

*Celebrating
140 years
1878-2018*

 **XAVIER
FOUNDATION**

Annual Report 2018



XAVIER COLLEGE FOUNDATION LIMITED
ABN 52 005 403 476

Registered Office: Xavier College, 135 Barkers Road, Kew 3101
Telephone: (03) 9815 4542
President: Anthony Nunan
Vice President: Paul Ferla
Executive Director: Anthony Bretherton
Secretary: Rose-Mary Cassin
Banker: Commonwealth Bank of Australia Ltd-and St George Bank Ltd
Auditor: Deloitte Touche Tohmatsu

DIRECTORS:

ANTHONY NUNAN
President, Chairman of Directors

PAUL FERLA
Vice President, Treasurer

CHRISTOPHER CALLINAN

ROSE-MARY CASSIN
Secretary

STEPHEN CASE
(to 30 April 2018)

PATRICK CODY

PETER NANKIVELL

PETER WALSH

DR CHRIS HAYES
Principal
(1 July 2017 to 31 December 2017)

MR WILLIAM DOHERTY
Principal
(from 1 January 2018)

FR CHRIS MIDDLETON SJ
Rector

ANTHONY BRETHERTON
Executive Director

XAVIER COLLEGE FOUNDATION LIMITED
ABN 52 005 403 476
President's Report

As this is my last year as President of the Foundation, before taking on my role as Chairman of the Xavier College Board, the publication of the Annual Report provides me with an opportunity to thank all those who have contributed to this year's success.

In achieving this year's results, thanks are extended to:

- Our many generous donors & supporters.
- Mr Peter Walsh, Trustee, Eldon Hogan Trust. Peter continues to be a wonderful supporter of the Foundation and his counsel and advice to me as President of your Foundation has been invaluable.
- Our Foundation Board and in particular Mrs Rose-Mary Cassin for her work as the Secretary to the Foundation Board.
- The Investment Committee members who once again have managed your Foundation funds so successfully.
- Tony Bretherton as Executive Director and his team, Bernadette Batten, Heather Murphy and Helen Barry. This team, in our Foundation office, work to make sure the day-to-day activities of the Foundation progress efficiently to the ultimate benefit of Xavier College.
- Richard Moore who has so ably offered his services as the Foundation accountant. Richard recently reached his milestone birthday of 90 years young and we thank him most sincerely. Richard will retire from his services to the Foundation later this year, when we will take the opportunity to formally thank him for his many years of dedicated service.
- Mr William Doherty, Principal of Xavier College, who joined us at the beginning of 2018. William's vision for the College and the Foundation will see exciting initiatives ahead.
- And finally, Mr Frank Peck OAM, Chairman of the Xavier College Board, who will be retiring his chairmanship in November 2018. Frank has been a major supporter of the Foundation during his time and the support he has given to the Foundation, and me, not only over the last 12 months but during his tenure has been invaluable. The Foundation wishes Frank all the best for the future.

The financial results of this year have seen the continuation and the development of Foundation funded bursaries to support students at Xavier College. Without these bursaries, it is likely that the families of these students would not have been able to proceed with enrolment at Xavier and add their contribution to the Xavier College community life. We have been very proud to be able to help in this very meaningful way.

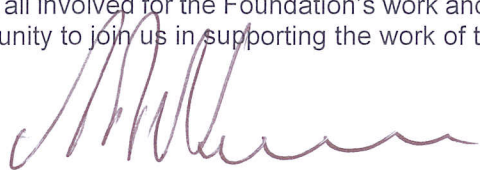
Key achievements

- From the 2016/2017 financial year a distribution of \$1,147,086 was made to the College from the earnings generated by the Foundation Funds.
- The 2017 Inspiring Excellence Appeal raised much needed funds for The College to use to improve building and libraries and to provide very valuable aforementioned bursaries.
- Change of Constitution to allow for updated references to the newly formed College Board and in particular to refresh membership categories for all our donors.

The challenge for the future

We now look forward to working with the College to plan our focus and future priorities and strategy in line with the College Strategic Plan. We see exciting days ahead as we set out to build on what has been achieved. To ensure success, fundraising by the Foundation is critical for Xavier College to thrive into the future. The work of the Foundation continues to be vital in securing the Colleges vision and I do invite ongoing and ever widening support from the College Community.

I thank all involved for the Foundation's work and success over the past year and invite all members of the Xavier Community to join us in supporting the work of the Xavier Foundation.



Tony Nunan

President

11 October 2018

XAVIER COLLEGE FOUNDATION LIMITED
ABN 52 005 403 476

Principal's Report

In entering my first year as Principal of Xavier, an extraordinary school celebrating its 140th year of educating our students in the Ignatian tradition, I am mindful of the wonderful privilege it is to be part of this warm and able community.

In so many ways, the Foundation embodies the spirit and values of our Jesuit underpinnings. By its actions and the generous support of donors through giving and bequests, the Foundation is able to contribute to the wellbeing and experiences of others, that their hearts may be set on fire and that they might, in turn, make a difference in their world.

The College continues to be entirely grateful for the astute management by the Foundation of its corpus of funds that continue to materialise the tangible opportunities for students to gain a bursary or scholarship and so gain a Xavier education. Our educational capacity is enriched by the *Inspiring Excellence* campaign which not only delivers funds to the aforementioned causes, but also to the enhancement of College libraries, the maintenance of our beautiful, historic buildings, and also to the creation of innovative and inspiring learning spaces that must continue to be at the forefront of our endeavours as we best enable the College to deliver a contemporary and challenging educational experience for our students.

The Foundation has also responded to the new governance structures implemented by the College and the Society of Jesus this year. The Incorporation of Xavier College in March ushers in a new era of governance across all College structures, and will enable the College to continue to respond with clarity and purpose into its exciting future.

On behalf of the College, I extend our thanks to the dedicated and informed work of the Foundation Board, to its Chair, Mr Tony Nunan, its committee members, and to our generous and informed College staff contributors in Mr Tony Bretherton as Director of Development and Community Relations, and Ms Bernadette Batten as the Assistant Director.

There will be much exciting work ahead as the College confirms its next Strategic Plan and seeks to also confirm, in due accord, our future building strategy through a new Masterplan. It is anticipated that this will be in place by year's end, and will seek to enrich and guide the ongoing actions of the Foundation as we collectively strive to unlock every potential for Xavier and for our students.



William Doherty
Principal
11 October 2018

XAVIER COLLEGE FOUNDATION LIMITED
ABN 52 005 403 476

Directors' Report

The Directors make this Report as follows:

In this Report:

"*Annual Report*" means the 2018 Annual Report of the Foundation of which this Report forms part

"*the Act*" means Australian Charities and Not-for-profits Commission Act 2012

"*the Foundation*" means Xavier College Foundation Limited

ACN 005 403 476 / ABN 52 005 403 476

"*the year*" means the financial year ended 30 June 2018

"*the Directors*" means the Directors of the Foundation

"*year end*" means 30 June 2018

"*the prior year*" means the financial year ended 30 June 2017.

Xavier College Foundation Ltd (the Foundation) was incorporated as a company limited by Guarantee on 12th December 1977. It is a public company under the Australian Charities and Not-for-profits Commission Act 2012. The control, management and conduct of the affairs of the Foundation are vested in a Board of Directors, who through various standing Committees is responsible for its continual growth and development.

REVIEW AND RESULTS OF OPERATIONS

For the year the aggregate of the investments of the Endowment and Ignatius Education Fund was \$24.39 million compared with \$21.94 million in the previous year. The aggregate of accumulated funds of the Endowment and Ignatius Education Fund was \$28.71 million compared with \$25.82 million at the end of the prior year.

During the year a total \$1.52 million was paid to Xavier College from the prior year's earnings of the various Funds of the Foundation. The equivalent contribution to the College in the prior year was \$2.27 million.

ENDOWMENT FUND

Total members' funds at year end were \$21,046,291 being an increase of \$1,682,660 on the position at the end of the prior year, due primarily to the increase in the market value of financial assets over the year.

Dividends received on investments during the year totalled \$807,488 being \$80,246 more than receipts in the prior year. Furthermore, unrealised gains on investments were \$1,227,658 compared with

unrealised gains in the prior year of \$940,161, a gain of \$287,497. There was a realised gain on sales of investments of \$302,029 compared with a gain of \$736,781 in the previous period.

Interest income earned in the year of \$113,479 compared with \$136,552 in the prior year.

Administration expenses, mainly salary, brokerage and audit costs, incurred by the fund during the year were \$55,235 a reduction of \$41,577 due to savings in salary costs of \$39,626.

Operating result

The operating surplus of the Endowment Fund prior to distribution to Xavier College was \$2,504,728 compared with the prior year of \$2,422,070, a difference of \$82,658. This difference is due mainly to the increase in net income from investments of \$80,246.

During the year it was pleasing, under the provisions of the Constitution, to distribute a grant of \$822,068 to the College from the prior year's earnings. In the prior year a grant of \$894,855 was made. After accounting for these grants the net surplus for the year was \$1,682,660 compared with the prior year's surplus of \$1,527,215.

BUILDING FUND

Accumulated funds at year end of the Xavier College Building Fund, of which the Foundation is a trustee, were \$2,682,519 compared with \$1,840,169 at the end of the prior year.

Donations received totalled \$1,074,329 compared with the previous year of \$1,207,857. Audit fees and bank charges met by the Building Fund totalled \$2,725.

The Building Fund made payments to Xavier College from the prior year's earnings of \$249,054 for general building maintenance costs. Payments of \$850,690 were made in the prior year.

LIBRARY FUND

Accumulated funds at year end of the Xavier College Library Fund of which the Foundation is a trustee were \$40,972 compared with \$32,479 at the end of the prior year.

The fund received donations in the current year of \$31,915 compared with donations in the prior year of \$20,215. Funds distributed to Xavier College by

the Library Fund in the current year were \$21,000. There was no distribution in the prior year.

IGNATIUS EDUCATION FUND

Accumulated funds of the Ignatius Education Fund at year end were \$7,664,791 being a net increase of \$1,201,708 on the position at the end of the prior year. The major factors which affected this result were an increase in current assets of \$1,201,347, an increase over the year of \$220,298 in the market value of investments and the gain on sale of investments of \$132,142.

Dividends and interest received on investments during the year totalled \$378,429 being \$82,827 more than receipts in the prior year. Unrealised gains on investments were \$220,298 compared with unrealised gains in the prior year of \$356,465, a negative difference of \$136,137 and a realised gain on sales of investments was \$132,142 compared with a gain of \$184,969 in the previous period.

Administration expenses, mainly, brokerage and audit costs, incurred by the fund during the year were \$26,666 an increase of \$6,458 on the prior year.

Operating result

The operating surplus of the Ignatius Education Fund, prior to distribution to Xavier College was \$1,630,090 compared with the prior year's surplus of \$1,098,278, an increase of \$531,812. This difference is due mainly to the increase in donations of \$648,970.

During the year, it was pleasing to distribute a total of \$428,382 to the College for scholarships and bursaries. The total distribution in the prior year was \$528,665.

After accounting for these payments, the surplus for the year was \$1,201,708 compared with a surplus of \$569,613 in the prior year.

Subsequent events

There have not been any material events subsequent to year end.

Indemnification of officers

The Foundation has not, during or since the financial year, in respect of any current or former officer or auditor of the Foundation, indemnified or made any relevant agreement for indemnifying against a liability.

The Foundation has, during or since the financial year, in respect of any current or former officer or auditor of the Foundation, paid or agreed to pay a premium in respect of a contract insuring against a liability for legal costs.

Proceedings on behalf of Foundation

No person has applied for leave of court to bring proceedings on behalf of the Foundation or intervene in any proceedings to which the Foundation is a party for the purpose of taking responsibility on behalf of the Foundation for all or any part of those proceedings. The Foundation was not a party to any such proceedings during the financial year.

Auditor's independence declaration

The auditor's independence declaration is included on page 10 of the annual report.

XAVIER COLLEGE FOUNDATION LIMITED
ABN 52 005 403 476

Directors' Report

Number of meetings of Directors


DIRECTOR	MEETINGS ATTENDED	
	A	B
Christopher Callinan	7	7
Stephen Case	6	3
Rose-Mary Cassin	7	7
Patrick Cody	7	6
William Doherty	4	4
Paul Ferla	7	7
Dr Christopher Hayes	3	2
Fr Chris Middleton SJ	7	7
Peter Nankivell	7	6
Anthony Nunan	7	6
Peter Walsh	7	7

A = Number of eligible meetings held during the year. **B** = Number of meetings attended

In the case of those who held office for part of the accounting period **A** means the number of meetings held while the person was a director and **B** means the number of those meetings the person attended.

The Foundation is an incorporated company limited by guarantee. The maximum amount of contribution of each Member of the Foundation is \$5.00. This amount may not be called up except in the event and for the purposes of the winding up of the Foundation. At 30 June 2018 the number of Members was 838.

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



Director

Dated this 11th day of October 2018

Independent Auditor's Report to the members of Xavier College Foundation Limited

Opinion

We have audited the financial report, being a special purpose financial report of Xavier College Foundation Limited (the "Entity") which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other 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 the directors' declaration.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 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 Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 auditor independence requirements of the ACNC Act 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 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 ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the president, the principal and the directors' reports for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Entity 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 ACNC Act and 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 Entity 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 Entity 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 Entity'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 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 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



Peter Glynn
Partner
Chartered Accountants
Melbourne, 11 October 2018

The Board of Directors
Xavier College Foundation Limited
Xavier College
Barkers Road
KEW VIC 3101

11 October 2018

Dear Board Members

Xavier College Foundation Limited

In accordance with the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of Xavier College Foundation Limited.

As lead audit partner for the audit of the financial statements of Xavier College Foundation Limited for the financial year ended 30 June 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 Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audits.

Yours sincerely


DELOITTE TOUCHE TOHMATSU


Peter Glynn
Partner
Chartered Accountants

XAVIER COLLEGE FOUNDATION LIMITED
ABN 52 005 403 476

Directors' Declaration

As detailed in Note 1 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the directors' reporting requirements under the Australian Charities and Not-for-profit Commission Act 2012.

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profit Commission Act 2012, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the entity.

Signed in accordance with a resolution of the directors made pursuant to s.60.15 of the Australian Charities and Not-for-profit Commission Regulations 2013.

On behalf of the Directors



Director

Melbourne, 11 October 2018

XAVIER COLLEGE FOUNDATION LIMITED
ABN 52 005 403 476

Statement of Profit or Loss and Other Comprehensive Income - Year ended 30 June 2018

	Note	2018 \$	2017 \$
Income	2	1,131,798	1,012,303
Fair value gain on investments		1,227,658	940,161
Realised gain on investments		302,029	736,781
Special purpose funds		(101,522)	(170,363)
Other expenses		<u>(55,235)</u>	<u>(96,812)</u>
Surplus from operations before tax	3	<u>2,504,728</u>	<u>2,422,070</u>
Grants to Xavier		(822,068)	(894,855)
Surplus for the year		<u>1,682,660</u>	<u>1,527,215</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive surplus for the year		<u>1,682,660</u>	<u>1,527,215</u>

The accompanying notes form part of these financial statements.

XAVIER COLLEGE FOUNDATION LIMITED
ABN 52 005 403 476

Statement of Financial Position - as at 30 June 2018

	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	4	1,386,859	1,061,082
Receivables	5	284,483	237,961
Financial assets	6	<u>17,910,640</u>	<u>16,188,010</u>
Total current assets		<u>19,581,982</u>	<u>17,487,053</u>
Non-current assets			
Receivables	5	<u>2,437,500</u>	<u>2,794,174</u>
Total non-current assets		<u>2,437,500</u>	<u>2,794,174</u>
Total assets		<u>22,019,482</u>	<u>20,281,227</u>
Current liabilities			
Payables & Accruals	7	<u>973,191</u>	<u>917,596</u>
Total current liabilities		<u>973,191</u>	<u>917,596</u>
Total liabilities		<u>973,191</u>	<u>917,596</u>
NET ASSETS		<u>21,046,291</u>	<u>19,363,631</u>
Members funds			
Accumulated funds		<u>21,046,291</u>	<u>19,363,631</u>
TOTAL MEMBERS' FUNDS		<u>21,046,291</u>	<u>19,363,631</u>

The accompanying notes form part of these financial statements.

XAVIER COLLEGE FOUNDATION LIMITED
ABN 52 005 403 476

Statement of Cash Flows – Year ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from Donors and Members		210,319	142,836
Interest received		113,479	136,552
Payments to Xavier College, Xavier College Building Fund suppliers and employees		(956,730)	(1,010,024)
Receipts from investments (dividends and distributions)		761,478	821,938
Net cash provided by operating activities	11(a)	<u>128,546</u>	<u>91,302</u>
Cash flows from investing activities			
Proceeds from sale of investments		3,358,381	9,076,134
Purchase of investments		<u>(3,517,824)</u>	<u>(8,730,984)</u>
Net cash (used in)/provided by investing activities		<u>(159,443)</u>	<u>345,150</u>
Cash flows from financing activities			
Proceeds from loans to related parties		<u>356,674</u>	-
Net cash provided by financing activities		<u>356,674</u>	-
Net increase in cash held		325,777	436,452
Cash and cash equivalents at the beginning of the financial year		<u>1,061,082</u>	<u>624,630</u>
Cash and cash equivalents at the end of the financial year	11(b)	<u><u>1,386,859</u></u>	<u><u>1,061,082</u></u>

The accompanying notes form part of these financial statements.

XAVIER COLLEGE FOUNDATION LIMITED
ABN 52 005 403 476

Statement of Changes in Equity – Year ended 30 June 2018

	Accumulated funds \$	Total \$
Balance at 1 July 2016	17,836,416	17,836,416
Surplus for the year	1,527,215	1,527,215
Total comprehensive surplus for the year	<u>1,527,215</u>	<u>1,527,215</u>
Balance at 30 June 2017	<u>19,363,631</u>	<u>19,363,631</u>
Balance at 1 July 2017	19,363,631	19,363,631
Surplus for the year	1,682,660	1,682,660
Total comprehensive surplus for the year	<u>1,682,660</u>	<u>1,682,660</u>
Balance at 30 June 2018	<u>21,046,291</u>	<u>21,046,291</u>

The accompanying notes form part of these financial statements.

1. Statement of significant accounting policies

The Xavier College Foundation's registered office and its principal place of business are as follows:

Registered office:	Principal place of business
135 Barkers Road	135 Barkers Road
Kew VIC 3101	Kew VIC 3101

Financial reporting framework

This financial report is a special purpose report prepared for the members of the Foundation to enable compliance with the provisions of the Australian Charities and Not-for-profits Commission Act 2012. The Company is not a reporting entity because in the opinion of the directors there are unlikely to exist users who are unable to command the preparation of reports to satisfy their needs.

For the purpose of preparing these financial statements, the entity is a not-for-profit entity.

The financial statements were authorised for issue by the Board on 11 October 2018.

Statement of compliance

The financial report has been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, the basis of accounting specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 "Presentation of Financial Statements", AASB 107 "Statement of Cash Flows", and AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and AASB 1054 "Australian Additional Disclosures". Accounting Standards include Australian equivalents to International Reporting Standards (AIFRS).

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of AASB 117.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Foundation is a company limited by guarantee, incorporated and domiciled in Australia.

Notes to the financial statements – Year ended 30 June 2018

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these statements:

(a) Income tax

The Foundation is exempt from Income Tax.

(b) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified at fair value through profit or loss' (FVTPL), and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'fair value gain / loss' line item. Fair value is determined in the manner described above.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Financial liabilities

Financial liabilities, including trade and other payables, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(c) Income

Income from investments consists of dividends and distributions from investment holdings and net gains (losses) on disposal of investments and is recognised on an accruals basis. Dividend income is recognised when the right to receive the dividend has been established.

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

Bequests, donations and other miscellaneous income are recognised when received.

(d) Cash and cash equivalents

For the purpose of the Statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, other short-term highly liquid investments with original maturities of three months or less net of outstanding bank overdrafts.

(e) Right of indemnity

Xavier College Building, Library and Ignatius Education Fund: Xavier College Foundation Limited acts as trustee for the funds of the Xavier College Building, Library and Ignatius Education Fund which, at year end, had accumulated funds amounting to \$2,682,519, \$40,972 and \$7,664,791 respectively. The accounts of the Xavier College Building, Library, and Ignatius Education Fund, although not forming part of the Xavier College Foundation Limited accounts, are attached to these financial statements.

Liabilities incurred on behalf of these Funds are not recognised in the financial statements of the Foundation when it is not probable that the Foundation will have to meet any of those trust liabilities from its own resources. When it is probable that the Foundation will have to meet some trust liabilities a liability for the Deficiency in Trust Right of Indemnity is brought to account.

(f) 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 Tax 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 the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Critical accounting judgments and key sources of estimation uncertainty

In the application of the trustee company's accounting policies, management is required to make judgments, estimates and assumptions about carrying values 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 period.

No significant critical accounting judgements have been made during the year.

Notes to the financial statements – Year ended 30 June 2018

(h) **Critical judgements in applying accounting policies**

Some of the Foundations assets are measured at fair value for financial reporting purposes. The Foundation uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Foundation engages third party qualified valuers to perform the valuation. The investment committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 July 2017.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the entity include:

- AASB 1048 Interpretation of Standards
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016
- AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities

At the date of authorisation of the financial statements, the entity has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 9 <i>Financial Instruments</i>	1 January 2018
AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15, AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15, and AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2019
AASB 16 <i>Leases</i>	1 January 2019
AASB 1058 Income of Not-for-Profit Entities, and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	1 January 2019
AASB 2008-1 Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle	1 January 2019

The effect of such accounting standards has not yet been determined as at the date of this report.

XAVIER COLLEGE FOUNDATION LIMITED
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Notes to the financial statements – Year ended 30 June 2018

In addition, at the date of authorization of the financial statements the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued.

Standard/amendment	Effective for annual reporting periods beginning on or after
<i>Amendments to References to the Conceptual Framework in IFRS Standards</i>	1 January 2020

XAVIER COLLEGE FOUNDATION LIMITED
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Notes to the financial statements – Year ended 30 June 2018

	2018	2017
	\$	\$
<hr/>		
2. Income		
- Net income from investments	807,488	727,242
- Other income	512	5,673
- Interest – related parties (Loan to Xavier College)	103,486	105,593
- Interest – other persons	9,993	30,959
- Donations and bequests	210,319	142,836
	<hr/>	
Total income	1,131,798	1,012,303
	<hr/>	
3. Surplus for the year		
<p>Surplus for the year has been determined after charging the following Items of income and expenditure:</p>		
(a) Expenses		
Remuneration of auditor		
- audit of financial statements	14,500	13,500
	<hr/>	
The auditor is Deloitte Touche Tohmatsu		
4. Cash and cash equivalents		
St George Bank Account	819,091	786,034
Commonwealth Bank Account	567,768	275,048
	<hr/>	
	1,386,859	1,061,082
	<hr/>	

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Notes to the financial statements – Year ended 30 June 2018

	Note	2018 \$	2017 \$	
5. Receivables				
Current				
Amounts due from Xavier College Ignatius Education Fund		5,304	469	
Amounts due from Xavier College Building Fund		4,007	-	
Amounts due from Xavier College Library Fund		2,080	-	
Distribution receivable		98,087	61,745	
Imputation credits receivable and tax withheld		173,256	173,605	
GST recoverable		1,749	2,142	
Total current receivables		284,483	237,961	
Non-current				
Amount due from related entity – (Loan to Xavier College)		2,437,500	2,794,174	
Total non-current receivables		2,437,500	2,794,174	
Total receivables		2,721,983	3,032,135	
6. Financial assets				
At fair value	1(b)	17,910,640	16,188,010	
		17,910,640	16,188,010	
(a) Investments				
	2018 Cost \$	2018 Market \$	2017 Cost \$	2017 Market \$
Shares listed on Australian Stock Exchange	14,821,075	15,907,113	13,627,477	14,484,628
Managed funds	1,861,909	2,003,527	1,620,373	1,703,382
	16,682,984	17,910,640	15,247,850	16,188,010

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Notes to the financial statements – Year ended 30 June 2018

	Note	2018 \$	2017 \$
7. Payables			
Current			
Creditors & Accruals		33,523	83
Other provisions		27,473	13,450
Special purpose funds			
Brian Condon Bequest – monies held in trust		863,794	862,330
Held in trust for Xavier College			
Rowing Department		15,694	9,302
Xavier Football		4,581	3,869
Sundry Creditors			
Xavier College		28,126	28,126
Xavier College Building Fund		-	390
		973,191	917,596

8. Members' liability

The Foundation is an incorporated company limited by guarantee. The maximum amount of contribution of each Member of the Foundation is \$5.00. This amount may not be called up except in the event and for the purposes of the winding up of the Foundation. At 30 June 2018 the number of Members was 838.

9. Economic dependency

The College provides support to the Foundation by funding some of the operational costs. These costs have not been brought to account in the income statement as a contribution.

XAVIER COLLEGE FOUNDATION LIMITED
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Notes to the financial statements – Year ended 30 June 2018

	Note	2018 \$	2017 \$
11. Cash flows information			
(a) Reconciliation of cash			
Cash and cash equivalents at the end of the financial year shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:			
Cash and cash equivalents	4	1,386,859	1,061,082
(b) Reconciliation of cash flows from operations with surplus for the year:			
Surplus for the year		1,682,660	1,527,215
<u>Non-cash flows in operating profit:</u>			
Unrealised gain on fair value investments		(1,227,658)	(940,161)
Realised gain on disposal of investments		(302,029)	(736,781)
<u>Changes in assets and liabilities:</u>			
(Increase)/decrease in receivables		(46,522)	89,023
Increase in payables		22,095	152,006
Cash flows from operating activities		128,546	91,302

- (a) Credit standby arrangements
The company has no credit facilities or standby arrangements.

12. Subsequent events

There have not been any material subsequent events since year end.

XAVIER COLLEGE FOUNDATION LIMITED
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Notes to the financial statements – Year ended 30 June 2018

The Building, Library and Ignatius Education Funds are of a type identified in the Statement of Accounting Concepts 1 as non-reporting entities on the basis that there are unlikely to exist users who are unable to command the preparation of reports to satisfy their needs. Except where noted, accounting policies have been consistently applied. The financial statements are compiled on a going concern basis adopting the principles of historical cost accounting.

	Note	Building Fund ABN 60 814 757 106		Library Fund ABN 52 005 403 476		Ignatius Education Fund ABN 13 248 983 008	
		2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Current assets							
Cash	2	2,690,429	1,881,934	44,766	37,432	1,096,225	599,484
Receivables	3	304	694	1,500	234	97,324	118,274
Investments	4	-	-	-	-	6,481,119	5,755,563
Total current assets		2,690,733	1,882,628	46,266	37,666	7,674,668	6,473,321
Total assets		2,690,733	1,882,628	46,266	37,666	7,674,668	6,473,321
Current liabilities							
Payables	5	8,214	42,459	5,294	5,187	9,877	10,237
Total current liabilities		8,214	42,459	5,294	5,187	9,877	10,237
Net assets		2,682,519	1,840,169	40,972	32,479	7,664,791	6,463,083
Equity							
Accumulated funds		2,682,519	1,840,169	40,972	32,479	7,664,791	6,463,083

The accompanying notes form part of these accounts.

XAVIER COLLEGE FOUNDATION LIMITED
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Notes to the financial statements – Year ended 30 June 2018

	Building Fund ABN 60 814 757 106		Library Fund ABN 52 005 403 476		Ignatius Education Fund ABN 13 248 983 008	
	2018	2017	2018	2017	2018	2017
Income	\$	\$	\$	\$	\$	\$
Donations	1,074,329	1,207,857	31,915	20,215	918,619	269,649
Bank Account Interest	19,800	343	-	4	7,268	11,801
Dividends & Investment Interest	-	-	-	-	378,429	295,602
Net Profit on Investment						
Realised	-	-	-	-	132,142	184,969
Unrealised	-	-	-	-	220,298	356,465
	1,094,129	1,208,200	31,915	20,219	1,656,756	1,118,486
Less Expenses						
Audit Fees	(2,100)	(2,000)	(2,100)	(2,000)	(6,300)	(6,000)
Administration	(625)	(933)	(322)	(372)	(20,366)	(14,208)
	(2,725)	(2,933)	(2,422)	(2,372)	(26,666)	(20,208)
Operating Surplus	1,091,404	1,205,267	29,493	17,847	1,630,090	1,098,278
Less Grants to Xavier	(249,054)	(850,690)	(21,000)	-	(428,382)	(528,665)
Surplus for the Year	842,350	354,577	8,493	17,847	1,201,708	569,613

XAVIER COLLEGE FOUNDATION LIMITED
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Notes to the financial statements – Year ended 30 June 2018

	Building Fund ABN 60 814 757 106		Library Fund ABN 52 005 403 476		Ignatius Education Fund ABN 13 248 983 008	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
2. Cash						
Cash in Bank	2,690,429	1,881,934	43,266	37,432	1,096,225	599,484
Cash in transit	-	-	1,500	-	-	-
	2,690,429	1,881,934	44,766	37,432	1,096,225	599,484
3.Receivables						
Xavier College	304	304	-	-	-	-
Ignatius Education Fund	-	-	1,500	-	-	-
Building Fund	-	-	-	188	750	36,779
Endowment Fund	-	390	-	46	-	-
Distributions receivable	-	-	-	-	9,490	10,855
Accrued Interest	-	-	-	-	-	-
Tax credits recoverable	-	-	-	-	87,084	70,640
	304	694	1,500	234	97,324	118,274
4.Investments						
Listed Securities	-	-	-	-	5,854,655	5,269,892
Managed Funds	-	-	-	-	626,464	485,670
	-	-	-	-	6,481,119	5,755,563
5.Payables						
Xavier College	3,360	3,360	3,149	3,149	3,045	3,045
Endowment Fund	4,007	-	2,080	-	5,304	469
Ignatius Education Fund	750	36,779	-	-	-	-
Library Fund	-	188	-	-	1,500	-
Audit Fees	-	2,000	-	2,000	-	6,000
Other	97	132	65	38	28	723
	8,214	42,459	5,294	5,187	9,877	10,237

XAVIER COLLEGE FOUNDATION LIMITED
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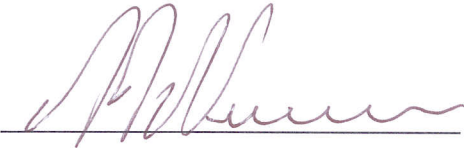
Directors' Declaration – Year ended 30 June 2018

As detailed in Note 1 to the financial statements, the company is not a reporting entity because in the opinion of the directors 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 directors' reporting requirements under the Australian Charities and Not-for-profits Commission Act 2012.

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to s.60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.

A handwritten signature in dark ink, appearing to be 'A. Blum', is written over a horizontal line.

Director

Dated this 11th day of October 2018



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