

Victorian Scottish Heritage Cultural Foundation Limited

Annual Report 2018-19



Directors

Old Scotch Collegians Association Director representatives

H R Tadgell, Chairman
A A Wilson
J Jeffreys

Melbourne Scots Director representatives

J B Blanch
D P Mercer
N McConnachie
J M B Ross (alternate director)
R L Adams (alternate director)

Officeholders

Chief Executive Officer

C J Davis

Company Secretary

S R Montgomery

Registered Office

1 Morrison Street, Hawthorn, Victoria 3122

Bankers

National Australia Bank

Investment Advisers

JBWere

Annual Meeting 2018-19

Notice to all members of the Victorian Scottish Heritage Cultural Foundation Ltd

Annual General Meeting - 2019

The Victorian Scottish Heritage Cultural Foundation was founded in 2010 and incorporated on 6 October 2010.

Notice is hereby given that the 8th Annual Meeting of the Corporation will be held at Scotch College in the Old Board Room, on Monday, 25 November 2019 at 7.00pm.

Business

1. Reception and adoption of the Annual Report and Financial Statements.
2. Agreement that no auditor be appointed.
3. Other business legally brought before the meeting.
4. Appointment of Directors and Office Holders.

By Order of the Board
S R Montgomery
Secretary
1 November 2019

Chairman's Report

2018-19 has been a year in which the Victorian Scottish Heritage Cultural Foundation (VSHCF) has made further steps forward in ensuring that the Scottish cultural heritage of Victoria and Australia continues to enjoy active support and encouragement.

This year the Melbourne Tartan Festival (MTF), now in its second year, was again a major strategic focus of the Foundation's activities. The MTF is a joint venture with the Scots of Victoria Coordinating Group, and through the Festival organising Committee seeks to engage and work with members of the wider Scottish and Victorian Community in showcasing a broad range of Scottish culture and events.

This year's Festival saw a much much-expanded agenda, which included:

- A whisky dinner at the Westin Hotel,
- Pop-up performances by the Melbourne Scottish Fiddle Club, Scotch College Pipe band and Glenbrae Dancers at the Block Arcade,
- The Victorian Pipers Association Solo Piping Championships,
- Concerts from the Hawthorn Pipe Band and Fiona Ross,
- Talks and workshops on genealogy and the Gaelic language,
- A ceilidh at the Abbotsford's Covenant,
- The gala dinner and concert at the Melbourne Town Hall, where guests were entertained by the Hawthorn City Pipe, the Scottish Fiddle Club, Scottish folk singers and the Celtic band Claymore,
- The 'Kirkin of the Tartan' at Scots Church; and
- A mass pipe band parade down Collins Street with 9 pipe bands and around 200 pipers and drummers – a fitting grand finale of Scottish colour and music to close the festival.

It has been exciting to see the growth in the Festival and publicity and positive response from local, interstate and international Scottish cultural organisations. This year saw attendance numbers grow significantly, with many events sold out. The ceilidh had a waiting list and demand for tickets that could have filled a venue twice the size. It was again magic to see the energy and diversity of the crowd as the Melbourne Scottish Fiddle Club had the crowd jigging and dancing between sets and drams! One lass I spoke to had come up from Geelong especially for the occasion to celebrate her birthday with friends. She had never been to a ceilidh before and by the end of the night was wanting to know when and where the next one is on. If ever there was a need to highlight the love of Scottish culture is not confined to those with a Scottish background, this was a ringing endorsement!

The ceilidh and other events over the week reinforced the reasoning and motivation for staging the Melbourne Tartan Festival, which is to:

- Bring together Scots from all walks of life;
- Introduce others to Scottish culture; and
- Celebrate and promote Scottish cultural heritage and traditions

The risk with any culture is the traditions and heritage is not shared and importantly handed down to future generations. To this end, The MTF is an important cultural event in celebrating Scottish culture and traditions for future posterity. But, significantly it also adds another flavour to Melbourne's wonderfully rich multicultural fabric. The love of Scottish culture and values enshrined in the Scottish enlightenment is not confined to those with just a Scottish background.

The staging of the Festival would not be possible without a lot of hard work from the Festival organizing Committee and the Festival Co-ordinator, Carol Davis. I would particularly like to recognize Carol's leadership, enthusiasm and tireless work in ensuring the Festival's success. Key to this has been her diplomacy and work in bringing the various clans and associations together.

I would also like to thank all the community groups and associations who have supported the Festival and volunteered including St Andrew's First Aid, The Victorian Pipers Association, Pipe Brands Victoria, The Scottish Dancing Associations, the Gaelic Society, Melbourne Scots and Old Scots Collegians Association. It is the different community and volunteer groups from within the Scottish community, who give willingly and because of their love of Scottish culture and values, and desire to share this more broadly, that has made the Festival such a success.

Plans are afoot for the 2020 Festival with a further expanded program of events. Details will soon be available on the MTF website (www.melbournetartanfestival.com.au) and Facebook link, including details of ticket sales and sponsorship opportunities.

During the year, the Foundation was in receipt of a wide range of project applications and supported a number of different Scottish cultural activities.

The Australian Champions Hawthorn Pipe Band (recipients of VSHCF support for their new uniforms) performed in a concert as part of the MTF titled "Taking Flight" at the Hawthorn Town Hall, before they departed for Scotland to compete in the World Pipe Band Championships.

The Victorian Pipers Association (VPA) held the VSHCF sponsored Victorian Solo Piping Championships this year as part of the MTF. This is now the largest solo piping competition in Australia and is a credit to the VPA committee who endeavour to foster new talent, provide platforms for youth to perform, and support aspiring pipers to further develop in a positive environment.

The VSHCF has continued to focus its support of Scottish culture for young people. The new National Youth Pipe Band of Australia has evolved from the Pipe Band Victoria Youth Pipe Band and has developed a successful model of providing regional piping/drumming weekend forums with expert tutors (supported by the Foundation) in conjunction with local pipe bands. Their enthusiastic training culminated with the Australian band performing alongside the National Youth Pipe Band of Scotland at the Belfast Military Tattoo in Northern Ireland.

The inaugural Young Drummer of the Year competition was held in Albury, and supported by the Foundation. It is open to all Highland side and tenor drummers in Australasia of age 17 years or younger. The winners of the contest have recently successfully competed in the World Solo Drumming Championships in Glasgow.

This is the first year that the Foundation has provided support to Scottish Highland Dancing. The Glenbrae Celtic Dancers, members of the Victorian Scottish Union, and the Victorian State Committee of Highland Dancing have held training workshops for their tutors, which the Foundation funded.

The Schools Scottish Music Prizes Program has continued this year with awards to students from Ballarat Grammar School, Haileybury College, Presbyterian Ladies College, Scots School, Albury and Scotch College. The program seeks to acknowledge and recognise outstanding individual musical performance in piping and drumming across Victorian secondary schools.

In support of regional Scottish culture in Victoria, the Foundation provided funds to the Camperdown Robert Burns Festival to enable this wonderful festival to continue after the loss of its major sponsor. The Foundation also supported Bendigo's Scots Day Out as it continues to go from strength to strength and, the Geelong Highland Gathering which moved to the new site at Osborne Park, North Geelong.

At the Ringwood Highland Gathering the VSHCF and the MTF provided an information stand and sponsored the Heavy Games element of the Gathering.

During the year, the Communications and Fundraising Committee continued to develop the Foundation's fundraising and donor support program. This continues to be an important focus to ensure we can broaden the types of projects the Foundation can support, and taking the organisation to the next level. As a not-for-profit organisation, the development and expansion of the Foundation's program is dependent on the generous support of benefactors and further fundraising and bequests. Our vision is to grow the

Foundation over time and with it the number and variety of projects we support. We are currently supporting projects of around \$30,000 to \$40,000 per annum, but it is hoped this will increase and grow. This is a key focus of the Board and something we are very much focused on as we currently work through our next five-year strategic plan.

At this year's AGM in November 2019, it is proposed that Don Mercer will step down as a Melbourne Scots director representative having recently retired as President of the Melbourne Scots. The Melbourne Scots Council has nominated Dr Stewart Gill OAM as his replacement. I would like to acknowledge Don's contribution to the Foundation. He has contributed with great enthusiasm, passion and vision to the Foundation in its formative years. Don was a founding director and has been instrumental in helping shape the initial purpose and charter for the Foundation. As a Scot, educated in Scotland and migrating to Australia, his passion for Scottish traditions and heritage remain strong, and have been on display through many of the projects the Foundation has supported. Most notably Don was a key proponent of 'The Auld Lang Syne' exhibition at The Art Gallery Ballarat, which explored and celebrated the cultural and political impact of Scots on the development of the Australian nation. More recently, he has overseen the important task of Chairing the Communications and Fundraising Committee, and been a leading advocate of the Foundation in developing the Melbourne Tartan Festival and decision to partner with the Scots of Victoria Co-ordinating Group.

The activities of the Foundation rely heavily on the support of the volunteers and co-opted members of the various sub-committees. I thank Carol Davis for her oversight and executive leadership and Scott Montgomery of the Old Scotch Collegians Association for his ongoing support in the secretarial functions of the Foundation. I also thank the co-opted members of the various sub-committees including Liz McKenzie and Graham Bradbeer who have given of their time freely and willingly.

Finally, I would like to extend my appreciation to the current Board of Directors who give a considerable amount of time, thought and effort to overseeing the activities of the Foundation. I thank them for their continued support and diligence in their deliberations.

Hamish R Tadgell
Chairman

Directors' Report

The Directors have pleasure in presenting their report together with the accounts of the Victorian Scottish Heritage Cultural Foundation for the year ended 30 June 2019.

Organisational Structure

The Victorian Scottish Heritage Cultural Foundation Limited is a company limited by guarantee, and is listed on the Register of Cultural Organisations under the Income Tax Assessment Act 1997, and its public fund, The Victorian Scottish Heritage Cultural Foundation Ltd Public Fund, is eligible to receive donations as a deductible gift recipient.

Objectives and principle activities

The core principles of the VSHCF that underscore objectives of the Foundation are to:

- Promote the values of the Scottish enlightenment, including high value placed on education for all, the role of reason in building modern society, and belief in egalitarian values. The focus of the foundation on education reflects the deep roots of schooling in Scottish culture, and the key role of schooling in transmitting cultural heritage from one generation to the next.
- Recognise Scottish traditions and celebrate Scottish heritage through encouraging and promoting public participation in, and performance of, Scottish cultural activities.
- Promote and recognise excellence and achievement in the performance of Scottish cultural activities.

The objectives of the VSHCF are to:

- Manage the VSHCF Public Fund to support the promotion and recognition of, and participation in, Scottish culture and heritage in Victoria and throughout Australia.
- Foster appreciation and awareness through experience of Scottish cultural activities, and develop opportunities for promotion of Scottish music, Scottish cultural events, research into Scottish culture, the development of instructional materials for teaching and displays, the production of cultural items, and culturally relevant visits.
- Award prizes and scholarships in recognition of excellence and to encourage advancement of skills and cultural understanding and promotion of Scottish heritage, particularly within secondary schools.
- Fund the promotion of events that celebrate and promote Scottish cultural traditions and heritage.

Grant making policy

The Foundation has established a funding policy to achieve its objectives for the public benefit.

- Funding for the majority of projects is made in response to applications and/or an expression-of-interest in relation to projects advertised by the Foundation on its website, although occasionally grants may be made in response to a need or opportunity pro-actively identified by the Foundation. The organisation applying to the Foundation must be the organisation that will run the project or program for which a grant is being sought.
- Programs selected for funding will have clearly defined objectives and measurable end results. The output of projects must be available to the public, and preference will be given to projects that involve members of the public.
- The Foundation does not fund existing projects, although may consider applications for strategic expansions of existing programs or new/innovative additions to an existing project. The Foundation does not fund retrospectively and will not fund projects that have already started.
- Applicants must be domiciled and undertake their primary activities in Australia, although the Foundation will consider supporting tours by Australian applicants overseas, exchange programs and invitations of overseas visitors to Australia where it furthers the promotion of Scottish culture and heritage, and activities of the applicant.
- Applicants are NOT required to be incorporated or have Deductible Gift Recipient (DGR) or have Tax Concession Charity (TCC) status, but organisations or Groups applying are required to be not-for profit.

Projects that will not be considered include:

- General fund raising appeals.
- Retrospective funding – projects which are already underway or which will commence prior to the date indicated in our online application information are not eligible for consideration.
- Recurrent expenditure for which there is no future provision.
- Capital or endowment funds established to provide a corpus for institutions.
- Auspicing (an ineligible organisation applying to the Foundation via an eligible organisation) is not permitted – the organisation applying must be the one that will run the program or project.
- Applications for projects that have previously been declined by the Foundation cannot be resubmitted.
- Applications will not be accepted from organisations that have not successfully acquitted previous grants from the Foundation.
- Sport, recreation or social activities for their own sake.

Application process

- **Projects applications:** The Foundation will advertise for Projects on the VSHCF website. To be eligible applications must reach the VSHCF by the closing date stipulated in the advertisement for the matter applied for.

The Board has the discretion to consider project applications in exceptional circumstances in response to a need or opportunity pro-actively identified by the Foundation.

- **Funding bands:** Organisations and individuals can apply for up to \$10,000 for one-off projects. Funds are modest, and highly expensive projects will not be considered. Multi-year grant commitments will be considered in exceptional circumstance and considered on their merit.

- **Applications:** Applicants should apply by completing the current application form, which can be found on the VSHCF website at www.vshcf.com.au, and be accompanied by a letter supporting the case for funding and accompanied with background information that helps gain a better understanding of your organisation e.g. annual report, newsletters, bulletins etc. All applications should be forwarded to Victorian Scottish Heritage Cultural Foundation Limited, c/o OSCA, 1 Morrison Street, HAWTHORN, VIC 3122.
- **Eligible applicants** need to supply the following eligibility information if applying as an organisation:
 - Verify is a not-for-profit organisation.
 - Evidence of current insurance status – public liability and/ or professional indemnity.
- **Evaluation process:** Generally, the process of evaluation, assessment and approval takes approximately two months from the application closing date. All project applications will be reviewed and decided on by the VSHCF board. After the board has assessed all applications you will be notified in writing whether or not your application has been successful.
- **Feedback:** The Foundation is run by a small number of staff. Unfortunately, it is not possible for us to provide formal feedback for unsuccessful applications.
- **Grant conditions:** All projects are subject to our Standard Project Conditions which outline obligations for successful applicants, such as reporting and evaluation, after a Project has been funded

Donations and Investments

The Foundation's work is entirely reliant on income and investment returns from its endowments. In the financial year ending 30 June 2019 the Foundation received bequests totalling \$15,220

As at 30 June 2019 the Foundation had \$744,635 in investments and net cash.

The Foundation's investment strategy is to maintain the real value of the investment assets, generating a stable and sustainable return whilst taking into consideration requirements of the Foundation (especially operating cash flow and income needs). The VSHCF Board considers the Association a conservative investor, with a medium to long-term investment horizon.

Directors

Under the Foundation Constitution the Board shall comprise a maximum of six directors, with three directors each being appointed by the Old Scotch Collegians Association and the Melbourne Scots.

The name of the Directors in office at any time during or since the end of the financial year:

Name	Position	Appointed	Resigned	No. of meetings eligible to attend during the year	No. of meetings attended during the year
R L Adams	Alternate Director	31 January 2013		5	4
B A Brown	Director	28 October 2013	19 November 2018	2	2
J B Blanch	Director	6 October 2010		5	3
D A Kemp	Director	6 October 2010	19 November 2018	2	0
D P Mercer	Director	6 October 2010		5	2
J M B Ross	Alternate Director (Treasurer)	28 October 2013		5	5
H R Tadgell	Director (Chairman)	28 October 2013		5	5
A Wilson	Director	20 November 2017		2	2
J Jeffreys	Director	19 November 2018		3	3
N McConnachie	Director	19 November 2018		3	3
S R Montgomery	Secretary	9 October 2012		5	5
C J Davis	CEO	8 May 2017		5	5

Sub-committees

During the financial year, the following Sub-committee structure assisted in overseeing the activities of the Foundation. The Committee members have various business, professional, academic and social experience and qualifications appropriate to overseeing the running of the Committees and Foundation.

	Project & Grant Management Committee	Finance & Investment Committee	Fundraising & Communications Committee
Responsibilities:	<ul style="list-style-type: none"> • Grant application policies & procedures • Project development • Promoting awareness of Scottish heritage 	<ul style="list-style-type: none"> • Investments • Finances • Compliance 	<ul style="list-style-type: none"> • Fundraising & donor relations • Promotional activities • Website & communications
Committee members:	R L Adams (Chair) J B Blanch D A Kemp (resigned Nov 18) H R Tadgell G M Bradbeer (resigned May 19) J Jeffreys	J M B Ross (Chair) H R Tadgell D P Mercer	D P Mercer (Chair) B A Brown (resigned Nov 18) L McKenzie A Wilson N McConnachie

Result of operations

The net operating position of the Foundation for the financial year ended 30 June 2019 after provision for income tax was a deficit of \$15,427 (2018: \$11,868 deficit). As at 30 June 2019 the Foundation had net assets of \$744,635 (2018: \$728,579).

The Foundation is a Company limited by guarantee and under the Corporations Act not required to have its accounts audited, and the Foundation's Constitution does not require an audit to be undertaken.

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

H R Tadgell
Chairman

J Ross
Treasurer

1 November 2019
Melbourne

Special Purpose Financial Report for year ended 30 June 2019

**The Victorian Scottish Heritage Cultural Foundation
Statement of Surplus or Deficit
For year ended 30 June 2019**

	Note	2019 \$	2018 \$
Revenue			
Interest	2(a)	3,412	5,817
Dividends	2(a)	21,402	18,827
Donations	2(b)	15,220	17,850
Total Income		<u>40,034</u>	<u>42,494</u>
Expenses			
Project funding		53,196	48,422
Other		2,265	5,940
Total Expenditure		<u>55,461</u>	<u>54,362</u>
Net Operating (Deficit)/Surplus before Income Tax		4,574	(11,869)
Income Tax Expense	2(c)	-	-
Net Operating (Deficit)/Surplus after Income Tax		<u><u>(15,427)</u></u>	<u><u>(11,868)</u></u>

The accompanying notes form part of these financial statements.

The Victorian Scottish Heritage Cultural Foundation
Statement of Financial Position
As at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
Cash at Bank		38,367	50,261
Investments	3	706,268	678,318
Receivable from Scotch College Charitable Fund		-	-
		<hr/>	<hr/>
TOTAL ASSETS		744,635	728,579
		<hr/>	<hr/>
NET ASSETS		744,635	728,578
		<hr/> <hr/>	<hr/> <hr/>
ACCUMULATED SURPLUS	4	744,635	728,578
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

The Victorian Scottish Heritage Cultural Foundation Notes to the Financial Statements For the year ended 30 June 2019

1. Introduction

The Victorian Scottish Heritage Cultural Foundation was established in 2011 and is a limited liability company registered with ASIC for the purposes of promoting the recognition, understanding and celebration of Scottish cultural heritage.

The Foundation was established on the joint initiative of the Melbourne Scots and the Old Scotch Collegians Association to ensure that the Scottish cultural heritage of Victoria and Australia continued to enjoy active support and encouragement. The Foundation has a particular interest in the teaching and practice of Scottish cultural heritage in educational institutions, as well as in the general community. Through its activities, the Foundation seeks to ensure that the role of Scottish heritage and culture in Australia's history is forever recognised in Victoria and widely in Australia.

The financial statements are presented in Australian dollars.

The Foundation Public Fund was approved by the Australian Government Ministry of Arts as an organisation on the Register of Cultural Organisations under the Income Tax Assessment Act 1997 on 20 March 2014 and received deductible gift recipient endorsement from the Australian Taxation Office on 28 March 2014, making it eligible to receive tax deductible donations.

The Foundation became registered as a charity with the Australian Charities and Not-for-Profits Commission in December 2015 and has been granted tax-exempt status by the Australian Tax Office.

2. Summary of significant accounting policies

These financial statements are a special purpose financial report prepared in order to satisfy the accounts preparation requirements contained in the Constitution of the Victorian Scottish Heritage Cultural Foundation Limited. The Directors have determined that the Foundation is not a reporting entity as defined in Statement of Accounting Concepts 1 "Definition of the Reporting Entity" and therefore there is no requirement to apply accounting concepts or standards in the preparation of these statements.

The financial report has however adopted the measurement requirements Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards.

The principle accounting policies adopted by The Foundation are stated in order to assist in a general understanding of the financial report.

a) Investment Income

Income and expenses are brought to account on an accrual basis. Interest income reflects coupon interest received and interest on bank deposits. Dividend income reflects dividends and distributions from investments in equities and fixed income.

b) Donations

Income is recognised when the Foundation obtains control of the contribution or the right to receive a contribution, it is probable that the economic benefits comprising the contribution will flow to the entity and the amount of the contribution can be reliably measured. Donations in kind are recognised at the net fair value of the underlying asset.

c) Income Tax

The Foundation is registered with The Australian Charities and Not-For-Profits Commission (ACNC) as a charity and is endorsed by the Australian Taxation Office as both a deductible gift recipient (DGR) and exempt from income tax.

d) Cash

Cash includes deposits held at call with a bank or financial institution and highly liquid investments that are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

3. Investments

The following table details the fair values of financial investments held at balance date:

As at 30 June 2019	2019	2018
	\$	\$
Shares in listed companies and trusts	404,175	387,240
Fixed interest investments	302,093	291,078
Total	706,268	678,318

4. Accumulated Funds

	Balance 1 Jul 18 \$	Donations \$	Income Return \$	Payments \$	Receivable (Paid)/ Received \$	Capital Return \$	Balance 30 Jun 19 \$
VSHCF Foundation	728,579	15,220	40,034	(55,461)	-	16,263	744,635
	728,579	15,220	40,034	(55,461)	-	16,263	744,635

	Balance 1 Jul 17 \$	Donations \$	Income Return \$	Payments \$	Receivable (Paid)/ Received \$	Capital Return \$	Balance 30 Jun 18 \$
VSHCF Foundation	712,863	17,850	24,644	(54,362)	-	27,584	728,579
	712,863	17,850	24,644	(54,362)	-	27,584	728,579

The directors of the Foundation declare that the financial statements and notes of the Foundation set out on pages 12 to 17:

- are consistent with the financial reporting requirements of The Victorian Scottish Heritage Cultural Foundation Limited and are appropriate to meet the needs of the members; and
- present fairly the Foundation's financial position as at 30 June 2019 and its performance for the financial period ended on that date.

In the opinion of the directors of the Foundation:

- the financial statements and notes are in accordance with the Foundation's Constitution; and
- there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Signed at Melbourne in accordance with a resolution of the directors this the 25th day of October 2019.

Mr H R Tadgell
Director

Mr J B Blanch
Director