
Melbourne High School Foundation

Annual Report

2018



Melbourne High Foundation Ltd

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**MELBOURNE HIGH SCHOOL FOUNDATION LTD.
ABN 82 125 199 457**

**PRESIDENT'S REPORT
FOR YEAR ENDING 31st DECEMBER 2018**

INTRODUCTION AND MISSION

The Melbourne High School Foundation is the fundraising arm of Melbourne High School. The Foundation enables Melbourne High School to provide a variety of non-Government funded academic, sporting, cultural and wellbeing programs that ensure a rich all-encompassing education for all students regardless of their family circumstances.

Through its four distinct trusts and the recently established Future Fund, the Foundation provides unique opportunities for donors, including parents, past students, businesses and philanthropists to support the education and wellbeing of past, present and future students and staff.

GOVERNANCE STRUCTURE

The achievement of the aims of the Foundation rests on the governance structure comprising board members and committees which collectively:

- determine policy and direction
- create and implement plans to raise funds
- process donations
- allocate funds in conjunction with the School
- oversee five trusts and funds:
 - The MHS Arts & Cultural Trust
 - The MHS Scholarship Trust
 - The MHS General Trust
 - The Melbourne High School Foundation Health Promotion Trust
 - The Future Fund

DIRECTORS AND OFFICERS

The following directors served during the year:

- John Wertheimer (President)
- Mark Taft (Vice-President & School Council Nominee)
- Michael Hills (Company Secretary)
- Noel Moloney (Treasurer and Public Officer)
- Simon Evans (Building Advisor)
- Jeremy Ludowyke (School Principal)
- Sam Theodore (MHSOBA Nominee)

In 2018, the Board was very well supported by three observers.

- Anita Hopkins
- Chitra Amaradasa
- Pei Chi Lau

Directors' meetings have been held monthly throughout the year.

In 2018, Wendy Brooks Consulting provided strategic fundraising advice and secretariat support for the Foundation.

THE MELBOURNE HIGH SCHOOL ANNUAL APPEAL

The MHS Annual Appeal is an important source of income and is well supported by parents, past parents, old boys and friends of Melbourne High School. We are delighted with the strong support generated by the 2018 Appeal for a range of important activities, including the full renovation of two classrooms. The amounts raised are listed below.

2018 Annual Appeals	\$
Future Fund	28,046
Classrooms	59,833
River Centre	13,154
Scholarship Trust	44,750
A&C	1,827
MHSOBA	4,256
Library Fund	2,802
Health Prom Trust	12,366
General Trust	1,314
TOTAL	168,348

In 2018, the Foundation launched a new website which has seen an increase in traffic viewing our projects, news and activities. We invite all members of the community to visit www.mhsfoundation.org.au and sign-up to our newsletter to keep updated on achievements and ways to support Melbourne High School.

In late 2017, the Future Fund was established. Donations to this fund are unrestricted. Having this versatile fund will enable us to address the contemporary needs of our students and will ensure that we can respond to the most urgent priorities that may include:

- Maintaining our music facilities
- Providing students with extra-curricular and educational advancement opportunities
- Updating old technology and outdated facilities
- Providing health and wellbeing programs

669 CHAPEL STREET: THE PROPOSED CENTRE FOR HIGHER EDUCATION STUDIES AT 669 CHAPEL ST

Nine years ago, the Foundation had the opportunity to acquire an adjoining site at 669 Chapel St. Since this time, we have been working alongside the school to convince the government to support the development of a Centre for Higher Education Studies on the site. In 2018, our hard work finally paid off with an announcement in the Victorian State Budget to fund the project.

The planned Centre will be designed as a hybrid between a secondary and tertiary learning environment and will look and operate more like a contemporary university facility. The additional space will also enable the School to re-purpose sub-standard classrooms. The Victorian Curriculum and Assessment Authority is also interested in developing Higher Education Studies (HESS) that sit

within the VCE but still carry first-year university credit equivalence and these programs will be run from the Centre.

It is envisioned that some courses will include students in nearby schools including The MacRobertson Girls' High School, Melbourne Girls' College and the new Richmond and Prahran High Schools. We are currently negotiating suitable purchase terms for the land with the State Government.

CLASSROOM CROWDFUNDING CAMPAIGN

On 6th, December 2018, we launched an innovative crowdfunding campaign - Classrooms for a New Century. In an extraordinary display of community determination and support, we raised an impressive \$496,077 to upgrade 7 classrooms. This was made possible through 1,353 generous members of the school community donating to the giving day. We are now well on the way towards the goal of upgrading 50 classrooms by our centenary in 2027.

THE MELBOURNE HIGH SCHOOL FOUNDATION HEALTH PROMOTION TRUST

We are pleased that ongoing support for a program supporting the physical and emotional wellbeing of all the School's students and staff has been strong. The funds raised in 2018 enabled the school to run 3 wellbeing programs for staff and students identified as requiring support. The 10-week programs addressed exercise, sleep, nutrition, stress, mobility and cardiovascular health. We also sponsored King of the Gym a competitive gymnasium program designed to get students to visit the gym regularly and increase their fitness. Twenty-two students battled through a program of chin-ups, squats and dips to be named MHS King of the Gym.

THE MHS SCHOLARSHIP TRUST

The Scholarship Trust continued to be well supported. The Trust provides funds for scholarships, bursaries and prizes, giving much-needed assistance to students who would struggle to meet the basic costs of education. Scholarship recipients are provided with the opportunity to study at Melbourne High School and Australian or overseas tertiary institutions. In 2018, 72 students, were supported through school fee contributions, cash awards, the provision of laptops, and school uniform and book subsidies.

Jennifer Mills, The Student Wellbeing Coordinator at Melbourne High School provided the following feedback.

'The students who are assisted by the work of the Foundation leave the school knowing that support for others; financially, socially and emotionally is what the Melbourne High School quote "More than just marks" is all about'

THE MHS ARTS & CULTURAL TRUST

The Foundation continued to work towards increasing the financial support available for the development of arts and cultural activities within the School and the wider City of Stonnington community. In 2018 we provided funds for the Film Club and Philanthropy Club students to

participate in a professional video production program facilitated by Youthworkx a youth media social enterprise that trains and employs young people who are homeless or at risk of homelessness. The participating students developed skills in script development, camera and sound production, interview techniques and editing.

STRATEGY FOR FUNDRAISING

The Foundation continued working with Wendy Brooks Consulting in 2018 to develop key fundraising strategies and activities. The Foundation's focus is on strengthening relationships with past and present students, old boys, students and friends of MHS; identifying and articulating key programs that will support MHS students to achieve their potential and implementing our strategic fundraising plan to attract income.

We look forward to sharing upcoming activities with you and encourage everyone in the broader school community to become involved.

IN CLOSING

We are pleased with our achievements, strengthened relationships and increased clarity in strategic direction and future activities.

I sincerely thank our fellow board members, new and existing ambassadors and patrons, MHSOBA Council, Finance and Administration Officer Jodie Gunton, MHSOBA Events Manager's Margie Haes & Jo Malley and the Wendy Brooks Consulting team for contributing to a positive year.

My sincere thanks to each one of you who have supported Melbourne High School's students and staff, past, current and future.

I look forward to seeing many of our members at the AGM on Thursday, 20th June 2019.

Best wishes,

A handwritten signature in blue ink, reading "John Wertheimer". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Col. John Wertheimer AM RFD
President
28 May 2019



Melbourne High School Foundation Ltd
ACN: 125 199 457
as Trustee for
Melbourne High School Scholarship Trust,
Melbourne High School Arts and Cultural Trust,
Melbourne High School Foundation Health Promotion Trust,
Melbourne High School General Trust &
Melbourne High School Foundation Future Fund Trust

Special Purpose Financial Statements
For the period 1 January 2018 to 31 December 2018

Melbourne High School Foundation Ltd

ACN: 125 199 457

As Trustee for Melbourne High School Scholarship Trust,

**Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health Promotion Trust,
Melbourne High School General Trust & Melbourne High School Foundation Future Fund**

Directors' Report

For the period 1 January 2018 to 31 December 2018

The directors present their report on Melbourne High School Foundation Limited (as Trustee for Melbourne High School Scholarship Trust, Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health Promotion Trust, Melbourne High School General Trust and Melbourne High School Foundation Future Fund) for the 12 months ended 31 December 2018.

Company Strategy and Objectives

The short and long term objectives of the company and the trusts it administers are to provide assistance to past and present students and staff of Melbourne High School.

Our strategy for achieving these objectives centres on:

- Instituting a range of specific activities aimed at raising funds to finance the activities of our five trusts
- The development of a corpus the earnings on which will be used to assist with the funding of our administrative activities including the running of the five trusts.
- Seeking funding from other relevant trusts to help finance the desired activities
- Liaising as appropriate with other bodies, particularly the City of Stonnington, in relation to the joint sponsoring of arts and cultural activities.

In the 12 months, from 1 January 2018 to 31 December 2018 our principal activities were:

- The granting of a number of scholarships to students from families that are income constrained
- The establishment of a strategy for the development of a capital corpus to fund the Foundation's intended activities, using a number of distinguished persons in a range of professional, business and cultural communities who would work with the Foundation Directors to promote this program to the Corporate sector
- Co-ordinating the Annual Appeal program, and the MHS Giving Day Appeal, which provided a range of tax-deductible opportunities that will directly benefit the students and programs of Melbourne High School
- Continuing work on developing a web site for the Foundation.

These activities contributed towards the achievement of our objectives by:

- Providing assistance to eligible students whose families are in genuine financial need
- Starting the process of putting the Foundation onto a better financial basis
- Increasing the degree of co-operation between the School and the Foundation and also the Old Boys Association
- Providing the basis for efficient contemporary methods of communicating with the community at large and for the receipt of donations etc.

As the Foundation is still very much in a startup phase, we have not as yet introduced any formal measures of our performance. Measures such as annual funding targets will be developed and implemented as soon as it is reasonable to do so.

Melbourne High School Foundation Ltd

ACN: 125 199 457

As Trustee for Melbourne High School Scholarship Trust,

**Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health Promotion Trust,
Melbourne High School General Trust & Melbourne High School Foundation Future Fund**

Directors' Report

For the period 1 January 2018 to 31 December 2018

Directors: The following persons held office as directors of Melbourne High School Foundation Limited (the Company) between 1 January 2018 and 31 December 2018

ERIC JOHN WERTHEIMER AM RFD – President from December 2011 (Appointed 27 November 2008)

Profession: Manager

Qualifications: FRMIT, B Econ, CPEng

Experience: Army Officer, Managing Director, Engineer, Project Management, Management Consultant, Chairman

(PHILIP) MARK TAFT - Vice President (Appointed 2 May 2007)

Profession: Judge

Qualifications: BA(Hons) LLB

Experience: Barrister 1989-2008. Senior Counsel. Former Vice-Chairman, Criminal Bar Association. Former President, Melbourne High School Council.

NOEL MOLONEY – Treasurer (Appointed 27 November 2008)

Profession: Accountant/Criminology

Qualifications: B.Comm (University of Qld); CPA; Master of Criminology (University of Melbourne)

Experience: 30 years in government areas of finance, budgeting, strategic planning, internal auditing, securities administration, strategic reviews, program evaluations, policy, state and national committees, and statistics; formerly Treasurer Melbourne High School Council.

MICHAEL HILLS – Company Secretary (Appointed 1 November 2007)

Profession: Accountant

Qualifications: BEc(Hons); CPA; Registered Tax Agent; Advanced Management Programme - Australian Admin. Staff College

Experience: Senior Economics; Corporate Planning; Managerial & Financial Control positions in major Australian Bank; 18 years' experience in not for profit sector; Former Director, Company Secretary & Treasurer Foundation Boroondara Ltd; recently Director and Company Secretary Canterbury Surrey Hills Community Finance Ltd; former Treasurer Melbourne High School Council.

SAM THEODORE - (Appointed 29 January 2014)

Profession: Audit and Risk

Qualifications: Masters in Practicing Accounting - Monash University, Bachelor of Business - Banking and Finance - Monash University, Member Institute of Public Accountants, Senior Associate - SA FIN (FINSIA) - Financial Services Institute of Australasia

Experience: Director Blind Sports Australia, Director Landshare Pty Ltd, Director T Corporation Pty Ltd. SJ Theodore Holdings Pty Ltd. Former Director Goalball Australia

JEREMY LUDOWYKE (Appointed 2 May 2007)

Profession: School Principal

Qualifications: MA, Dip Ed., Grad Dip. Ed (Policy and Administration)

Experience: Teacher, Department of Education 35 years, Principal, Department of Education 21 years including financial management, corporate governance and Human Resource management training and experience.

SIMON EVANS (Appointed 27 July 2016)

Profession : Project and Development Manager

Qualifications: BArch (Melbourne University),

Experience: General Manager of Project Management for a large private development company - 14 years, Associate Director of a private project management consulting firm - 10 years. Responsibility for design management and timely completion of projects over a period of 33 years

Melbourne High School Foundation Ltd

ACN: 125 199 457

As Trustee for Melbourne High School Scholarship Trust,

**Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health Promotion Trust,
Melbourne High School General Trust & Melbourne High School Foundation Future Fund**

Directors' Report

For the period 1 January 2018 to 31 December 2018

Operating Results

The combined deficit of the company, and the Melbourne High School Scholarship Trust, Melbourne High School Arts and Cultural Trust, Melbourne High School Health Promotion Trust, Melbourne High School General Trust and Melbourne High School Foundation Future Fund for the 12 months from 1 January 2018 to 31 December 2018 was **\$200,261 (surplus 92,297)** due to a change in leasing arrangements at 669 Chapel Street.

Review of Operations

A summary of revenue and results is set out below:

	1/1/2018 to 31/12/2018	1/1/2017 to 31/12/2017
	\$	\$
Revenue from ordinary activities of the Company	266,816	677,261
Net surplus/deficit of the Company	(200,261)	92,297

The year saw further progress achieved towards the Foundation's role of being a major additional fund raising mechanism for the School and the wider school community.

The Foundation now administers 5 Trusts and is able to gather and recognized funds for a wide range of purposes, including the receipt of bequests of any form, i.e. cash, securities and real property.

The Foundation continues to administer the School's annual fund raising appeal. We are continually working on other strategies to make both the School's and the Foundation's fund raising activities even more successful. These will be implemented at the earliest opportunity.

Melbourne High School Foundation Ltd

ACN: 125 199 457

As Trustee for Melbourne High School Scholarship Trust,

Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health Promotion Trust,

Melbourne High School General Trust & Melbourne High School Foundation Future Fund

Directors' Report

For the period 1 January 2018 to 31 December 2018

Meetings of Directors

The number of Board meetings attended by the directors whilst the director was in office that were held during the period from 1 January 2018 to 31 December 2018:

Name of Director	Number eligible to attend	Number attended
Eric John Wertheimer	10	9
Jeremy Ludowyke	10	9
(Philip) Mark Taft	10	9
Michael Ronald Hills	10	10
Noel Gerard Moloney	10	8
Sam Theodore	10	10
Simon Evans	10	9

Melbourne High School Foundation Ltd

ACN: 125 199 457

As Trustee for Melbourne High School Scholarship Trust,

**Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health Promotion Trust,
Melbourne High School General Trust & Melbourne High School Foundation Future Fund**

Directors' Report

For the period 1 January 2018 to 31 December 2018

Liability of Directors

Should the company ever be wound up, Section 8 of its Constitution states that the maximum contribution that members must make is \$100 each. All directors must be members of the company and the current maximum number of directors is seven.

Subject to any changes to the maximum number of directors allowed, the maximum aggregate liability of directors current at the time of winding up is therefore \$700. Any directors who resign within the year prior to the winding up are also required to contribute a maximum of \$100 each.

Auditor's Independence Declaration

The auditor's independence declaration for the 12 months ended 31 December 2018 has been received.

This report is made in accordance with a resolution of the directors.

Eric John Wertheimer
Director

Noel Moloney
Director

Dated this 20th day of June 2019

Location: Melbourne, Victoria

Melbourne High School Foundation Ltd

ACN: 125 199 457

As Trustee for Melbourne High School Scholarship Trust,

Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health Promotion Trust, Melbourne High School General Trust &
Melbourne High School Foundation Future Fund

Statement of Comprehensive Income for the period 1 January 2018 to 31 December 2018

	Notes	MHS Foundation Limited		MHS Scholarship Trust		MHS Arts & Cultural Trust		MHS Health Promotion Trust		MHS General Trust		MHS Foundation Future Fund		TOTALS	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue from Ordinary Activities	2														
Donations		-	-	56,565	61,912	2,229	35,298	12,375	9,473	-	-	28,147	-	99,316	106,683
Scholarships		-	-	28,662	47,097	-	-	6,000	6,000	-	-	-	-	34,662	53,097
Interest		-	-	10,776	11,010	32	43	88	81	395	1,270	98	-	11,389	12,404
Salary Reimbursement		-	-	-	-	-	-	-	-	15,808	15,808	-	-	15,808	15,808
Re-imbursment of General Trust expenses		-	-	-	-	-	-	-	-	46,277	41,486	-	-	46,277	41,486
Lease Income (669 Chapel Street)		-	-	-	-	-	-	-	-	50,250	339,208	-	-	50,250	339,208
Other contributions (669 Chapel Street)		-	-	-	-	-	-	-	-	-	108,180	-	-	-	108,180
Other Income		-	-	-	-	-	-	-	-	9,114	395	-	-	9,114	395
Total Revenue		-	-	96,003	120,019	2,261	35,341	18,463	15,554	121,844	506,347	28,245	-	266,816	677,261
Expenses from Ordinary Activities	3														
Contractor expenses		-	-	-	-	-	-	-	-	81,830	75,180	-	-	81,830	75,180
Employment expenses		-	-	-	-	-	-	-	-	-	69	-	-	-	69
Bank Fees		-	-	-	46	-	-	-	-	662	1,079	5	-	667	1,125
Insurance		-	-	-	-	-	-	-	-	2,689	2,654	-	-	2,689	2,654
Legal & Accounting		-	-	-	-	-	-	-	-	48	47	-	-	48	47
Office Administrative Expenses		-	-	-	-	-	-	-	-	872	1,380	-	-	872	1,380
Scholarship & Prizes Awarded		-	-	59,505	79,935	-	2,400	-	-	-	-	-	-	59,505	82,335
Expenses for 669 Chapel Street		-	-	-	-	-	-	-	-	253,053	338,212	-	-	253,053	338,212

Melbourne High School Foundation Ltd

ACN: 125 199 457

As Trustee for Melbourne High School Scholarship Trust,

Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health Promotion Trust, Melbourne High School General Trust & Melbourne High School Foundation Future Fund

	Notes	MHS Foundation Limited		MHS Scholarship Trust		MHS Arts & Cultural Trust		MHS Health Promotion Trust		MHS General Trust		MHS Foundation Future Fund		TOTALS	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fund Raising expenses		-	-	-	-	-	-	-	-	10,498	10,131	-	-	10,498	10,131
Re-imburements of General Trust expenses		-	-	30,304	29,850	3,788	2,478	3,788	3,583	-	-	3,788	-	41,668	35,911
General expenses		-	-	-	-	5,700	30,000	8,028	5,520	2,518	2,400	-	-	16,246	37,920
Total Expenses		-	-	89,809	109,831	9,488	34,878	11,816	9,103	352,170	431,152	3,793	-	467,076	584,964
Profit/(Loss) Before Income Tax		-	-	6,194	10,189	(7,227)	463	6,647	6,451	(230,326)	75,194	24,452	-	(200,261)	92,297
Other Comprehensive Income/Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income After Income tax		-	-	6,194	10,189	(7,227)	463	6,647	6,451	(230,326)	75,194	24,452	-	(200,261)	92,297

The above income statements should be read in conjunction with the accompanying notes.

Melbourne High School Foundation Ltd
ACN: 125 199 457
As Trustee for Melbourne High School Scholarship Trust,
Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health
Promotion Trust, Melbourne High School General Trust & Melbourne High School Foundation
Future Fund

Balance Sheet
As at 31 December 2018

	Notes	1/1/2017 to 31/12/2017
CURRENT ASSETS		\$
Cash and cash equivalents	4	628,574
Receivables & prepayments	5	59,595
TOTAL CURRENT ASSETS		<u>688,169</u>
NON-CURRENT ASSETS		
Art Works	6	572,729
Website and Database	6	11,650
Freehold Land and Buildings	6	7,738,579
TOTAL NON-CURRENT ASSETS		<u>8,322,957</u>
TOTAL ASSETS		9,011,126
CURRENT LIABILITIES		
Other creditors and accruals	7	151,826
NON-CURRENT LIABILITIES		
Borrowings	8	4,819,299
TOTAL LIABILITIES		<u>4,971,125</u>
NET ASSETS		<u>4,040,001</u>
EQUITY		
Settled Sum	10	3,750
Accumulated Surplus	9	1,236,052
Contributed Equity (669 Chapel St)		250,200
Asset revaluation reserve – 669 Chapel Street		2,550,000
TOTAL EQUITY		<u>4,040,001</u>

The above balance sheet should be read in conjunction with the accompanying notes.

Melbourne High School Foundation Ltd
ACN: 125 199 457
As Trustee for Melbourne High School Scholarship Trust,
Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health
Promotion Trust, Melbourne High School General Trust & Melbourne High School Foundation
Future Fund

Statement of Changes in Equity
For the period 1 January 2018 to 31 December 2018

	Settled Sums	Accumulated Surplus	Contributed Equity	Asset Revaluation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 31 December 2016	3,350	1,344,016	250,200	-	1,597,566
Surplus for the year	-	92,297	-	-	92,297
Increase in fair value of freehold land and buildings	-	-	-	2,550,000	2,550,000
Balance at 31 December 2017	3,350	1,436,312	250,200	2,550,000	4,239,862
Deficit for the year	-	(200,261)	-	-	(200,261)
Increase in settled sums	400	-	-	-	-
Balance at 31 December 2018	3,750	1,236,052	250,200	2,550,000	4,040,001

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Melbourne High School Foundation Ltd
ACN: 125 199 457
As Trustee for Melbourne High School Scholarship Trust,
Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health
Promotion Trust, Melbourne High School General Trust & Melbourne High School Foundation
Future Fund

Statement of Cash Flows
For the period 1 January 2018 to 31 December 2018

	\$	1/1/2017 to 31/12/2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Donations, Sponsorship and other operations	428,310	202,081
Payments to Suppliers and Employees	(483,232)	(247,826)
	<hr/>	<hr/>
Net Cash used in Operating activities	(54,922)	(45,745)
CASH FLOW FROM FINANCING ACTIVITIES		
Specified Scholarships received	34,662	53,097
Specified Scholarships paid	(35,938)	(57,172)
	<hr/>	<hr/>
Net Cash used in Finance activities	(1,276)	(4,075)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	11,389	12,404
Interest paid on third party borrowings (a)	(139,447)	(319,621)
CREMA Constructions Payments for lease		
C & L Holdings Payments for lease	-	322,212
VALEO Payments for lease	50,250	-
Payments to Utilities and SRO	(8,740)	(116,732)
Repayment of Security bond	-	(85,673)
Other Payments	(13,277)	-
	<hr/>	<hr/>
Net Cash used in Investing activities	(99,825)	(33,202)
Net decrease in cash and cash equivalents	(156,023)	(83,022)
Cash and cash equivalents at the beginning of period	784,596	867,618
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	628,574	784,597

(a) During the year interest of \$91,829 on a related party loan of \$1.59M was accrued for the year but not paid.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Melbourne High School Foundation Ltd
ACN: 125 199 457
As Trustee for Melbourne High School Scholarship Trust,
Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health
Promotion Trust, Melbourne High School General Trust & Melbourne High School Foundation
Future Fund

Notes to the Accounts
For the period 1 January 2018 to 31 December 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

In the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying as applicable with the *Corporations Act 2001* requirements to prepare and distribute a financial report to the members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

This special purpose financial report for the year ended 31 December 2018 has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial report is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

The income statement has been classified according to each particular trust (Melbourne High School Scholarship Trust, Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health Promotion Trust, Melbourne High School General Trust and Melbourne High School Foundation Future Fund) so that information is more discernible to users. The other financial reports have not needed to be modified in the same manner.

For the purposes of the report, the foundation is a not for profit entity.

a) **Revenue recognition**

Income is recognized when receivable.

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

b) **Income Tax**

The Company is not exempt from income tax under the provisions of the Income Tax Assessment Act. However, as its major role is to act as a corporate trustee it is unlikely that the company will pay any tax. The Company has been recognized by the Australian Taxation Office as a Deductible Gift Recipient for funds donated to the Melbourne High School Scholarship Trust, the Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health Promotion Trust, and the Melbourne High School Foundation Future Fund. These trusts are exempt from income tax.

c) **Cash and cash equivalents**

Cash and cash equivalents include all cash on hand, at call deposits with banks or financial institutions and investments in money market instruments maturing within less than two months.

Melbourne High School Foundation Ltd
ACN: 125 199 457
As Trustee for Melbourne High School Scholarship Trust,
Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health
Promotion Trust, Melbourne High School General Trust & Melbourne High School Foundation
Future Fund

Notes to the Accounts
For the period 1 January 2018 to 31 December 2018

	\$	1/1/2017 to 31/12/2017 \$
2. REVENUE FROM CONTINUING OPERATIONS		
Donations	99,316	106,683
Scholarships	34,662	53,097
Interest	11,389	12,404
Reimbursement of Salary	15,808	15,808
Re-imburement of General Trust Expenses	46,277	41,486
Lease Income (669 Chapel Street)	50,250	339,208
Other Income (669 Chapel Street)	0	108,180
Other Income	9,114	395
	266,816	677,261
3. EXPENSES FROM ORDINARY ACTIVITIES		
Contractor Expenses	81,830	75,180
Employment Expenses	-	69
Bank Fees	667	1,125
Insurance Premiums	2,689	2,654
Legal & Accounting	48	47
Stationery, Supplies & Gifts	872	1,380
Scholarship Awards and Prizes	59,505	82,335
669 Chapel Street expenses including finance costs	253,053	338,212
Fund Raising Expenses	10,498	10,131
Reimbursement of General Trust Expenses	41,668	35,911
General Expenses	16,246	37,920
	467,076	584,964
4. CASH AND CASH EQUIVALENTS		
Westpac Bank – Melbourne High School Foundation Ltd	(22,209)	13,376
Westpac Bank – Melbourne High School Scholarship Trust	20,785	17,565
Westpac Bank – Melbourne High School Arts and Cultural Trust	27,606	35,232
Westpac Bank – Melbourne High School Health Promotion Trust	89,952	83,306
Bendigo Bank – Melbourne High School General Trust Op Account	53,040	155,139
Bendigo Bank – Melbourne High School Foundation Future Fund	24,851	-
Bendigo Bank – Melbourne High School Scholarship Trust MHSOBA	5,960	1,520
Bendigo Bank – Melbourne High School Scholarship HYA	109,354	159,842
Bendigo Bank – Melbourne High School Scholarship Trust Reserve	319,234	318,616
	628,574	784,596

Melbourne High School Foundation Ltd
ACN: 125 199 457
As Trustee for Melbourne High School Scholarship Trust,
Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health
Promotion Trust, Melbourne High School General Trust & Melbourne High School Foundation
Future Fund

	1/1/2017 to 31/12/2017	
5. RECEIVABLES	\$	\$
Debtors	59,595	5,870
	<hr/>	<hr/>
6. NON-CURRENT ASSETS		
“The Cricketers” Sculpture	120,000	120,000
“Neil Roberts” Sculpture	50,000	50,000
“Merv Lincoln” Statue	134,243	134,243
“Ron Clarke” Statue	134,243	134,243
“Ralph Doubell” Statue	134,242	134,242
	<hr/>	<hr/>
	572,729	572,729
Website and Database	11,650	6,610
669 Chapel Street	7,738,579	7,738,579
	<hr/>	<hr/>
	8,322,957	8,317,947
	<hr/>	<hr/>
7. CURRENT LIABILITIES		
Lachlan Caspar Brooke Memorial Scholarship	55,663	55,663
S. Fincher Young Carer Bursary	13,425	11,087
George Langley Award	33,000	33,500
GST	5,177	467
Sundry Creditors	18,101	16,118
Other accruals	36,815	14,218
	<hr/>	<hr/>
	151,827	131,052
	<hr/>	<hr/>
8. NON-CURRENT LIABILITIES		
Bendigo Bank Mortgage Payable	2,853,408	2,853,408
Security Deposit (669 Chapel Street)	-	10,000
MHS Liability Loan	1,965,891	1,874,062
	<hr/>	<hr/>
	4,819,299	4,737,470
	<hr/>	<hr/>

Melbourne High School Foundation Ltd
ACN: 125 199 457
As Trustee for Melbourne High School Scholarship Trust,
Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health
Promotion Trust, Melbourne High School General Trust & Melbourne High School Foundation
Future Fund

9. ACCUMULATED SURPLUS

Retained profits/losses at the end of the financial year

Melbourne High School Foundation Ltd	(13,183)	(13,183)
Melbourne High School Arts & Cultural Trust	515,718	522,945
Melbourne High School Scholarship Trust	479,758	473,564
Melbourne High School General Trust	139,703	370,029
Melbourne High School Health Promotion Trust	89,604	82,957
Melbourne High School Foundation Future Fund	24,452	-
	1,236,052	1,436,312

10. MEMBERS GUARANTEE AND SETTLED SUM

The Melbourne High School Foundation Limited is a company limited by guarantee. In the event of a winding up of the company, liability of members is limited to a maximum of \$100 each. As at 30 June 2018, the aggregate maximum liability of all current members is \$2,500. Any directors who resign within the year prior to the winding up are also required to contribute a maximum of \$100 each.

The Settled Sum of the five trusts to which the Melbourne High School Foundation Limited acts as Trustee for are:

Melbourne High School Scholarship Trust	\$1,400
Melbourne High School Arts & Cultural Trust	\$1,500
Melbourne High School Foundation Health Promotion Trust	\$400
Melbourne High School General Trust	\$50
Melbourne High School Foundation Future Fund	\$400
	\$3,750

Melbourne High School Foundation Ltd
ACN: 125 199 457
As Trustee for Melbourne High School Scholarship Trust,
Melbourne High School Arts and Cultural Trust, Melbourne High School Foundation Health
Promotion Trust, Melbourne High School General Trust & Melbourne High School Foundation
Future Fund

Directors' Declaration
For the period 1 January 2018 to 31 December 2018

In accordance with a resolution of the directors, the directors of the company declare that

- a) the financial statements and notes set out on pages 7 to 13 of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance as represented by the results of its operations and its cash flows for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,

Eric John Wertheimer
Director

Noel Moloney
Director

Dated this 20th day of June 2019

Location: Melbourne, Victoria

Independent Auditor's Report to the members of Melbourne High School Foundation Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of Melbourne High School Foundation Ltd, which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in members funds for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the Company 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 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors 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 directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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.

Deloitte.

We communicate with the directors 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



C M J Bryan
Partner
Chartered Accountants
Melbourne, 20 June 2019

20 June 2019

The Board of Directors
Melbourne High School Foundation Ltd
Forest Hill
SOUTH YARRA VIC 3141

Dear Board Members

MELBOURNE HIGH SCHOOL FOUNDATION LTD

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Melbourne High School Foundation Ltd.

As lead audit partner for the audit of the financial statements of Melbourne High School Foundation Ltd for the financial year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



C M J Bryan
Partner
Chartered Accountants

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Member of Deloitte Touche Tohmatsu Limited

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