration

Auditors' Report to Members

Statement of Comprehensive Income

Statement of Financial Position

Statement of Change in Equity

Statement of Cash Flows

Notes to the Accounts

Directors' Declaration

Auditors' Independence Declaration

Auditors' Report to Members

NOTICE OF ANNUAL GENERAL MEETING

THE ERYLDENE FOUNDATION LIMITED

(ABN 68 051 439 984)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the above named Company will be held

at: 17 McIntosh Street, Gordon

on: Sunday 21st May 2017

at: 2.30pm

BUSINESS

1. To receive and, if thought fit, adopt the financial statements of the company for the year ended 31 December 2016, together with the reports of the directors and auditor attached thereto.
2. To elect the members of the board of management.
3. To re-appoint Brooks, Deane & Powne as auditors
4. To deal with any other business.

DATED: 4 May 2017

BY ORDER OF THE BOARD



James Bretherton
Treasurer

Nomination forms for the election of Fellows and Donors to the Board of Management may be obtained from Eryldene. Forms must be lodged at Eryldene by Friday, 19th May 2017.

A Member may appoint a proxy to attend and vote for him or her at the meeting. A Member so wishing should complete the enclosed proxy form and lodge it at Eryldene by Saturday, Friday, 19th May 2017

The Financial Report for the Financial Year ending 31 December 2016, is available on line at the Eryldene website. Paper copies are also available at the Eryldene office.

THE ERYLDENE FOUNDATION LIMITED
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DIRECTORS' STATEMENT

CHAIRMAN'S REPORT FOR 2016

This year the Foundation did not engage in any large scale fundraising. In June 2016, however, we approached our Patrons, Governors and Fellows to contribute to the cost of the re roofing the house by matching the Commonwealth Government grant.

I was pleased to note that this appeal received over \$20,000 in two weeks, so that the works have now commenced. The funds raised were paid directly to the Trust and are not shown as income in the Foundation's accounts. In future we may consider adopting this model again when raising funds for specific projects.

During the year the Foundation also transferred \$36,500 to the Trust for additional working capital. This year it is anticipated that the amount required by the Trust will not be as large.

At the 2016 Annual Meeting Karen Petersen, Judith Blayden and Baolin Li retired. Each has made a significant contribution to the Eryldene Foundation and they will be missed. James Bretherton has joined the board as Treasurer in the place of Baolin Li.

I would also like to recognise the contribution to the Foundation of Peter Levick who passed away a few weeks ago. He was chairman when I first joined Foundation and was very helpful in assisting me to "find my feet". Of course Peter's involvement with Eryldene was far broader than just time with the Foundation, and I will leave it to others to better recognise his outstanding contribution over so many years.

David Fairlie

THE ERYLDENE FOUNDATION LIMITED
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DIRECTORS' STATEMENT (CON'T)

DIRECTORS

The names of the directors in office at any time during or since the end of the year are:

Chairman	David Graham Fairlie
Director nominated by the Trust	David Tunny (Vice Chairman)
Director nominated by the Trust	Baolin Li (Treasurer) Resigned 30 May 2016
Director nominated by the Trust	Judith Anne Blayden Resigned 30 May 2016
Director elected by donors	Penelope Cathcart Holden
Director	Christopher John Levins,
Director	Rachel O'Connor
Director	Karen Maree Pedersen, Chairperson of The Eryldene Trust Resigned 30 May 2016
Director	James Bretherton (Treasurer), Appointed 22 August 2016

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The Eryldene Foundation's primary role is to provide money when required to The Eryldene Trust for essential maintenance of the Eryldene house and garden. Wherever possible such support is sourced from the interest received on monies invested by the Foundation, so that capital invested is not significantly diluted.

RESULTS

The net loss for the 2016 calendar year was \$20,568 (2015 profit \$42,915). The Foundation is exempt from income tax.

THE ERYLDENE FOUNDATION LIMITED
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DIRECTORS' STATEMENT (CON'T)

MEETINGS OF DIRECTORS

During the 2016 calendar year, there were 5 meetings of Directors. The number of meetings attended by each Director was as follows:

Directors in office since beginning of 2015 unless indicated otherwise below	No. of Meetings Eligible to Attend	Attended
David Fairlie	5	5
David Tunny	5	5
Baolin Li (Resigned 30 May 2016)	3	2
Karen Pedersen (Resigned ended 30 May 2016)	3	3
Judith Blayden (Resigned ended 30 May 2016)	3	2
Penelope Holden	5	4
Rachel O'Connor	5	4
Christopher Levins	5	5
James Bretherton (Appointed 22 August 2016)	1	1

MEMBERSHIP OF THE FOUNDATION

There are five categories of membership of the Foundation as set out below.

- Patrons: Persons who make a gift of \$50,000 or more in value to the Trust or Foundation or an Approved Fund
- Governors: Persons who make a gift of \$25,000 or more but less than \$50,000 in value to the Trust or Foundation or an Approved Fund
- Fellows: Persons who make a gift of \$10,000 or more but less than \$25,000 in value to the Trust or Foundation or an Approved Fund
- Benefactors: Persons who make a gift of \$2,500 or more but less than \$10,000 in value to the Trust or Foundation or an Approved Fund
- Supporting Members: Persons who make a gift of \$300 or more but less than \$2,500 in value to the Trust or Foundation or an Approved Fund

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DIRECTORS' STATEMENT (CON'T)

DEDUCTIBILITY OF DONATIONS

The Eryldene Foundation is a Deductible Gift Recipient and gifts made to the Foundation are tax deductible.

We have obtained authority from NSW Government Fair Trading, to Fundraise for Charitable Purposes (current to 23 May 2021).

DIRECTORS QUALIFICATIONS

David Fairlie – Corporate Lawyer, former President of the Law Society of NSW;

David Tunny – Marketing Consultant, former Executive Director of Historic Houses Trust Members, Past President of Australian Federation of Friends of Museums, and former Executive Director Art Gallery Society of NSW;

Baolin Li – Chartered Accountant (Resigned 30 May 2016);

Judith Blayden – Management Consultant (Resigned 30 May 2016);

Karen Pedersen – Corporate Lawyer, Chairperson of The Eryldene Trust (Resigned 30 May 2016);

Christopher Levins – Development Coordinator;

Rachel O'Conor – Physiotherapist;

Penelope Holden – Heritage consultant;

James Bretherton – Accountant (Appointed 22 August 2016);

Mrs Rachel O'Conor is a Patron of the Foundation. Mr David Fairlie is a Governor of the Foundation. Ms Karen Pedersen is a Fellow of the Foundation. Mrs Judith Blayden, Mr David Tunny and Mrs Penelope Holden are each Benefactors of the Foundation.

PRINCIPAL ACTIVITY

The principal activity of the Foundation is to raise funds, to invest the capital and apply the income primarily and capital secondarily for the maintenance and advancement of Eryldene. It remains a high priority to seek support from individuals, business and from bequests.

THE ERYLDENE FOUNDATION LIMITED
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DIRECTORS' STATEMENT (CON'T)

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the State of Affairs of the Company during the year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no other matters or circumstances that have arisen since the end of the financial year that have affected or may significantly affect the operations of the company, the results of those operations; or the state of affairs of the company.

LIKELY DEVELOPMENTS

There are no likely developments in the operations of the Company which may affect the result of the Company in the financial year subsequent to 31 December 2016.

DIRECTORS INTERESTS

No director of the Company has received or has become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with him or with a firm of which he is a member, or with a company in which he has a substantial interest.

AUDITOR'S INDEPENDENCE DECLARATION

Brooks Deane & Powne continues in office in accordance with Section 327 of the Corporations Law. A copy of the Auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is included in the financial report.

**THE ERYLDENE FOUNDATION LIMITED
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DIRECTORS' STATEMENT (CON'T)

OFFICER OR AUDITOR INDEMNIFICATION


The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company:

- (i) indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- (ii) paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Signed this in accordance with a resolution of the Directors.



.....
David Fairlie
Chairman


.....
James Bretherton
Director (Treasurer)

Dated: 9th MAY 2017

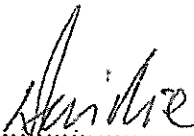
THE ERYLDENE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

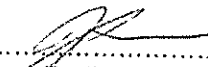
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CHARITABLE FUNDRAISING AUTHORITY DECLARATION

In my opinion as a Director of The Eryldene Foundation Limited:

1. the statement of Comprehensive Income gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals, and
2. the statement of financial position gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals conducted by the organisation, and
3. the provisions of the Charitable Fundraising Act 1991 No 69, the regulations under the Act and the conditions attached to the authority have been complied with by the Foundation, and
4. the internal controls exercised by the Trust are appropriate and effective in accounting for all income received and applied by the Foundation from any of its fundraising appeals.


.....
David Fairlie
Chairman


.....
James Bretherton
Director (Treasurer)

Dated: 9th MAY 2017

**THE ERYLDENE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

ABN 68 051 439 984

**DIRECTORS DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

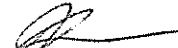
The Directors declare that: -

1. The financial statements are in their opinion in accordance with the Corporations Act 2001; and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2016 and of the performance for the year ended on that date
2. In the Directors' 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.

This Declaration is made in accordance with a resolution of the Directors.



.....
David Fairlie
Chairman



.....
James Bretherton
Director (Treasurer)

Dated: 9th May 2017

Brooks Deane+Powne.

Chartered Accountants
Established 1903



**THE ERYLDENE FOUNDATION LIMITED
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**AUDITOR INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT
TO THE DIRECTORS OF THE ERYLDENE FOUNDATION LIMITED**

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2016 there has been:

- (i) no contravention of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contravention of any applicable code of professional conduct in relation to the audit.

Name of Firm: Brooks, Deane & Powne
Name of Partner: Carl Gilmore
Address: Level 3, 50 Clarence Street Sydney NSW


.....
Carl Gilmore - Partner

Date: 10 May 2017

Brooks Deane+Powne.

Chartered Accountants
Established 1903



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE ERYLDENE FOUNDATION LIMITED (A COMPANY LIMITED BY GUARANTEE) ABN 68 051 439 984

Scope

The special purpose financial report comprises the Income Statement, Balance Sheet and Notes to the financial statements of the Eryldene Foundation Limited for the year ended 31 December 2016. The financial report is prepared on the basis set out in Note 1 to the accounts.

The directors of the Eryldene Foundation Limited are responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements and needs of Eryldene Foundation Limited. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. We disclaim any assumptions of responsibility for any reliance on this report or on the financial report to which it relates.

Audit Approach

We conducted an independent audit of the financial report in order to express an opinion to the members of the Eryldene Foundation Limited. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the Eryldene Foundation Limited financial position, and of its performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used and described in Note 1, are appropriate to the needs of the Eryldene Foundation Limited.

We formed our audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Officers.

While we considered the effectiveness of management's internal controls over the financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and declare to the best of our knowledge and belief our independence in respect of this audit assignment.

The audit opinion expressed in this report has been formed on the above basis.

Brooks Deane+Powne.

Chartered Accountants
Established 1903

bd+p.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE ERYLDENE FOUNDATION LIMITED (CON'T)
(A COMPANY LIMITED BY GUARANTEE) ABN 68 051 439 984

AUDIT OPINION

In our opinion, the financial reports of the Eryldene Foundation Limited are properly drawn up:

- (a) so as to give a true and fair view of:
 - (i) the financial position of the Eryldene Foundation Limited as at 31 December 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Accounting Standards in Australia to the extent described in Note 1.

BROOKS, DEANE & POWNE

Chartered Accountants


.....
Carl Gilmore - Partner

Date: 10 May 2017

Level 3, 50 Clarence Street
Sydney NSW

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Sydney NSW 2001 fax 02 9233 6006

info@bdp.com.au
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abn 59 002 840 673

Liability limited by a scheme approved under Professional Standards Legislation

THE ERYLDENE FOUNDATION LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Revenue	2		
- Interest Received		10,781	12,890
- Donations Received		6,200	57,819
		<u>16,981</u>	<u>70,709</u>
Expenses from ordinary activities	3	<u>(37,549)</u>	<u>(27,794)</u>
Profit/(Loss) before income tax		(20,568)	42,915
Income tax expense	4	<u>-</u>	<u>-</u>
Profit/(Loss) for the year		<u>(20,568)</u>	<u>42,915</u>
Profit/(Loss) attributed to members of the entity		(20,568)	42,915
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		<u>(20,568)</u>	<u>42,915</u>

The audit report and accompanying notes form part of these financial accounts

THE ERYLDENE FOUNDATION LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalent	5	402,694	422,627
Interest Receivable		9,768	10,403
Sundry Debtors		-	-
TOTAL CURRENT ASSETS		<u>412,462</u>	<u>433,030</u>
TOTAL ASSETS		412,462	433,030
TOTAL LIABILITIES		-	-
NET ASSETS		<u>412,462</u>	<u>433,030</u>
MEMBERS EQUITY		<u>412,462</u>	<u>433,030</u>

The audit report and accompanying notes form part of these financial accounts

THE ERYLDENE FOUNDATION LIMITED
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STATEMENT OF CHANGES IN MEMBERS EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

Retained Earnings	Note	2016	2015
		\$	\$
Balance at 1 January		433,030	390,115
Profit/(loss) attributed to members of the entity		<u>(20,568)</u>	<u>42,915</u>
Balance at 31 December		<u>412,462</u>	<u>433,030</u>

The audit report and accompanying notes form part of these financial accounts

THE ERYLDENE FOUNDATION LIMITED
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STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from donations		6,200	57,819
Interest Received		11,417	13,623
Distributions to The Eryldene Trust		(36,500)	(20,000)
Payments to Suppliers		<u>(1,050)</u>	<u>(7,274)</u>
Net Cash Provided by/(used in) Operating Activities		<u>(19,933)</u>	<u>44,168</u>
Net Increase/(Decrease) in cash held	5	(19,933)	44,168
Cash at beginning of year		422,627	378,459
Cash at end of year	5	402,694	422,627

The audit report and accompanying notes form part of these financial accounts

THE ERYLDENE FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This report covers The Eryldene Foundation Limited as an individual entity. The Eryldene Foundation Limited is a company limited by guarantee, incorporated and domiciled in Australia

The financial report is a special purpose financial report that has been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations of the Australian Accounting Standards Board (AASB).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Investments

Investments are brought to account at cost or at directors' valuation. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(b) Cash

For the purpose of the statement of cash flows, cash includes:

- (i) Cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- (ii) Investments of money market instruments with less than 14 days of maturity.

(c) Interest

Interest receivable on the term deposit is accrued at year end.

THE ERYLDENE FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
2. REVENUES		
Included in operating profit are the following items:		
- Donations*	6,200	57,819
- Interest	10,781	12,890
	<u>16,981</u>	<u>70,709</u>

* Relates to voluntary donations received. There were no fundraising appeals conducted by the Foundation as defined under the Charitable Fundraising Act 1991 No 69.

3. EXPENSES

Distributions to The Eryldene Trust	36,500	20,000
Bank charges	4	-
Marketing & other expenses	1,045	363
Legal fees	-	7,431
	<u>37,549</u>	<u>27,794</u>

4. INCOME TAX

The company is exempt from income tax under Section 50-45 of Income Tax Assessment Act 1997 as advised by the Australian Taxation Office in writing on 30 April 1991.

5. CASH

Cash at Bank – cheque account	2,449	110,694
Term Deposits	400,245	311,933
	<u>402,694</u>	<u>422,627</u>

Reconciliation of Net Cash provided by Operating Activities to Operating Profit/(Loss) after Income Tax

Operating Profit/(Loss) after income tax	(20,568)	42,915
Decrease (increase) of Sundry Debtors	-	520
Decrease (increase) of Interest Receivable	635	733
Net Cash Provided by (used in) operating activities	<u>(19,933)</u>	<u>44,168</u>

**THE ERYLDENE FOUNDATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. DIRECTOR & EXECUTIVE REMUNERATION

(a) Directors Remuneration

The directors of the company did not receive any remuneration.

(b) Executive Income

No executive officer of the company received any remuneration.

7. RELATED PARTY TRANSACTIONS

Directors, Karen Pedersen (Term ended 30 May 2016), Rachel O'Connor, Baolin Li (Term ended 30 May 2016), Penelope Holden, Christopher Levins and James Bretherton are common to both The Eryldene Trust and The Eryldene Foundation Limited. It is agreed that the net income of The Eryldene Foundation Limited (subject to retention of any prudent reserve) will be transferred when required to the Eryldene Trust for the purpose of maintaining Eryldene House and Garden.

8. SEGMENT REPORTING INFORMATION

As the company operates in one geographic area and obtains its income from a single stream of activity no segment reporting is required.

9. MEMBERS' GUARANTEE

The company is Limited by Guarantee. If the company is wound up, the Memorandum of Association states that each member or any person who ceased to be a member within one year of the wind up is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the company.

10. COMPANY DETAILS

The principal place of business of the company is:

The Eryldene Foundation
17 McIntosh St
Gordon NSW 2072