



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION LIMITED**

ABN 44 162 905 106

**ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

This Financial Report was authorised for issue by the Board of Directors on 8 October 2018.
Directors have the power to amend and re-issue the Financial Report.



NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION LIMITED
DIRECTORS' QUALIFICATIONS
30 June 2018

Name	Qualifications	Experience	Special responsibilities
Robert Elliott	FCA, MAICD	Former Chairman of Pavilion Health Australia Pty Ltd., Consultant to Australian and New Zealand corporates in business profitability improvement.	Independent Chair
William d'Apice	LLB (Sydney University)	Chairman of Partners of Sydney law firm Makinson d'Apice Lawyers. Chair of Calvary Ministries Ltd. Trustees of Catholic Aged Care Sydney and Catholic Development Fund, Diocese of Broken Bay. Immediate past Chairman of the Board of Directors of Catholic Church Insurances Ltd. Accredited by the Law Society of NSW as a specialist in property law.	Independent Director
Neil Wykes OAM	B Com, FCA, ACSA, ACIS	International Vice President, Variety -the Children's Charity International. Company Secretary, Variety - the Children's Charity Australia. Director Macular Disease Foundation Australia Retired partner of international accounting firm Ernst & Young.	National Trust of Australia (NSW) Director.
Brian Powyer	BA Education B.A. (Ed) Graduate Diploma Educational Administration (Grad. Dip. Ed. Admin) Advanced Diploma Tourism (Ad. Dip Tourism)	Chair Parramatta Branch of National Trust Chair Bidjigal Reserve Trust Board Chair Board of Parramatta College Chair Parramatta and District Historical Society Secretary Institute of Senior Educational Administrators Secretary Parramatta Heritage Partners Group Secretary Association of Retired Primary Principals Secretary Excelsior Park Bushland Society Deputy Chair Parramatta City Council Heritage Advisory Committee Treasurer Cumberland Land Conservancy Group Former Assistant Director Curriculum NSW Dept. Education	National Trust of Australia (NSW) President (Appointed 23 January 2018)
Dr Clive Lucas OBE	B.Arch., D.Sc. (Arch.) (<i>honoris causa</i>) Sydney L.F.R.A.I.A, F.R.S.A	Restoration Architect and Consultant Lucas Stapleton Johnson & Partners Pty Ltd, Sydney. Former President and Vice President of the National Trust. Honorary Life Member of the National Trust. Former Chairman Furniture History Society (Australasia). Member Australiana Fund. Former Chairman and Trustee of the Historic Houses Trust of NSW (now Sydney Living Museums). Former Chairman Australia ICOMOS.	National Trust of Australia (NSW) President (Retired 23 January 2018)



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION LIMITED
DIRECTORS' QUALIFICATIONS
30 June 2018**

Name	Qualifications	Experience	Special responsibilities
Deborah Mills	B.Com, CA	Former CEO, Foundation and Friends of the Botanic Gardens. Former National Manager at Caltex Australia responsible for Risk Management and major Climate Change Project. Former Director, PricewaterhouseCoopers. Former Board member, Sydney Dogs and Cats Home.	National Trust of Australia (NSW) Executive Director (Appointed 4 October 2017)
Brian Scarsbrick AM	BA, Biological and Earth Sciences (Macq) H.D.A Hawkesbury Agricultural College	Inaugural CEO and 20 years as CEO of Landcare Australia. Director of Wetland Care Australia. Director of Carbon Smart. Member of the Interim Council of Freshwater Studies. Former District Agronomist with NSW Agriculture. Regional Director of Agriculture and Fisheries. Churchill Fellowship to study Sustainable Agriculture.	National Trust of Australia (NSW) Executive Director (Retired 1 November 2017)



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION LIMITED

DECLARATION BY THE DIRECTORS

In the opinion of the directors of National Trust of Australia (NSW) Heritage Foundation Limited ("the Company"), the financial statements and notes set out on pages 6 to 11 present fairly the financial position of the Company as at 30 June 2018 and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) as detailed in Note 1 to the financial statements.

The declaration is made in accordance with a resolution of the directors.

Robert Elliott
Director – National Trust of Australia (NSW)
(NSW) Heritage Foundation Limited

Deborah Mills
Executive Director – National Trust of Australia
Heritage Foundation Limited

Sydney, NSW
8 October 2018

NATIONAL TRUST OF AUSTRALIA (NSW)**HERITAGE FOUNDATION LIMITED****ABN 44 162 905 106****INDEPENDENT AUDITOR'S REPORT**

To the Members of National Trust of Australia (NSW) Heritage Foundation Limited:

Opinion

We have audited the financial report of National Trust of Australia (NSW) Heritage Foundation Limited ("the Company"), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Company as at 30 June 2018, and its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors for the Financial Report

Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and for such internal control as The Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Directors are responsible for overseeing the Company's financial reporting process.

NATIONAL TRUST OF AUSTRALIA (NSW)

HERITAGE FOUNDATION LIMITED

ABN 44 162 905 106

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

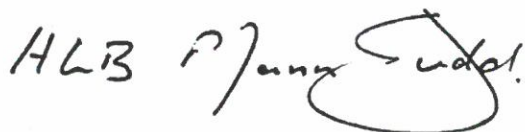
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



HLB Mann Judd
Chartered Accountants

Sydney, NSW
15 October 2018



D K Swindells
Partner



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Contribution income	-	-
Total revenue	-	-
Total expenses	-	-
Surplus / (deficit) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-

This statement should be read in conjunction with the accompanying notes.



NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	2	200	200
Total current assets		200	200
Total assets		200	200
Total liabilities		-	-
Net assets		200	200
Retained surplus		200	200
Total accumulated funds		200	200

This statement should be read in conjunction with the accompanying notes.



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION LIMITED
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2018**

	Retained Surplus \$
Total accumulated funds at 30 June 2016	200
Comprehensive income for the year ended 30 June 2017	<u>-</u>
Total accumulated funds at 30 June 2017	200
Comprehensive income for the year ended 30 June 2018	<u>-</u>
Total accumulated funds at 30 June 2018	<u>200</u>

This statement should be read in conjunction with the accompanying notes.



NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Cash and cash equivalents at the beginning of the financial year	200	200
Net increase /(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the end of the financial year	200	200

This statement should be read in conjunction with the accompanying notes.



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (“RDR”) and other pronouncements of the Australian Accounting Standards Board (“AASB”).

The Company is a subsidiary of The National Trust of Australia (New South Wales).

The Association is a not-for-profit entity for the purpose of preparing the financial statements, and is registered with the Australian Charities and Not-for-profits Commission.

The registered office and principal place of business is at Watson Road, Observatory Hill, Sydney, NSW 2000.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention.

Comparative information is reclassified where necessary to ensure comparability.

(a) Taxation

The Company has been granted exemption from income tax.

(b) Trust Liabilities and Right of Indemnity

The Company acts as Trustee for National Trust of Australia (NSW) Heritage Foundation Trust and National Trust of Australia (NSW) Heritage Foundation Ancillary Fund.

Liabilities have been incurred on behalf of these Trusts in the Company’s capacity as Trustee.

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

NOTE 2: CASH AND CASH EQUIVALENTS

Held on settlement of the trusts:

National Trust Australia (NSW) Heritage Foundation Trust	100	100
National Trust Australia (NSW) Heritage Foundation Ancillary Fund	100	100
	<u>200</u>	<u>200</u>



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

NOTE 3: RELATED PARTIES

(a) Trustee

The Company acts as Trustee for National Trust of Australia (NSW) Heritage Foundation Trust and National Trust of Australia (NSW) Heritage Foundation Ancillary Fund.

(b) Directors

The names of those who served as Directors of the Company during the 2018 financial year were as follows:

Independent Non-Executive Directors

Robert Elliott, Chair
William d'Apice
Neil Wykes OAM
Dr Clive Lucas OBE (retired 23 January 2018)
Brian Powyer (appointed 23 January 2018)

Executive Director

Brian Scarsbrick AM (retired 1 November 2017)
Deborah Mills (appointed 4 October 2017)

No compensation was received by any Director from the Company.

(c) Related Party Transactions

No related party transactions were noted during the year.



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION TRUST**

ABN 31 297 247 781

**ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

This Financial Report was authorised for issue by the Trustee, National Trust of Australia (NSW) Heritage Foundation Limited, on 8 October 2018.
Directors have the power to amend and re-issue the Financial Report.



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION TRUST

DECLARATION BY DIRECTORS OF TRUSTEE

In the opinion of the directors of the trustee, National Trust of Australia (NSW) Heritage Foundation Limited, the financial statements and notes set out on pages 4 to 10 present fairly the financial position of National Trust of Australia (NSW) Heritage Foundation Trust ("the Trust") as at 30 June 2018 and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) as detailed in Note 1 to the financial statements.

The declaration is made in accordance with a resolution of the directors of the trustee.

Robert Elliott
Director – National Trust of Australia (NSW)
(NSW) Heritage Foundation Limited

Deborah Mills
Executive Director – National Trust of Australia
Heritage Foundation Limited

Sydney, NSW
8 October 2018

NATIONAL TRUST OF AUSTRALIA (NSW)**HERITAGE FOUNDATION TRUST****ABN 31 297 247 781****INDEPENDENT AUDITOR'S REPORT**

To the Members of National Trust of Australia (NSW) Heritage Foundation Trust:

Opinion

We have audited the financial report of National Trust of Australia (NSW) Heritage Foundation Trust ("the Trust"), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Trustees' Declaration.

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Trust as at 30 June 2018, and its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Trustee for the Financial Report

The Directors of National Trust of Australia (NSW) Heritage Foundation Limited ("the Directors") are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and for such internal control as the Trustee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Trust's financial reporting process.

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289

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NATIONAL TRUST OF AUSTRALIA (NSW)**HERITAGE FOUNDATION TRUST****ABN 31 297 247 781****INDEPENDENT AUDITOR'S REPORT (CONTINUED)****Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



HLB Mann Judd
Chartered Accountants

Sydney, NSW
15 October 2018



D K Swindells
Partner



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION TRUST**

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 \$	2017 \$
Investment income	3	290,368	164,318
Total revenue		290,368	164,318
Contribution from The National Trust of Australia (New South Wales) from Long term leasing of Ludovic Blackwood Sanctuary		-	764,542
Gain / (loss) on revaluation of investments	5	97,759	200,148
Bequest		1,180	-
Total other income		98,939	964,690
Audit and accounting fees		6,180	5,520
Legal fees		1,853	-
Investment manager fees		27,431	25,150
Total expenses		35,464	30,670
Surplus / (deficit) for the year before distribution		353,843	1,098,338
Other comprehensive income		-	-
Total comprehensive income		353,843	1,098,338

This statement should be read in conjunction with the accompanying notes.



NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents		6,546	43,148
Receivables	4	44,867	42,542
Total current assets		51,413	85,690
NON-CURRENT ASSETS			
Other financial assets	5	4,726,468	4,467,202
Total non-current assets		4,726,468	4,467,202
Total assets		4,777,881	4,552,892
CURRENT LIABILITIES			
Distribution payable	6	85,618	16,729
Other payables		17,210	11,030
Total current liabilities		102,828	27,759
Total liabilities		102,828	27,759
Net assets		4,675,053	4,525,133
Retained surplus		4,675,053	4,525,133
Total accumulated funds		4,675,053	4,525,133

This statement should be read in conjunction with the accompanying notes.



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION TRUST
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2018**

	Retained Surplus \$
Total accumulated funds at 30 June 2016	3,533,714
Total comprehensive income for the year ended 30 June 2017	1,098,338
Distribution to The National Trust of Australia (New South Wales)	<u>(106,919)</u>
Total accumulated funds at 30 June 2017	<u>4,525,133</u>
Total comprehensive income for the year ended 30 June 2018	353,843
Distribution to The National Trust of Australia (New South Wales)	<u>(203,923)</u>
Total accumulated funds at 30 June 2018	<u>4,675,053</u>

This statement should be read in conjunction with the accompanying notes.



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

Notes	2018 \$	2017 \$
Cash flows from operating activities		
Investment income received	281,855	146,472
Bequests received	1,180	-
Interest received	6,188	6,329
Cash payments to suppliers	(29,284)	(25,150)
Distributions paid	(135,034)	(98,378)
Net cash (outflows) / inflows from operating activities	124,905	29,273
Cash flows from investing activities		
Contribution from The National Trust of Australia (New South Wales)	-	764,542
Acquisition of investments	(219,495)	(859,963)
Proceeds from investments	57,988	98,377
Net cash inflows / (outflows) from investing activities	(161,507)	2,956
Net (decrease) / increase in cash & cash equivalents	(36,602)	32,229
Cash and cash equivalents at the beginning of the financial year	43,148	10,919
Cash and cash equivalents at the end of the financial year	6,546	43,148

This statement should be read in conjunction with the accompanying notes.



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION TRUST

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (“RDR”), and other pronouncements of the Australian Accounting Standards Board (“AASB”).

National Trust of Australia (NSW) Heritage Fund Trust (“the Trust”) is a subsidiary of The National Trust of Australia (New South Wales).

The Trust is a not-for-profit entity for the purpose of preparing the financial statements, and is registered with the Australian Charities and Not-for-profits Commission.

The registered office and principal place of business is at Watson Road, Observatory Hill, Sydney, NSW 2000.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, except for financial assets which are measured at fair value.

Comparative information is reclassified where necessary to ensure comparability.

(a) Revenue Recognition

Revenue:

Interest and distribution income are recognised as it accrues.

Other Revenue:

Revenue recognition policies for dividends are described in Accounting Policy in note (d).

(b) Taxation

The Trust has been granted exemption from income tax. The Heritage Foundation does not have Deductible Gift Recipient status.

(c) Receivables

Trade debtors and other receivables are carried at amounts due. The collectability of debts is assessed at balance date and a specific provision is made for any doubtful debts.

(d) Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are initially recorded at cost, and subsequently carried at market value, with changes in value recorded in profit or loss.

Dividends and distributions are recognised as revenue when the right to receive dividends and distributions is established.

(e) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within the payment terms.



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION TRUST

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

NOTE 2: PURPOSE OF THE TRUST

National Trust of Australia (New South Wales) Heritage Foundation Trust has been established as a Trust that will accumulate funds arising from the sale of The National Trust of Australia (New South Wales) properties where the Board of The National Trust of Australia (New South Wales) decides that part or all of the proceeds of sale should go into the Trust so that the capital is maintained.

	2018 \$	2017 \$
NOTE 3: INCOME		
Dividend Income	151,983	127,922
Interest Income	6,188	6,329
Distribution Income	132,197	30,067
	290,368	164,318
NOTE 4: RECEIVABLES		
Current		
Other debtors – franking tax credit	43,296	41,148
Other debtors – GST	1,571	1,394
	44,867	42,542
NOTE 5: OTHER FINANCIAL ASSETS		
Other financial assets designated as at fair value through profit or loss		
Funds under management – BT Portfolio	4,726,468	4,467,202
Movements:		
Opening balance	4,467,202	3,505,468
Additions to investment	-	764,542
Withdrawals from investments	(57,988)	(98,377)
Interest and dividend income reinvested	219,495	95,421
Revaluation of investments to market value	97,759	200,148
Closing balance	4,726,468	4,467,202
NOTE 6: DISTRIBUTION PAYABLE		
Total Distribution to The National Trust of Australia (New South Wales)	203,923	106,919
Add: Distributions payable from prior year	16,729	8,187
Less:		
Distributions paid to The National Trust of Australia (New South Wales):		
September quarter	-	-
December quarter	(77,046)	(82,245)
June quarter	(57,988)	(16,132)
Distributions payable	85,618	16,729



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION TRUST**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

NOTE 7: RELATED PARTIES

(a) Trustee

The Trustee of the Trust is National Trust (NSW) Heritage Foundation Limited.
The directors of the Trustee are as follows:

Independent Non-Executive Directors

Robert Elliott, Chair
William d'Apice
Neil Wykes OAM
Dr Clive Lucas OBE (retired 23 January 2018)
Brian Powyer (appointed 23 January 2018)

Executive Director

Brian Scarbrick AM (retired 1 November 2017)
Deborah Mills (appointed 4 October 2017)

No compensation was received by any Director from the Trust.

NOTE 8: DISTRIBUTION

The Trust Deed provides that:

The Trustee in relation to each Year:

- (a) *shall distribute up to 80% of the Income received in that Year (subject to clause (b)(ii)(below)); and*
- (b) *either:*
 - (i) *shall accumulate and retain the remainder of the Income (Retained Income) as an addition to the Capital Base if the Capital Base has not been augmented from other sources in that Year by an amount at least equal to the amount of the Retained Income; or*
 - (ii) *may but is not required to distribute all of part of the Retained Income if the Capital Base has been so augmented.*

The Trustee may distribute up to 5% of the Capital Base of the Trust Fund in any Year only if approved by at least 75% in number of all of the directors of the Trustee and 75% in number of all of the directors of The National Trust of Australia (New South Wales).



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION ANCILLARY FUND**

ABN 41 217 401 179

**ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

This Financial Report was authorised for issue by the Trustee, National Trust of Australia (New South Wales)
Heritage Foundation Limited, on 8 October 2018.

The Trustee has the power to amend and re-issue the Financial Report.



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION ANCILLARY FUND

DECLARATION BY DIRECTORS OF TRUSTEE COMPANY

In the opinion of the directors of the trustee, National Trust of Australia (NSW) Heritage Foundation Limited, the financial statements and notes set out on pages 4 to 10 present fairly the financial *position of the National Trust of Australia (NSW) Heritage Foundation Ancillary Fund* as at 30 June 2018 and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) as detailed in Note 1 to the financial statements.

The declaration is made in accordance with a resolution of the directors of the trustee.

Robert Elliott
Director – National of Trust Australia (NSW)
(NSW) Heritage Foundation Limited

Deborah Mills
Executive Director – National of Trust Australia
Heritage Foundation Limited

Sydney, NSW
8 October 2018

**NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION ANCILLARY FUND
ABN 41 217 401 179****INDEPENDENT AUDITOR'S REPORT**

To the Members of National Trust of Australia (NSW) Heritage Foundation Ancillary Fund:

Opinion

We have audited the financial report of National Trust of Australia (NSW) Heritage Foundation Ancillary Fund ("the Ancillary Fund"), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Trustees' Declaration.

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Ancillary Fund as at 30 June 2018, and its financial performance and its cash flow for the year then ended, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Ancillary Fund in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Trustee for the Financial Report

The Directors of National Trust of Australia (NSW) Heritage Foundation Limited ("the Directors") are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and for such internal control as the Directors determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Ancillary Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Ancillary Fund or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Ancillary Fund's financial reporting process.

NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION ANCILLARY FUND
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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

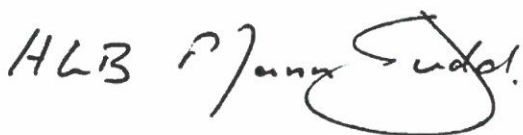
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ancillary Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ancillary Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ancillary Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



HLB Mann Judd
Chartered Accountants

Sydney, NSW
15 October 2018



D K Swindells
Partner



NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION ANCILLARY FUND

STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Investment income	3	599,760	33,506
Donation		8,000,000	2,050,000
Total Revenue		8,599,760	2,083,506
Gain/(loss) on revaluation of investments		119,508	(42,863)
Total Other Income		119,508	(42,863)
Investment management fees		54,922	3,425
Total expenses		54,922	3,425
Surplus / (deficit) for the year before distribution		8,664,346	2,037,218
Other comprehensive income		-	-
Total comprehensive income		8,664,346	2,037,218

This statement should be read in conjunction with the accompanying notes.



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION ANCILLARY FUND**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Notes	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents		7,289	-
Receivables	4	71,488	3,103
Total current assets		78,777	3,103
NON-CURRENT ASSETS			
Other financial assets	5	10,335,805	2,034,115
Total non-current assets		10,335,805	2,034,115
Total assets		10,414,582	2,037,218
CURRENT LIABILITIES			
Distribution payable		43,018	-
Other payables		-	-
Total current liabilities		43,018	-
Total liabilities		43,018	-
Net assets		10,371,564	2,037,218
Retained surplus		10,371,564	2,037,218
Total accumulated funds		10,371,564	2,037,218

This statement should be read in conjunction with the accompanying notes.



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION ANCILLARY FUND**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2018**

	Retained Surplus \$
Total accumulated funds at 30 June 2016	-
Total comprehensive income for the year ended 30 June 2017	2,037,218
Total accumulated funds at 30 June 2017	2,037,218
Total comprehensive income for the year ended 30 June 2018	8,664,346
Distribution to The National Trust of Australia (New South Wales)	(330,000)
Total accumulated funds at 30 June 2018	10,371,564

This statement should be read in conjunction with the accompanying notes.



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION ANCILLARY FUND**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

Notes	2018 \$	2017 \$
Cash flows from operating activities		
Investment income received	531,334	12,358
Donations received	8,000,000	2,050,000
Interest received	41	18,045
Cash payments to suppliers	(54,922)	(3,425)
Distributions paid	(286,982)	-
Net cash inflows from operating activities	8,189,471	2,076,978
Cash flows from investing activities		
Acquisition of investments	(8,469,164)	(2,076,978)
Proceeds from investments	286,982	-
Net cash outflows from investing activities	(8,182,182)	(2,076,978)
Net increase in cash and cash equivalents	7,289	
Cash and cash equivalents at the beginning of the financial year	-	-
Cash and cash equivalents at the end of the financial year	7,289	-

This statement should be read in conjunction with the accompanying notes.



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION ANCILLARY FUND**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (“RDR”) and other pronouncements of the Australian Accounting Standards Board (“AASB”).

The National Trust of Australia (NSW) Heritage Ancillary Fund (“the Ancillary Fund”) is a subsidiary of The National Trust of Australia (New South Wales).

The Ancillary Fund is a not-for-profit entity for the purpose of preparing the financial statements, and is registered with the Australian Charities and Not-for-profits Commission.

The registered office and principal place of business is at Watson Road, Observatory Hill, Sydney, NSW 2000.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention.

Comparative information is reclassified where necessary to ensure comparability.

(i) Taxation

The Ancillary Fund has been granted exemption from income tax. The trust has Deductible Gift Recipient status.

NOTE 2: PURPOSE OF THE TRUST

The Ancillary Fund has been established as a Trust that will accommodate major tax deductible donations where the donors wish is that the capital be maintained and only the earnings from the Ancillary Fund be used to support the work of the National Trust of Australia (New South Wales).

NOTE 3: INCOME

	2018 \$	2017 \$
Dividend Income	253,267	9,765
Interest Income	41	18,045
Distribution Income	346,452	5,696
	<u>599,760</u>	<u>33,506</u>

NOTE 4: RECEIVABLES

Current

Other debtors – franking tax credit	70,188	2,760
Other debtors – GST	1,300	343
	<u>71,488</u>	<u>3,103</u>



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION ANCILLARY FUND**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

	2018 \$	2017 \$
NOTE 5: OTHER FINANCIAL ASSETS		
Other financial assets designated as at fair value through profit or loss		
Funds under management – BT Portfolio	<u>10,335,805</u>	<u>2,034,115</u>
Movements:		
Opening balance	2,034,115	-
Additions into investment	8,000,000	2,059,065
Withdrawals from investments	(286,982)	-
Interest and dividend income reinvested	469,164	17,913
Revaluation of investments to market value	<u>119,508</u>	<u>(42,863)</u>
Closing balance	<u>10,335,805</u>	<u>2,034,115</u>

NOTE 6: RELATED PARTIES

(a) Trustee

The Trustee of the Ancillary Fund is the National Trust of Australia (NSW) Heritage Foundation Limited.

The directors of the Trustee are as follows:

Independent Non-Executive Directors

Robert Elliott, Chair
William d'Apice
Neil Wykes OAM
Dr Clive Lucas OBe (retired 23 January 2018)
Brian Power (appointed 23 January 2018)

Executive Director

Brian Scarsbrick (retired 1 November 2017)
Deborah Mills (appointed 4 October 2017)

No compensation was received by any Director from the Trust.



**NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION ANCILLARY FUND**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

NOTE 7: DISTRIBUTION

In accordance with the terms of the Trust Deed, the Trustee each year:

- (a) shall distribute up to 80% of the Income received in that Financial Year (subject to clause (b)(ii)(below)); and
- (b) either:
 - (i) shall accumulate and retain the remainder of the Income (Retained Income) as an addition to the Capital Base if the Capital Base has not been augmented from other sources in that Year by an amount at least equal to the amount of the Retained Income; or
 - (ii) may but is not required to distribute all or part of the Retained Income if the Capital Base has been so augmented.

In addition, in accordance with the Trust Deed the Trustee may also distribute up to 5% of the Capital Base of the Trust Fund in any one year if approved by at least 75% in number of all the directors of the Trustee and 75% in number of all of the directors of The National Trust of Australia (New South Wales).

The minimum annual distribution amount of both income and capital is also subject to the distribution requirements set out in the Public Ancillary Fund Guidelines 2011. Under these Guidelines there is no minimum distribution requirement in the 2017 Financial Year. In 2018 Financial Year the minimum annual distribution requirement is the greater of 4 per cent of the market value of the Ancillary Fund's net assets (as at the end of the previous financial year) OR the amount distributed as income in accordance with clauses (a) and (b) above plus any of the Capital Base distributed.

