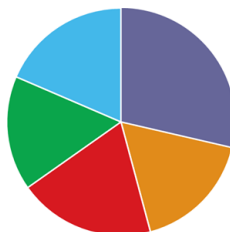


# Helen Macpherson Smith Trust

## 2017 Annual Report concise version

*Our Annual Report is an online report. For the full report, please visit our website*



# Contents

---



Our Vision ..... 3

Helen Macpherson Smith - Philanthropist ..... 4

Our Team ..... 5



Chairman's Report ..... 6

CEO's Report..... 8

Investing in Capacity Building ..... 10

Grants Team Review ..... 11



2017 Grants at a Glance ..... 13

2017 Grants..... 15

Investment Review ..... 21



Finance Review ..... 23

2017 Financial Summary ..... 25

# Our Vision

Helen Macpherson Smith Trust is an independent philanthropic trust established by Helen Macpherson Schutt (née Smith) in 1951. Over \$117 million has been distributed in grants since HMSTrust was established, with a wide range of Victorian charitable institutions and a diverse range of projects benefiting every year.

## Our Vision

A strong, just and sustainable Victoria.

*Balit, noogee ba kangooeit biik.*

*We proudly feature our vision in Woiwurrung language as a sign of respect.*

## Our Mission

Help build fair, creative and resilient Victorian communities through initiatives that promote positive change.

## Our Values

Respect. Integrity. Stewardship. Collaboration. Accountability.

## Our Strategic Aims

Building. Enabling. Leading.

# Helen Macpherson Smith - Philanthropist



Helen Macpherson Smith was a very private woman who left few insights into the type of person she was. Her close friends and relatives described her as thoughtful, kind and caring, and there would be little doubt that this spirit of generosity was central to her interest in philanthropy.

While the founding of the Helen Macpherson Smith Trust in 1951 remains her towering philanthropic achievement, she had been a generous supporter of many causes throughout her life. She was one of the first Life Members of the Lost Dogs Home and gave financial support to the Royal District Nursing Service for 28 years.

Helen Macpherson Smith was born in Scotland on 17 April 1874 and moved to Melbourne with her family when she was aged six months. Her extended family prospered in Australia; the Macphersons in grazing and the Smiths as timber merchants. Her grandfather, John Macpherson, was one of the pioneers of the Canberra district, but his property, 'Springbank', now lies largely under the waters of Lake Burley Griffin. Her uncle, John Macpherson, was briefly the Premier of Victoria in 1869.

In 1901, at the age of 27, Helen married barrister William John Schutt, but there were no children from the marriage. Schutt was a successful lawyer and was appointed to the bench of the Victorian Supreme Court in 1919. Helen left Australia for Europe in 1923 and never returned. William remained in Melbourne but made several trips to Europe over the following decade and travelled extensively with Helen. On a return voyage in 1933 he suffered a fatal fall and was given a ship's burial in the Red Sea.

After William's death Helen divided her time between Switzerland and southern France. She died from pneumonia on 19 April 1951, at the Hotel Majestic in Cannes, aged 77. Despite being a woman of means, inexplicably she was buried in a pauper's grave in Marseilles. Her body was later cremated and her ashes scattered to the winds of the Mediterranean coast, as was her wish. In 2001 an obelisk was erected in the family plot at the Melbourne General Cemetery as a permanent memorial.

On her passing Helen left £275,000, the majority of her wealth, to establish a perpetual philanthropic trust to benefit Victorian charitable institutions. Launched as the Helen M. Schutt Trust, the name was changed to the Helen Macpherson Smith Trust in 2001 to acknowledge the Macpherson and Smith families as the prime source of her legacy.

Wisely, Helen's will instructed her trustees to accumulate the major portion of HMSTrust's income for the first 21 years. By 1972, her original bequest had grown to \$3.9 million, providing a much stronger base from which larger and more effective grants could be made in the future.

In 2017, 66 years after her death, the value of HMSTrust's corpus is \$110 million and over \$117 million of grants have been approved. Though she lived a very private life, the legacy of Helen Macpherson Smith's spirit of generosity will echo through the State of Victoria forever.

# Our Team

The HMSTrust management structure is centred around the Board of Trustees, who are responsible for overarching governance and decision-making across the Trust's three key areas of operations: grantmaking, investment, and finance and compliance. In addition to attendance at Trustees' Meetings, Trustees elect to sit on the Investment Committee and the Grants Advisory Committee.

Each area of the Trust's operations are staffed with skilled professionals who are responsible for delivering on HMSTrust's vision, mission and strategic aims.



HMSTrust Trustees. L-R: Winsome McCaughey, Claire Higgins, Phil Moors, Cathy Walter, Rod Kemp (absent: Keith Smith)

## Trustees

Dr Philip Moors AO Chairman  
Frances Awcock AM (*retired 17 November 2016*)  
Claire Higgins (*appointed 16 February 2017*)  
The Hon Rod Kemp  
Winsome McCaughey AO  
Keith Smith (*UK-based*)  
Catherine Walter AM

## Staff

Lin Bender AM *Chief Executive*  
Glen Thomson *Finance Executive*  
Peter Wetherall *Investment Executive*  
Lea-Anne Bradley *Grants Manager*  
Sarah Bartak *Grants and Communications Officer*  
Michelle Springall *Grants Support and Executive Assistant*



HMSTrust staff. L-R: Peter Wetherall, Lin Bender, Lea-Anne Bradley, Michelle Springall, Glen Thomson, Sarah Bartak and our four-legged member of staff, Ryley

## Grants Advisory Committee

Dr Philip Moors AO *Committee Chairman*  
Frances Awcock AM (*retired 17 November 2016*)  
Winsome McCaughey AO  
Keith Smith  
Lin Bender AM

## Investment Committee

Catherine Walter AM *Committee Chair*  
Dr Philip Moors AO  
The Hon Rod Kemp  
Lin Bender AM  
Peter Wetherall

# Chairman's Report



I'm delighted to be reporting on another year of achievement for the Trust in all areas of our operations, thanks to the dedicated contributions of my fellow Trustees and our dynamic staff.

As reported last year, Fran Awcock AM retired as a Trustee in November 2016 after nine years of outstanding service. Fran was our first female Trustee. Lately we've had equal numbers of women and men as Trustees, and we're pleased to have maintained this ratio with the appointment of Claire Higgins in February this year. Claire's stellar career and experience across corporate, health and emergency services is bringing added insight and understanding to our governance and grantmaking.

Our committed Grants team has enabled another year of influential grantmaking. Every one of the 73 approved grants supports our vision for a strong, just and sustainable Victoria - from our smallest grant of \$10k to Endeavour Ministries to help with the purchase of required digital devices for financially disadvantaged secondary students, to our largest grant of \$586k to Orygen Research Centre to develop and evaluate a web-based employment support package for young people with mental illness.

We're proud of all our grantees, and one of my greatest pleasures continues to be site visits when I can meet grantees and learn more about the communities directly impacted by our grants. There have been many highlights during the year: for example meeting the outstanding women graduates who have received Macpherson Smith Fellowships at the Melbourne Business School over the past 25 years reinforced the importance of offering access and equity scholarships. Our visit to the Brotherhood of St Laurence's 120-desk community hub in Epping highlighted the wisdom of providing wrap-around services in one central hub. Our briefing from the team at YSAS and their Deakin University partners reminded us that there is no easy fix to improving drug treatment services for young people in regional Victoria. And Trustees were inspired by our visit and lunch at STREAT, where we saw this tenacious social enterprise at work, and at Sisterworks, where we met a group of migrant women who shared stories and aspirations for their new lives in Australia.

While we attempt to measure and track the impact of our grantmaking, personal stories such as these are the real measure of impact and benefit. I'm reminded of Albert Einstein's words "Not everything that can be counted counts, and not everything that counts can be counted."

We are continuously balancing our commitment to grow the Trust's corpus for the future with our desire to maintain our annual grantmaking levels. I thank the members of the Investment Committee under the astute leadership of its Chair, Cathy Walter AM, and our Investment Executive, Peter Wetherall, for delivering solid results in a challenging economic environment. I'm pleased to report that our corpus has now recovered from the impact of the global financial crisis and that our total return on the corpus was 13.4%, enabling a distribution level for FY17 of \$4.3m.

*Continued...*



## Chairman's Report *continued*

At HMSTrust we pride ourselves on transparency, and I refer you to the Investment and Finance Reviews in this issue for details of those programs. Our CEO, Lin Bender AM, strongly believes that we need to know and understand our past in order to inform our future. In 2014 we initiated our grants database that lists all 4,688 grants approved since 1955 in a searchable format on our website. Last year, our Finance Executive, Glen Thomson, compiled a detailed record of our full financial history since inception in 1951. The compelling graphic representation can be seen in our Remarkable Growth Story featured in this Annual Report, and I recommend that you watch the creative animation that was commissioned to illustrate Glen's work.

Following careful deliberation, we have included impact investments as a new asset class for our corpus, and post-year-end made a modest investment in the Murray-Darling Basin Balanced Water Fund. This investment satisfies our investment criteria while also providing an intentional, measurable environmental return that aligns with our vision and mission.

Once again I express my sincere appreciation to my fellow Trustees for their time, energy and dedication during the past year and for the insights and expertise they each bring to overseeing HMSTrust's activities. And as Trustees we are fortunate indeed to have such a skilled and committed staff led by Lin Bender undertaking the management, assessment and conduct of our varied programs. I warmly acknowledge and thank each staff member for their contributions to 'Helen's Team' – because it really is an inspiring team working energetically and co-operatively to achieve the philanthropic intentions of Helen Macpherson Smith.

**Philip Moors AO**

*Chairman of Trustees*

# CEO's Report



Our vision for a strong, just and sustainable Victoria is our North Star that guides our operations from grants to investment.

FY17 saw the implementation of two significant policy changes that further strengthened our capacity to work towards our vision.

The 3-yearly review of our grants strategy was managed in two stages. Following the successful Cy Pres order in the Supreme Court in November 2015, eligibility was reviewed to incorporate the expansion of the Trust's remit to include "charitable purposes in the State of Victoria". Implementation was timed to be effective for our FY17 grants rounds, and it was pleasing to see 14 grants approved to organisations who were previously ineligible to apply. The next stage of the strategic review was informed by the valuable data generated from our online application and reporting processes, along with consultations with key sector representatives and grantees. The new grants strategy was effective from 1 July 2016 and further sharpens our areas of interest.

The second major policy change came into effect in September 2016 when the Trustees approved up to a 2% allocation of the corpus to impact investments and also introduced a principles-based responsible investment overlay. We have started cautiously by moving an investment in an international shares fund to one that excludes companies engaged in the tobacco, controversial weapons, and nuclear weapons industries, and approved our first impact investment in the Murray-Darling Basin Balanced Water Fund.

## The continuum of impact

The themes of evaluation, measurement and big data continue to challenge the sector. We all want to work strategically in a rapidly changing world, we all want to make informed decisions based on reliable data, and we all want our grants to make a positive difference. HMSTrust can easily report that in FY17 we received 130 applications of which 73 were approved for a total of \$4.3m. We can report on the numbers and value of grants approved across our five programs and grant levels; we can dig deeper and report that 30% of grants were approved for capacity building vs project funding, and that 56% of grants directly benefit rural and regional Victoria. However, measuring the social impact of our grantmaking continues to be illusive because social impact takes time and is rarely the result of one intervention alone.

A direct outcome of our grants strategy is that we're progressively increasing our support of capacity building projects and collaborative pilot initiatives over a multi-year period. We know that the majority of our grants represent only one piece of a complex puzzle of issues and interventions, and we recognise that long-term outcomes, let alone impact, need to evolve organically. In 2007, the Trust approved a grant of \$65k to Country Education Victoria to develop a scalable online learning program, followed by two additional grants in 2009 and 2012 to further develop eKids. This innovative blended learning program contributed to the statewide digital learning framework for the Department of Education and

*Continued...*



## CEO's Report *continued*

Early Childhood Development. And relevant to this year, our FY17 Lead Grant of \$586k to Orygen Research Centre began its journey with a grant of \$61k in 2011. Orygen is now working with the Victorian Government to further develop the internationally recognised moderated e-health tool for youth onset psychosis as an online training employment program. In both instances, the impact of the original grants were impossible to predict let alone measure when the grants were acquitted. These grants are proudly featured in our bank of over 70 case studies on our website.

We know that the best intended timeframes and outcomes can be unpredictable. Grantees operate in continuously changing environments that can throw out a predicted milestone listed in the original application. On the other hand, HMSTrust can easily adjust internal timeframes. We see ourselves as a patient funder, and we value the learnings from initiatives that don't meet expectations.

## Learnings

When we introduced our grants matrix structure and online application process in 2014 we were able to provide greater clarity and transparency to grantseekers, resulting in 50% fewer applications and a significant increase in the approval rate from an average of 30% to 64%. The number of ineligible applications have been reduced to zero, there was a marked increase in the quality of applications that matched our areas of interest, and our Grants team have more time to engage with grantseekers and grantees alike. Every meeting and interaction builds our knowledge base, expands our network and extends our capacity to provide advice, make connections, and work more effectively.

## Our team

It's a joy and a privilege to work at HMSTrust. We have a small team of exceptional professionals who each contribute their knowledge, experience, a curious mind, empathy and the courage to challenge assumptions. The key objectives that we apply to our grants matrix are equally applicable to our own operations and culture. The principles of equity, sustainability, building organisational capacity, and collaboration and partnership all underpin the way we work.

I thank the Trustees for their support and stewardship of Helen's legacy. In February 2017, we welcomed Claire Higgins as our new Trustee. Claire's extensive experience across the corporate, health and emergency services sectors is matched by her enthusiasm for her role as a Trustee.

## Balit, noogee ba kangooeit biik

The more we engage with our diverse communities through our grantmaking, the deeper our appreciation of the importance of place and home, legacy and respect. In acknowledgement of the traditional owners of the land on which we work, the Wurundjeri people of the Kulin Nation, we commissioned a translation of our vision for a strong, just and sustainable Victoria, into Woiwurrung language as a sign of respect to elders past, present and future. The translation was not straightforward, 'sustainable' has been interpreted as 'everlasting' and 'Victoria' as 'country'.

I rather like the literal translation of our vision back to English for a '*strong, just and everlasting country*'.

**Lin Bender AM**

*Chief Executive*

# Investing in Capacity Building



Strong organisations deliver strong outcomes

HMSTrust has a long history of supporting organisations with grants specifically aimed at building their capacity so they can operate more efficiently and effectively in delivering their services to Victorian communities. When we introduced our grants matrix strategy in 2014, capacity building was included as one of our five key objectives, and over this time, our support of capacity building grants has steadily increased. In FY17, 22 of the 73 approved grants were specifically towards capacity building initiatives.

Strong programs, outcomes and impact are delivered by strong organisations with a sustainable business model and diverse revenue streams. They are well resourced with professional staff who are committed to delivering excellence, they understand the benefits of strategic collaboration, are adaptable, resilient, innovative, and have their ear to the ground.

Too many good organisations are under-resourced and are unable achieve their potential. We believe that building organisational capacity is a wise investment for achieving long-term outcomes. Every one of the 22 capacity building grants funded in FY17 will at the very least provide an additional resource to operations and hopefully, deliver long-term benefits that align with our vision. Some are riskier than others, and tend to be the ones that will take a significant length of time to develop, but are considered by the Trustees as a risk worth taking.

An issue for many organisations is poor business development capacity that directly impacts on their ability to generate revenue. In FY17 we supported Ballarat International Foto Biennale, BalletLab, Central Victorian Biolinks Alliance, Melbourne Youth Orchestras, and SPELD to develop and implement long-term revenue generating strategies.

Grants that we will be watching in the years ahead include: [Green Collect](#), an innovative social enterprise providing re-use and up-cycling solutions for hard-to-recycle office items. We collaborated with Philanthropy Australia and NAB to co-fund Green Collect to work with Social Traders to review and develop a business strategy to enable them to scale their operations. [Multicultural Arts Victoria's brokerage enterprise](#) is an innovative business unit that addresses their core purpose of providing work opportunities to local artists from diverse cultural backgrounds and aims to build a long-term revenue stream. Federation University's powerful online network, [SWIFFT](#), (State Wide Integrated Flora and Fauna Teams) is designed to share biodiversity knowledge, observations, projects, current events, ideas and access information from experts in their field. Information on the site is drawn from up to 50 datasets including Department of Environment, Land, Water and Planning, Atlas of Living Australia, BirdLife Australia and the Victorian Biodiversity Atlas.

With 30% of our FY17 grants specifically targeting capacity building projects, our philosophy of patient funding is standing us in good stead.

# Grant's Team Review



2017 has been another extraordinary year of learnings for our grantees and for us.

We continue to be elevated by the success of many of our funded projects; and we have learnt alongside our applicants and grantees about the issues they face and from the sometimes surprising outcomes, good and not so good.

We all work across HMSTrust's five programs areas, and spend our year gathering and digesting relevant information. The scale and diversity of information we process throughout the year is rewarding and at the same time, challenging. We remain apprised through our informative conversations with applicants, along with sector forums, publications and grantee events that build our knowledge across our issue areas. In FY17, we received and evaluated 130 grant applications. The evaluation process is another key source of information, which includes a significant level of due diligence, as well as further research on the issues and proposed activities. Grantee reports are especially informative and we're pleased with the positive response of grantees to our online reporting process, which is designed to make the onus of reporting easier for grantees as well as providing us with valuable data. Over the past year, we reviewed 115 progress and final reports. Importantly, our learnings help guide potential grantees, and enable us to be proactive in seeking out and connecting organisations with aligned objectives. The learnings from our last four years of grantmaking have contributed to HMSTrust's recent grants policy review and subsequent program and focus area changes that were implemented at the end of FY17.

We are mindful of the need to keep up-to-date with best practice in grantmaking, and in FY17, HMSTrust attended two international conferences: Lea-Anne Bradley attended the PEAK Grantmaking Conference in Los Angeles, where evaluation was a key theme; and Lin Bender attended the Grantmakers for Effective Organisations conference in Chicago, with its theme on learning from our grantees. We are also working closely with our fellow funders to improve our processes, to make ourselves more efficient and effective and to support the applicants and grantees with whom we work.

One of the most pleasing outcomes for us is to see the long-term journey of a grant.

Usually the first step in the journey is an initial enquiry, which is often followed by a meeting to better understand each other, and we are mindful that listening needs to take place on both sides. It is always satisfying to receive a grant application which has been developed based on discussion and feedback, and we celebrate with the grantees when the Trustees approve their project.

It has been rewarding to see grantees such as the River Nile Learning Centre, an organisation which HMSTrust has supported for some years, blossom into a significant education support for disadvantaged refugee and asylum seeker women. From initial small project grants, and a number of declined requests, the Trustees approved a capacity building grant that this year enabled it to secure

*Continued...*

## **Grant's Team Review** *continued*

registration as an independent school, significantly contributing to the sustainability of the organisation in future years. During this time HMSTrust became aware of another young organisation, Zoe Support Australia, which provides pathways to education for young mothers in Mildura. Zoe Support has also been grappling with how to diversify its funding while remaining mission-focused, and had identified the establishment of an independent school as a potential approach. An introduction between these grantees has led to the generous support of The River Nile Centre now sharing it's learnings with Zoe Support.

Another significant grantee achievement realised this year was the establishment of the Central Victorian Biolinks Alliance as an incorporated entity with charity and DGR status. Since 2012, HMSTrust has provided funding to The Wilderness Society and Victorian National Parks Association as key partners in the formation of an alliance of organisations and landholders working across Central Victoria. From initial scoping, piloting and strategic planning support, this unique collaborative conservation approach has evolved into an independent organisation with an ambitious goal of supporting landscape scale conservation across Victoria.

We look forward to sharing the journeys of our current and future grantees in FY18 as we work towards achieving HMSTrust's vision of "A strong, just and sustainable Victoria".

**Lea-Anne Bradley**  
*Grants Manager*

**Sarah Bartak**  
*Grants and  
Communications Officer*

**Michelle Springall**  
*Grants Support and  
Executive Assistant*

# 2017 Grants at a Glance



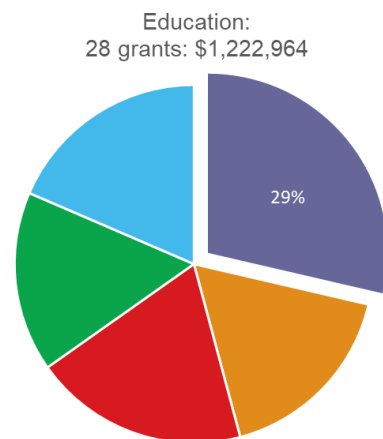
**Total grants: \$4,272,143 across our five Program areas**

## Education and Vocational Pathways

Education and vocational initiatives that help individuals improve their circumstances.

Focus areas:

- Engaging and retaining children and youth in education
- Transitioning unemployed people and their communities into meaningful work
- Enabling migrants and refugees to transition into Victoria's culturally diverse community

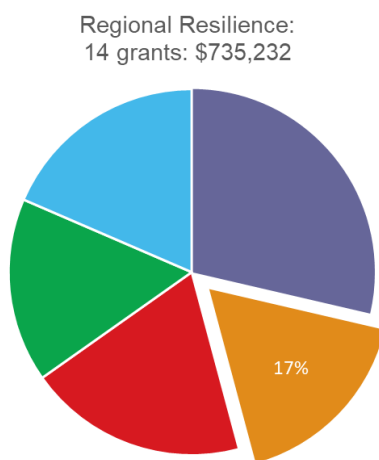


## Regional Resilience

Projects and programs that deliver benefits to rural and regional communities.

Focus areas:

- Social enterprise
- Cross-sector and cross-community collaboration
- Long-term social cohesion

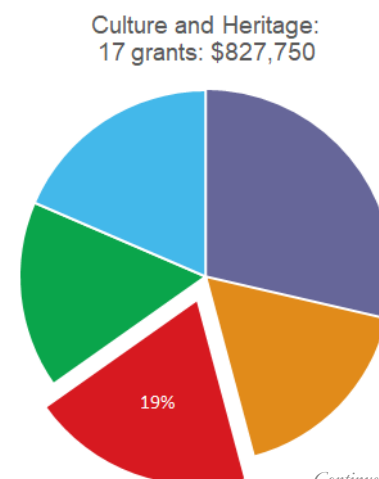


## Culture and Heritage

Creative initiatives that give voice to communities by attracting local participation, encouraging public engagement and developing a sense of place.

Focus areas:

- Strengthening collective capacity
- Building collaborative cultural networks
- Fostering creativity to enrich lives



*Continued...*

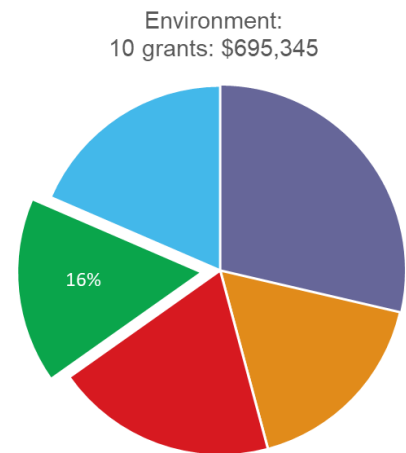
## Grants at a Glance *continued*

### Land and Environmental Stewardship

Initiatives that deliver responsible conservation of Victoria's natural environments through cooperative projects and sustainable practices.

Focus areas:

- Conserving biodiversity at all landscape scales
- Protecting and managing Victoria's water systems
- Nurturing landscapes as sustainable environmental systems

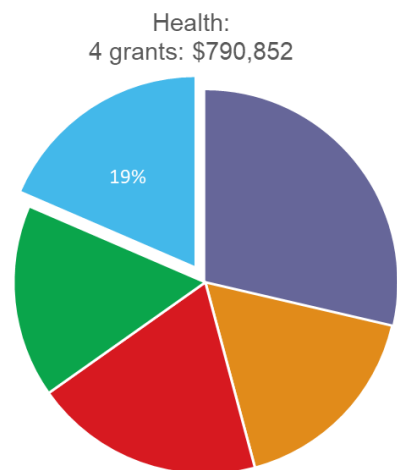


### Health Advancement

Major multi-year grants that lead to better health outcomes and quality of life.

Focus areas:

- Translational research
- Improved access to health services
- Learning opportunities



*This grant category is ONLY available for Social Impact Grants.*



# 2017 Grants



## Education and Vocational Pathways

### **Ardoch Youth Foundation**

\$20,000

Engaging students in disadvantaged communities in Geelong through science, technology, engineering and maths learning

*To develop STEM (science, technology, engineering and maths) resource kits and programs to engage over 600 students in disadvantaged communities in Geelong*

[www.ardoch.org.au](http://www.ardoch.org.au)

### **Autism Victoria Incorporated**

\$30,000

Enabling improved educational outcomes for young people on the autism spectrum

*To develop a pilot framework, and identify and engage target school communities, teachers and education leaders as proof of concept for a new, more expansive long-term program.*

[www.amaze.org.au](http://www.amaze.org.au)

### **Berengarra School Ltd**

\$68,263

Transforming Berengarra School into a trauma-informed model of positive education through the BSEM

*To assist with the development of a new program designed purely to meet the needs of students with backgrounds of developmental trauma and integrate the BSEM across Berengarra's existing programs.*

[www.berengarra.vic.edu.au](http://www.berengarra.vic.edu.au)

### **Beyond the Bell Great South Coast**

\$30,000

Beyond the Bell - measuring our impact

*To develop and establish an evaluation and shared measurement framework including an external evaluation group, critical friends and group of external mentors*

[www.beyondthebell.com.au](http://www.beyondthebell.com.au)

### **Big Brothers - Big Sisters Australia**

\$30,000

Project: Big Futures NEW Northern Melbourne Cluster

*To initiate a new Big Futures school cluster in Melbourne's North starting with 2 - 3 schools*

[www.bigbrothersbigsisters.org.au](http://www.bigbrothersbigsisters.org.au)

### **Brotherhood of St Laurence**

\$197,000

Increasing Life Opportunities - A Two Generational Approach

*To deliver, trial and evaluate a new approach to assisting all members of disadvantaged families through all being linked to education, training and helped to gain employment.*

[www.bsl.org.au](http://www.bsl.org.au)

### **Community Four Ltd**

\$30,000

SymLab Careers Program

*To pilot the SymLab Careers program for refugees (and people seeking asylum) in Dandenong and utilise this experience in delivering a detailed business plan for the first fully operational SymLab.*

[www.communityfour.org](http://www.communityfour.org)

### **Doxa Youth Foundation**

\$21,248

University Pathways Discovery (UPD) Project for Refugee Students in Regional and Rural Victoria

*To pilot the delivery of 4 workshops to 60 x Year 9-12 refugee students from disadvantaged regional/rural Victorian schools to support their access to tertiary studies and meaningful employment.*

[www.doxa.org.au](http://www.doxa.org.au)

### **Dress for Success Mornington Peninsula**

\$12,200

Keeping the Job, building the Future

*To provide a unique post-employment program to assist and support clients who obtain employment in their transition to work, helping build personal resilience and growth, financial independence and career growth.*

[www.dressforsuccess.org/morningtonpeninsula](http://www.dressforsuccess.org/morningtonpeninsula)

### **Endeavour Ministries Inc**

\$10,000

Devices for the Disadvantaged

*To help in the purchase of prescribed digital devices for financially disadvantaged students at the local secondary college where engagement with technology is compulsory and central to all learning.*

[www.andrewscentre.org.au](http://www.andrewscentre.org.au)

### **Glen Eira Adult Learning Centre Inc**

\$21,000

Improved Learning Spaces for Adult Migrants and Vulnerable Learners at Glen Eira Adult Learning Centre

*In having to relocate, GEALC seeks funds to re-network and transfer its computer training room and provide educational equipment including interactive whiteboard for a new learning space for migrant learners.*

[www.gealc.org.au](http://www.gealc.org.au)

### **Green Collect**

\$58,000

Governance and strategy capacity building to support impact growth and enterprise sustainability

*To develop and implement a performance-driven governance framework and business strategy that will enable Green Collect to achieve overall enterprise sustainability and grow our impact.*

[www.greencollect.org](http://www.greencollect.org)

### **Horn of African Communities Network in Victoria Inc**

\$90,000

Let Us Start Again: Economic Participation for Women from Refugee Backgrounds

*To enable women from refugee backgrounds living in the outer west of Melbourne to access opportunities to participate economically in the Victorian community.*

[www.hacn.org.au](http://www.hacn.org.au)

*Continued...*

## 2017 Grants *continued*

### **Inclusion Melbourne Inc**

\$29,293

Pathways to Employment:  
Supporting Sudanese Refugee  
Women

*To adapt and deliver a Certificate 3 in Aged Care course specifically designed to cater for Sudanese refugees, accounting for common barriers such as low English levels and family commitments.*

[inclusion.melbourne](http://inclusion.melbourne)

### **Learning for Life**

\$18,000

Inclusion Works - Mooroopna  
Primary School (MPS)

*To deliver an in-depth consultancy program in effective behavioural strategies to MPS's 16 teaching staff to strengthen the school's capacity to improve the educational outcomes of its current/future ASD students.*

[www.learningforlife.com.au](http://www.learningforlife.com.au)

### **\*The Lost Dogs Home**

\$5,000

Special Consideration by Trustees  
grant - for Victorian Operations

[www.dogshome.com](http://www.dogshome.com)

### **Monash University**

\$25,000

Hands on Health

*To double the capacity of the Hands on Health program to reach disadvantaged secondary school students with a view to increasing the numbers of these students pursuing tertiary education.*

[www.monash.edu](http://www.monash.edu)

### **\*Royal Society for the Prevention of Cruelty to Animals**

\$5,000

Special Consideration by Trustees  
grant

[www.rspcavic.org.au](http://www.rspcavic.org.au)

### **SisterWorks Incorporated**

\$60,000

SisterWorks Creative Enterprises:  
Connecting the best Australian  
practices with a multicultural  
experience

*To generate a strong income as a social enterprise that develops businesses with its Entrepreneurs.*

[www.sisterworks.org.au](http://www.sisterworks.org.au)

### **SNAICC**

\$20,000

Welcome to School Kit:  
transitioning Victorian Indigenous  
children into primary school  
Victorian distribution of 2,000  
'Welcome to School' Kits, providing tools  
for children, families and educators to  
build on the strengths of Indigenous  
cultures and communities, and improve  
children's school transitions.

[www.snaicc.org.au](http://www.snaicc.org.au)

### **Social Traders Ltd**

\$200,000

Growing the impact and  
sustainability of social enterprises  
in Victoria through capacity  
building

*To support the Crunch accelerator  
program which builds the business skills  
and networks of new and existing social  
enterprises in Victoria so they can deliver  
sustainable social impact.*

[www.socialtraders.com.au](http://www.socialtraders.com.au)

### **SPELD Victoria Inc**

\$40,000

SPELD-Victoria - Building  
Capacity to assist Victorians with  
Specific Learning Difficulties  
including Dyslexia

*To build SPELD-Victoria's IT capacity  
with integrated systems to drive  
organizational efficiency, effectiveness and  
growth in order to enable the long term  
outcomes listed under Additional  
Information.*

[www.speldvic.org.au](http://www.speldvic.org.au)

### **Taralye**

\$27,200

Equal access to services for 0-12  
years-old children who are deaf  
across Victoria.

*To purchase resources, such as,  
educational books, toys, sensory play  
equipment and other resources for therapy  
rooms, group literacy and parent-support  
programs at our new planned micro-centre  
in the West.*

[www.taralye.vic.edu.au](http://www.taralye.vic.edu.au)

### **River Nile Learning Centre Inc**

\$20,760

Securing RNLC's Financial  
Sustainability

*To secure RNLC's long term financial  
sustainability through registering the  
Learning Centre with the Victorian  
Registration and Qualifications  
Authority (VRQA) as an independent  
school.*

[rnlc.org.au](http://rnlc.org.au)

### **The Song Room**

\$30,000

Building resilient school  
communities

*To understand the link between creativity  
and school engagement and the link  
between arts and resilience in school  
communities in Victoria.*

[www.songroom.org.au](http://www.songroom.org.au)

### **Victorian Association of State Secondary Principals Inc**

\$30,000

Ourschool -- helping state  
secondary schools build thriving  
alumni communities to benefit  
current students

*To deliver a pilot of an alumni service  
(called Ourschool) to a group of  
metropolitan and regional state secondary  
schools*

[ourschool.net.au](http://ourschool.net.au)

### **\*Vision Australia Limited**

\$5,000

Special Consideration by Trustees  
grant - for Victorian Operations

[www.visionaustralia.org](http://www.visionaustralia.org)

### **Westside Circus Inc**

\$90,000

The Altitude Project (Shepparton)  
*To embed circus in the ongoing practice of  
the project partners to support disengaged  
youth in Shepparton to access and  
maintain engagement with education, and  
achieve success in employment.*

[www.westsidecircus.org.au](http://www.westsidecircus.org.au)

*Continued...*



## Regional Resilience

### **Ballarat Hospice Care Inc**

\$29,625

Looking to the future

*Build the capacity of the Supportive Team Network to support, educate and provide bereavement counselling for community groups rather than limited one-on-one counselling. Currently very limited bereavement counselling is available.*

[www.ballarathospicecare.org.au](http://www.ballarathospicecare.org.au)

### **Baptcare Ltd**

\$30,000

Norlane Community Hub: skills capacity building initiative

*Provide new skills and opportunities to people encountering long-term systemic disadvantage in Norlane, Geelong, by working in a Community Hub pop-up cafe - run for the locals by the locals.*

[www.baptcare.org.au](http://www.baptcare.org.au)

### **Deakin University**

\$90,000

The role of Peer Mentors in breaking the cycle of crime and imprisonment in Geelong

*To undertake a trial of peer led mentoring program for people leaving prison and returning to Geelong under the supervision of Community Correctional Services to test applicability in the Australian context.*

[www.deakin.edu.au](http://www.deakin.edu.au)

### **Interchange Loddon-Mallee Region Inc.**

\$27,333

National Disability Insurance Scheme (NDIS) Advocacy Project Briefing Interchange LM clients will on their entitlements in regard to NDIS

[www.interchangelm.org.au](http://www.interchangelm.org.au)

### **Life Saving Victoria**

\$30,000

Water Safety and Disaster Resilience Education - Virtual Excursions (A Pilot)

*To undertake a pilot study for the delivery of 'virtual excursions' focusing on water safety and disaster resilience education in the event of localised emergencies in rural/regional Victorian communities.*

[www.lsv.com.au](http://www.lsv.com.au)

### **Lyndoch Living Inc**

\$30,000

Wicked Asset Systems

Development (WASD) supporting services for dairy farmers across South- West Victoria.

*To expand on WASD training delivered to community development professionals in late 2015-16 and adapt training to deliver to support mental health initiatives for dairy farmers in South-West (SW) Victoria*

[www.lyndochliving.org.au](http://www.lyndochliving.org.au)

### **Post Placement Support Service (Vic) Inc**

\$19,496

Life Story Work: Training program assisting parents and carers of permanent care and adopted children.

*To deliver training in Life Story Work and provide additional support to current peer support groups for parents with permanent care and adopted children in regional Victoria.*

[www.pcafamilies.org.au](http://www.pcafamilies.org.au)

### **Quercus Beechworth**

\$14,080

Connecting Beechworth

*To develop a sustainable social media platform with a 'bricks and mortar' presence that allows people in Beechworth and surrounds access to timely and factual community information.*

[www.quercusbeechworth.com.au](http://www.quercusbeechworth.com.au)

### **Save the Children Australia**

\$90,000

Children's Wellbeing Initiative - East Gippsland

*To deliver a collective impact model to implement collaborative community responses to the needs of children and youth in East Gippsland, so that they can grow up safe, happy and healthy.*

[www.saverthechildren.org.au](http://www.saverthechildren.org.au)

### **Smiling Mind**

\$89,000

Smiling Mind for Regional Victoria: Curriculum Mapping and Teacher Training

*To extend Smiling Mind's Australian Curriculum mapping to the Victoria-specific curriculum. To develop and pilot test a train-the trainer model of teacher training for use in regional Victoria.*

[www.smilingmind.com.au](http://www.smilingmind.com.au)

### **Tomorrow Today Education Foundation**

\$200,000

It Takes a Village

*Two purposes: (1) All Benalla children start school ready to learn (2) Tomorrow Today adopts a financial sustainability plan*

[www.tomorrowtoday.com.au](http://www.tomorrowtoday.com.au)

### **Wendouree Neighbourhood Centre Inc**

\$28,847

Ballarat Bigger Hearts Club - 100 stories about dementia

*To destigmatize dementia by engaging community members through documenting 100 Ballarat residents' stories about their experiences of living with dementia*

[www.wnc.org.au/](http://www.wnc.org.au/)

### **Western Bulldogs Community Foundation**

\$30,000

Sons of The West - Regional Setting Pilot

*To recruit, advertise, deliver and evaluate a men's health program in the regional local government area of Central Goldfields. The program will aim to support 50 men.*

[sonsofthewest.org.au](http://sonsofthewest.org.au)

### **Yea and District Community House**

\$26,851

GROW - Community Fresh Food program

*Employing a project worker to run hands-on programs supporting starting a Community Kitchen, linking Community Gardens, schools, YCH, local hospital programs to increase fresh food access, habits and food knowledge.*

[yeahouse.org.au](http://yeahouse.org.au)



## Culture and Heritage

### 100 Story Building

\$30,000

Story Hub: Feasibility

*A feasibility study in Brimbank for a pilot of co-created, creative spaces for children and young people in disadvantaged communities to support their engagement in learning, confidence and social connectedness.*

[100storybuilding.org.au](http://100storybuilding.org.au)

### Back to Back Theatre Inc

\$90,000

Back to Back Theatre - Effecting positive social change via community artistic practice 2018-2020

*To expand the impact of our Community Programs and increase community reach across Victoria, refining our programs for long-term application and return on community investment.*

[www.backtobacktheatre.com](http://www.backtobacktheatre.com)

### Ballarat International Foto Biennale

\$90,000

Enriched relationships for greater outcomes: Supporting a position to drive long-term collaborative and financial relationships.

*To deliver new capacity to manage a sustainable, extended partnerships program enabling growth and deepened relationships with BIFB's cultural and investment partners*

[www.ballaratfoto.org](http://www.ballaratfoto.org)

### BalletLab Association Inc

\$30,000

New Digital Infrastructure for Phillip Adams BalletLab supporting a new interdisciplinary space at Temperance Hall.

*To commission integrated digital infrastructure for the new dance-artist-run space, Temperance Hall - comprising website, CRM and communication system with automated marketing functionality, enabling diversified income and audience growth.*

[www.balletlab.com](http://www.balletlab.com)

### cohealth

\$30,000

Bringing Scattered Tribes Together

*To deliver a program of participatory arts activities that culminate in a exhibition of large scale portraits that explore ideas of self determination through self-representation and celebrating cultural identity.*

[www.cohealthartsgenerator.com](http://www.cohealthartsgenerator.com)

### Emerging Writers' Festival Inc

\$30,000

Culturally and Linguistically Diverse Literary Programming Initiative

*Salary for a Program Producer (12-15 month contract role) to engage participation by CALD writers and grow CALD audiences for EWF and MWF*

[www.emergingwritersfestival.org.au](http://www.emergingwritersfestival.org.au)

### Geelong Performing Arts Centre

\$26,250

GPAC:digital

*GPAC: digital a strategy to engage with a broad range of digital opportunities and stakeholders to build new programs and collaborations whereby GPAC remains relevant in a global, digital world.*

[www.gpac.org.au](http://www.gpac.org.au)

### Kage Physical Theatre Association Inc

\$10,000

OUT OF EARSHOT, WITHIN REACH - associated activities delivered around the development and performance seasons.

*Resources and activities around performances of OUT OF EARSHOT which increase the accessibility, reach and impact of the production on high-school students, people with disabilities and the general public's understanding.*

[www.kage.com.au](http://www.kage.com.au)

### Melbourne Fringe

\$19,000

Deadly Fringe

*To increase participation and employment pathways in the arts in Victoria, particularly theatre, for Indigenous artists and producers.*

[www.melbournefringe.com.au](http://www.melbournefringe.com.au)

### Melbourne Youth Orchestras

\$82,500

SCALING UP: Investing in the growth of Melbourne Youth Orchestras' fundraising and development capacity

*To invest in the people and resources needed for MYO to build its fundraising and development capacity over a two year period.*

[www.myo.org.au](http://www.myo.org.au)

### \*Mission to Seafarers Victoria Inc

\$5,000

Special Consideration by Trustees grant

[www.missiontoseafarers.com.au](http://www.missiontoseafarers.com.au)

### Multicultural Arts Victoria

\$200,000

"Go for Broke" - Multicultural Arts Victoria's Emerge Cultural Enterprise & Development Program

*To increase the capacity of culturally and linguistically diverse communities to build new creative enterprise through the strategic development of Multicultural Arts Victoria's arts brokerage model.*

[multiculturalarts.com.au/](http://multiculturalarts.com.au/)

### Outer Urban Projects Ltd

\$90,000

Linkages Employment Generator: A pilot training and employment program of Outer Urban Projects

*To train up to 60 new young artists to be work ready and employable on OUP's fee for service Urban Events Social Enterprise and in the wider performing arts industry.*

[www.outerurbanprojects.org](http://www.outerurbanprojects.org)

*Continued...*

## 2017 Grants *continued*

### Public Galleries Association of Victoria

\$20,000

Artists in the Black across Victoria  
To run four workshops providing culturally appropriate legal advice, information and education to Aboriginal and Torres Strait Islander artists in order to develop their professional capacity in the arts sector.

[www.pgav.org.au](http://www.pgav.org.au)

### Speak Percussion

\$30,000

Bespoke

To deliver the Bespoke professional development program which provides targeted support to independent artists, ensembles and arts workers within the Victorian small-to-medium arts and cultural sector.

[speakpercussion.com](http://speakpercussion.com)

### Victorian Jazz Archive Inc

\$30,000

Australian Jazz Museum

Collection System Creation Project

To build and develop a flexible and robust database, specifically catered to the needs of the Australian Jazz Museum

[www.ajm.org.au](http://www.ajm.org.au)

### Western Edge Youth Arts

\$15,000

Seeking the Great Australian Dream - circus theatre

performance collaboration for culturally diverse young people

To build a collaborative partnership between two major youth arts companies that engages 40 young people (80% from CALD and disadvantaged backgrounds) in the creation of a major community performance.

[westernedge.org.au](http://westernedge.org.au)



## Land and Environmental Stewardship

### ANGAIR

\$10,000

ANGAIR: Contemporary Digital Management -- enabling greater community engagement and greater member involvement through collaboration

Implementing easy to use and reliable computer infrastructure to support ANGAIR operations and an integrated digital asset management system in place with core data loaded with appropriate meta data records.

[www.angair.org.au](http://www.angair.org.au)

### Balcombe Estuary

#### Rehabilitation Group Inc

\$30,000

Restoring Northern Bank of Lower Balcombe Creek, Mornington Peninsula

To restore the northern bank of the Balcombe Estuary Reserves to at least the level of restoration achieved on the southern bank, significantly advancing the protection of the entire reserves.

[www.berg.org.au](http://www.berg.org.au)

### Bush Heritage Australia

\$85,880

Collaborative habitat restoration and woodland bird resilience in the Kara Kara-Wedderburn Landscape

To implement actions from the Kara Kara-Wedderburn (KKW) Landscape Plan to manage key threats to threatened temperate woodland bird communities across an expanded protected area.

[www.bushheritage.org.au](http://www.bushheritage.org.au)

### Central Victorian Biolinks Alliance Inc

\$197,200

Kickstarting CVBA - building the capacity for donor fundraising and a sustainable future.

To build and implement a strong business model for donor fundraising so CVBA can independently meet its core operating costs, grow its organisational capacity and achieve its strategic objectives.

[www.centralvicbiolinks.org.au](http://www.centralvicbiolinks.org.au)

### Darebin Information

#### Volunteer and Resource Service

\$28,930

Mapping the Urban Orchard

To promote and increase the accessibility of digitally Mapping the Urban Orchard, reducing green and food waste, increasing access and preserving heritage of fruit trees in Darebin and neighbouring municipalities.

[www.divrs.org.au](http://www.divrs.org.au)

### Federation University Australia

\$90,000

State Wide Integrated Flora and Fauna Teams (SWIFFT) and Visualising Victoria's Biodiversity To further expand SWIFFT and VVB as a key state-wide resource for increasing awareness, knowledge sharing and connectedness across Victorian communities for biodiversity conservation planning and management.

[www.federation.edu.au](http://www.federation.edu.au)

*Continued...*



## 2017 Grants *continued*

### **Friends of the Helmeted Honeyeater Inc**

\$74,044

From Yellingbo to Butterfield: a community-led model of habitat restoration for endangered and threatened species

*To provide the increasing number of HeHo breeding pairs with quality habitat and reduce the risks (disease, fire, drought and diminished genetic diversity) of their currently restricted YNCR sole location.*

[www.helmetedhoneyeater.org.au](http://www.helmetedhoneyeater.org.au)

### **People and Parks Environment Trust**

\$90,000

Conserving Park Environments and Aboriginal Burial Sites in Murray Sunset National Park

*To undertake remediation work to restore erosion-affected sand dunes and to undertake conservational and educational measures to prevent future erosion events to burial sites impacted by erosion in these dunes.*

[www.peopleandparks.org](http://www.peopleandparks.org)

### **The Conservation Ecology Trust**

\$85,041

How Do Threatened Native Mammals Respond to the 'Otway Ark'?

*To understand how populations of threatened mammal species in the Otways respond to landscape scale control of foxes.*

[www.conservationecologycentre.org](http://www.conservationecologycentre.org)

### **Willum Warrain Aboriginal Association Incorporation**

\$4,250

Koorie Plant Trail

*To revegetate the gathering place with a Koorie plant trail that will provide opportunities for Aboriginal community to educate the broader public about traditional Boon Wurrung plant use.*

[www.willumwarrain.org.au](http://www.willumwarrain.org.au)



## Health Advancement

### **Australian Muslim Women's Centre for Human Rights**

\$194,631

Increasing access to trauma-informed care for CALD and Muslim women affected by violence

*To provide research-based practical guidelines and a trauma-informed model of care that will increase access to mental health and psychological support for migrant and refugee women who have experienced violence.*

[ausmuslimwomenscentre.org.au/](http://ausmuslimwomenscentre.org.au/)

### **Orygen Research Centre**

\$586,221

Youth Online Training and Employment System (#yotes)

*To develop and evaluate a comprehensive web-based employment support package for young people with mental illness who are unemployed, underemployed, or at risk of unemployment.*

[www.orygen.org.au](http://www.orygen.org.au)

### **\*The Royal Children's Hospital Foundation No 2 Trust**

\$5,000

Special Consideration by Trustees Grant

[www.rchfoundation.org.au](http://www.rchfoundation.org.au)

### **\*Royal District Nursing Service**

\$5,000

Special Consideration by Trustees grant - for RDNS Ltd Victorian Operations

[www.rdns.com.au](http://www.rdns.com.au)

\* Discretionary allocation to named beneficiaries

Note: This list represents grants approved in FY17 and excludes withdrawn and amended grants.



# Investment Review



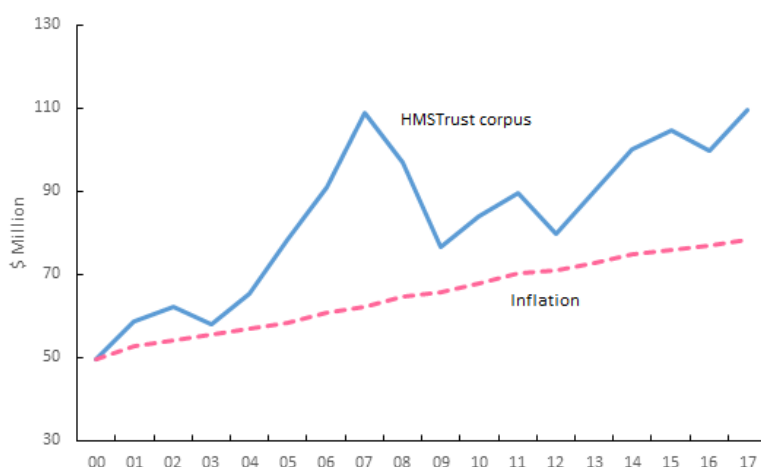
The objectives of HMS Trust's investment activities are twofold: first to achieve long-term appreciation of the value of the corpus, ahead of inflation, and secondly to generate sufficient income to fund the annual grant giving program and operating expenses.

Long-term growth in the value of the corpus is essential if the Trust is to serve Victoria's communities in the future as well as it has done in the past.

Trustees have delegated management of the Trust's investments to an Investment Committee made up of three Trustees, the Chief Executive Officer and the Investment Executive, who is an experienced investment professional. The Committee also receives investment advice from Frontier Advisors, one of Australia's leading investment consultants. Guiding the Committee's activities is a detailed Investment Policy Statement which sets out the asset allocation for the portfolio and various risk control measures.

Investment operations are managed internally wherever possible to maximise control and minimise costs. Last year the total costs were 0.33% of assets, including fees paid to external managers of international shares and unlisted infrastructure funds.

The chart shows how the value of the corpus has changed since 2000, and compares that with the increase in the Consumer Price Index (CPI), a measure of inflation. Over that period the corpus has consistently remained ahead of inflation, achieving our primary investment objective. At June 2017 the corpus was valued at \$110m, a margin of \$31m or 40% above the CPI.



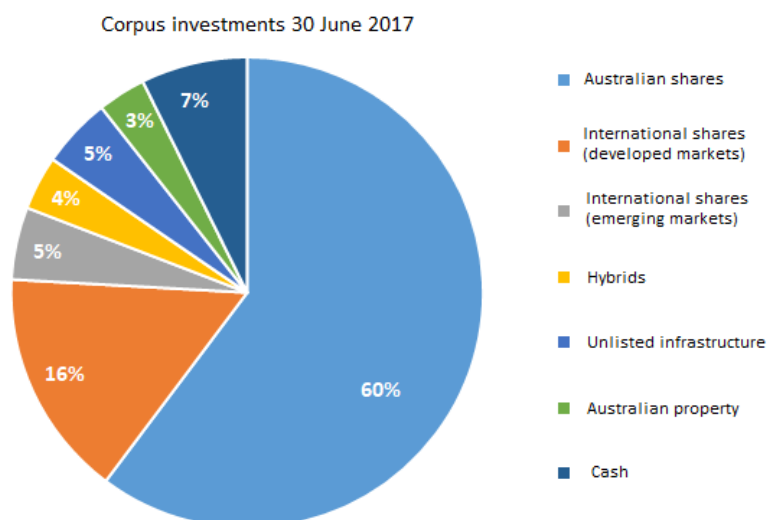
It is also pleasing to note that after 10 years the corpus has now fully recovered from the losses suffered during the global financial crisis. In contrast, the ASX200 Index is still 9% below its June 2007 level.

Over the 2017 financial year the total return of the portfolio (meaning capital gains plus income, adjusted for cash movements) was a respectable 13.4%. This favourable return

reflects a high exposure to both Australian and international shares, no exposure to bonds, a strong performance by our unlisted infrastructure manager, and an upward revaluation of our property holding.

*Continued...*

## Investment Review *continued*



The chart on the left illustrates the asset allocation of the corpus at the end of June 2017.

Equity markets rallied mainly because global economic growth surprised to the upside. After many years of tepid activity following the global financial crisis, growth picked up pace in the fourth quarter of 2016 and has remained relatively buoyant since. At the same time inflation has remained low, and while the peak

of central bank stimulation is now behind us, the path of normalisation has so far been cautious and gradual. Commodity prices also showed surprising strength as the Chinese government stimulated its economy.

In terms of income generation, we fell modestly short of our objective this year. Meeting income targets during a period of record low interest rates is a difficult challenge. However we remain disciplined in our investment process and will not take on inappropriate levels of risk simply to generate short term income.

During the year Trustees approved changes to the Investment Policy Statement which introduced a principles-based ethical overlay to our investment process and also allowed the Investment Committee to invest up to 2% of the corpus in impact investments subject to strict conditions.

As a result of this, we switched our investment in the Vanguard International Shares Fund to a similar Vanguard fund which excludes companies engaged in the tobacco, controversial weapons, and nuclear weapons industries.

Impact investments are investments made with the expectation of both a financial return and a measureable social or environmental impact. HMS Trust intends to be highly selective in this area and will only make impact investments where there is a high likelihood of capital preservation, the investment distributes income, and where the social or environmental benefit aligns with our granting strategy.

During the year we approved our first such investment when we participated in a capital raising by the Murray-Darling Basin Balanced Water Fund. This fund was established in 2015 to purchase permanent water entitlements and lease or trade annual water allocations in the southern Murray-Darling system. In years of plentiful supply, when prices are low, water will be donated for environmental watering of significant wetlands. The environmental program is being overseen by The Nature Conservancy and early indications are encouraging.

**Peter Wetherall**

*Investment Executive*

# Finance Review



The Helen Macpherson Smith Trust is a perpetual charitable trust whose principal activity is to hold Helen's residuary estate (corpus) in trust, to invest the corpus to maintain and grow its real value, to earn income from the corpus and to distribute that income to charitable institutions and purposes situated in Victoria.

## Governance

The governing rules of HMSTrust consist of Helen's Will executed in 1936 (and varied by the Supreme Court of Victoria in 1992 and 2015) and the 2009 Administrative Scheme.

HMSTrust is regulated by the Australian Charities and Not-for-profits Commission (ACNC) and is governed by a six-member Board of Trustees which meets regularly throughout the year to consider the three core activities of HMSTrust: internal investment management, grant making and finance/compliance.

HMSTrust has implemented a risk management plan (reviewed annually by the Board of Trustees) and maintains comprehensive insurance policies. The assets of HMSTrust are held in the name of the custodian trustee, HMS Nominees Ltd. HMS Nominees Ltd is a company limited by guarantee and all HMSTrust Trustees are directors and members of HMS Nominees Ltd.

In accordance with the terms of Helen's Will, HMSTrust maintains both a Capital Account (representing HMSTrust's corpus) and an Income Account (representing the income earned on HMSTrust's corpus and out of which grants and expenses are paid). The Trustees have the power to transfer up to 15% of the Income Account's operating surplus each financial year to the Capital Account.

HMSTrust undertakes a comprehensive annual budget process with approval by the Board of Trustees in May each year. Quarterly actual results are reported against budget and revised forecasts for the year are prepared regularly.

HMSTrust is not a reporting entity. Accordingly, special purpose annual financial statements are prepared to satisfy its reporting obligations under its governing rules and the ACNC Act. These annual financial statements are audited by an external auditor. HMSTrust successfully transitioned the external audit to Pitcher Partners during 2017. The key financial summary presented here is an extract of the audited annual financial statements which are available for download from the ACNC website.

## Operating results for the year

Revenue (excluding realised and unrealised gains on investments) of \$6.7m was earned on the corpus during FY17 and was 12% higher than the \$5.9m earned in FY16. Revenue from off-market share buy-backs and capital distributions (which remain in the Capital Account) increased from \$0.2m in FY16 to

*Continued...*

## **Finance Review** *continued*

\$1.1m in FY17. The land and buildings at 27 Windsor Place were independently valued during FY17 at \$3.6m resulting in a \$0.3m reversal of a prior year building impairment expense. These increases in revenue were offset by a \$0.4m reduction in investment income due to the continued pressure on income yields.

Operating expenses of \$1.3m were incurred during FY17 in administering HMSTrust to achieve its objectives and were in line with FY16.

An operating surplus of \$5.4m was generated in FY17, a 16% increase over the \$4.6m generated in FY16. \$1.3m of the operating surplus was capital in nature and remains in the Capital Account. The operating surplus on the Income Account of \$4.1m allowed for a total of \$4.0m net grants to be approved during FY17. This resulted in a small \$0.1m surplus on the Income Account from which \$0.6m was transferred to the Capital Account through the Trustees' exercise of the power of accumulation. Consequently, the balance on the Income Account decreased from \$4.2m at 30 June 2016 to \$3.8m at 30 June 2017. This balance on the Income Account will be used to maintain HMSTrust's granting capacity during this continued period of low income returns.

The value of the Capital Account (including land and buildings at market value) is at an all-time high of \$109.6m having increased by 10% from \$99.6m in FY16 due to stronger financial markets.

**Glen Thomson**

*Finance Executive*

# Helen Macpherson Smith Trust

## Financial Summary

### Statement of surplus or deficit and other comprehensive income for the year ended 30 June 2017

		2017 \$	2016 \$
<b>REVENUE</b>			
	Franked dividends	3,220,719	2,844,437
	Unfranked dividends	476,643	523,150
	Managed fund distributions	792,602	767,498
	Imputation credits	1,410,495	1,252,513
	Interest income	442,070	431,106
	Other income	45,000	105,000
	Reversal of building impairment	272,232	-
		<b>6,659,761</b>	<b>5,923,704</b>
<b>EXPENSES</b>			
	Depreciation and amortisation	(92,714)	(102,136)
	Employee benefits	(833,822)	(807,612)
	Legal expenses	(11,583)	(52,528)
	Other operating expenses	(273,189)	(228,392)
	Trustees' commission	(99,057)	(103,125)
		<b>(1,310,365)</b>	<b>(1,293,793)</b>
<b>OPERATING SURPLUS</b>		<b>5,349,396</b>	<b>4,629,911</b>
	Net grants approved during year <sup>1</sup>	(3,953,497)	(3,579,171)
<b>SURPLUS FOR THE YEAR</b>		<b>1,395,899</b>	<b>1,050,740</b>
	Other comprehensive income		
	Change in fair value of investments	7,280,772	(5,632,051)
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME</b>		<b>8,676,671</b>	<b>(4,581,311)</b>
	Attributable to Capital Account	8,507,031	(5,575,485)
	Attributable to Income Account	169,640	994,174
		<b>8,676,671</b>	<b>(4,581,311)</b>

<sup>1</sup> Net of withdrawn grants amounting to \$318,646 (2016: \$186,084).

# Helen Macpherson Smith Trust

## Statement of financial position as at 30 June 2017

		2017 \$	2016 \$
<b>CURRENT ASSETS</b>	Cash and cash equivalents	9,880,488	14,204,947
	Trade and other receivables	2,777,898	2,636,692
		<b>12,658,386</b>	<b>16,841,639</b>
<b>NON-CURRENT ASSETS</b>	Investments in financial assets	100,541,420	88,782,109
	Property plant and equipment	2,755,394	2,546,367
	Intangibles	14,264	31,285
		<b>103,311,078</b>	<b>91,359,761</b>
<b>TOTAL ASSETS</b>		<b>115,969,464</b>	<b>108,201,400</b>
<b>CURRENT LIABILITIES</b>	Trade and other payables	48,010	58,788
	Grants approved but unpaid	2,194,967	2,702,247
	Employee benefits	40,143	35,118
		<b>2,283,120</b>	<b>2,796,153</b>
<b>NON-CURRENT LIABILITIES</b>	Employee benefits	36,607	18,382
	Grants approved but unpaid	1,119,977	1,533,776
		<b>1,156,584</b>	<b>1,552,158</b>
<b>TOTAL LIABILITIES</b>		<b>3,439,704</b>	<b>4,348,311</b>
<b>NET ASSETS</b>		<b>112,529,760</b>	<b>103,853,089</b>
<b>ATTRIBUTABLE TO:</b>			
<b>CAPITAL ACCOUNT<sup>2</sup></b>	Capital reserve	95,794,632	89,750,517
	Investments revaluation reserve	12,901,897	9,858,981
		<b>108,696,529</b>	<b>99,609,498</b>
<b>INCOME ACCOUNT</b>	Retained surplus	3,733,018	4,199,860
	Investments revaluation reserve	100,213	43,731
		<b>3,833,231</b>	<b>4,243,591</b>
<b>TOTAL ACCUMULATED FUNDS</b>		<b>112,529,760</b>	<b>103,853,089</b>

<sup>2</sup> The Capital Account value, including the land and building at market value, as at 30 June 2017 is \$109,645,146.