

Independent Auditor's Report

To Members of the Tasmanian Parliament

National Trust of Australia (Tasmania)

Financial Report for the Year Ended 30 June 2014

Report on the Financial Report

I have audited the accompanying financial report of National Trust of Australia (Tasmania) (the Trust), which comprises the balance sheet as at 30 June 2014 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement of compliance by the Directors of the Trust.

Basis for Qualified Opinion

The Trust possesses certain heritage collections referred to in Note 1(j) of the financial report, but not all of these assets have been recognised in the financial report. Due to the nature of the assets, it is not possible to quantify the financial effects of the Trust's failure to comply with Australian Accounting Standard AASB 116 *Property, Plant and Equipment*.

Qualified Opinion

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the Trust's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2014, and its financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *National Trust Act 2006* and Australian Accounting Standards.

Emphasis of Matter

I draw attention to Note 1 (b) to the financial report, which describes the Trust's economic dependency on the State Government for continued financial support. My opinion is not modified in respect of this matter.

The Responsibility of the Directors for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Section 37 of the *National Trust Act 2006*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial

report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Directors preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Tasmanian Audit Office



E R De Santi
Deputy Auditor-General
Delegate of the Auditor-General

Hobart
17 October 2014

NATIONAL TRUST OF AUSTRALIA (TASMANIA)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

**NATIONAL TRUST OF AUSTRALIA (TASMANIA)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014
STATEMENT BY BOARD**

In the opinion of the Directors of the National Trust of Australia (Tasmania):

- (a) The accompanying financial statements of the Trust on pages 2 to 22 have been prepared in accordance with the National Trust Act 2006, Australian Accounting Standards and proper accounts and records to present fairly the financial transactions and cash flows for the year ended 30 June 2014 and the financial position at that date; and
- (b) There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Dated this 13th day of October, 2014

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue			
Revenue from sale of goods		150,836	136,468
<i>Recurrent grants</i>			
State government			
Administration grant		300,000	300,000
Commonwealth government		95,266	75,591
<i>Specific purpose grants:</i>			
Revenue from other funding programs	2e	62,716	144,813
<i>Non-recurrent grants</i>			
State government		200,000	-
Other revenue	2d	370,773	365,086
Net profit/ (loss) from sale of property, plant and equipment	2a	-	2,064
Property transfers	6	-	147,500
Total revenue		1,179,591	1,171,522
Expenses			
Cost of goods sold		89,848	71,460
Finance costs		19,381	24,443
Employee expenses	2c	432,064	476,594
Other expenses	2b	526,822	385,420
		1,068,115	957,917
<i>Non cash expenses</i>			
Depreciation		66,396	68,791
Employee provisions		21,779	27,002
		88,175	95,793
<i>Specific purpose grants</i>			
Expenses from other funding programs	2e	48,085	208,205
Total expenses		1,204,375	1,261,915
Net operating surplus/(deficit)		(24,784)	(90,393)
Other comprehensive income:			
Revaluations of properties	6	-	65,000
Comprehensive result		(24,784)	(25,393)

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

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
BALANCE SHEET
AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	11a	76,922	74,350
Trade and other receivables	3	34,627	91,811
Inventories	4	63,840	65,339
Other financial assets	5	403,033	420,713
Prepayments		-	434
Total current assets		578,422	652,647
NON-CURRENT ASSETS			
Property, plant and equipment	6	9,653,810	9,694,973
Total non-current assets		9,653,810	9,694,973
TOTAL ASSETS		10,232,232	10,347,620
CURRENT LIABILITIES			
Trade and other payables	7	154,593	145,173
Interest bearing liabilities	8	86,547	186,283
Employee benefits	9	151,793	130,015
Restoration fund provision	10	279,119	319,155
Total current liabilities		672,052	780,626
NON-CURRENT LIABILITIES			
Interest bearing liabilities	8	100,000	100,000
Restoration fund provision	10	214,884	196,914
Total non-current liabilities		314,884	296,914
TOTAL LIABILITIES		986,936	1,077,540
NET ASSETS		9,245,296	9,270,080
EQUITY			
Retained earnings		7,072,058	7,096,842
Reserves		2,173,238	2,173,238
TOTAL EQUITY		9,245,296	9,270,080

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

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Retained Earnings \$	Asset Revaluation Reserve \$	Total Equity \$
As at 1 July 2012	7,187,235	2,108,238	9,295,473
Surplus / (deficit) for the period	(90,393)	-	(90,393)
Asset revaluations	-	65,000	65,000
As at 30 June 2013	7,096,842	2,173,238	9,270,080
As at 1 July 2013	7,096,842	2,173,238	9,270,080
Surplus / (deficit) for the period	(24,784)	-	(24,784)
Asset revaluations	-	-	-
As at 30 June 2014	7,072,058	2,173,238	9,245,296

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

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Receipts from customers		669,319	607,305
Interest received		2,323	4,633
Government funding:			
State Government recurrent grants		300,000	300,000
Commonwealth government recurrent		95,266	75,591
Specific funded projects		62,716	144,813
State government non-recurrent grant		200,000	-
Outflows:			
Payments to suppliers and employees		(1,153,291)	(983,732)
Interest paid		(19,381)	(24,443)
Payments for specific funded projects		(29,411)	(208,205)
Net cash from/(used in) operating activities	11(b)	127,541	(84,038)
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Proceeds from disposal of property, plant & equipment		-	2,064
Proceeds from sale of investments		-	-
Outflows:			
Payments for property, plant & equipment		(25,233)	-
Payments for new investments		-	(49,099)
Net cash from/(used in) investing activities		(25,233)	(47,035)
CASH FLOWS FROM FINANCING ACTIVITIES			
Inflows:			
Borrowings received		-	40,000
Outflows:			
Repayment of borrowings		-	-
Net cash from/(used in) financing activities		-	40,000
Net increase/(decrease) in cash held		102,308	(91,073)
Cash at the beginning of the financial year		(111,933)	(20,860)
Cash at the end of the financial year	11(a)	(9,625)	(111,933)

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

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies

The significant policies which have been adopted in the preparation of this financial report are:

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of National Trust Act 2006 and Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board. The Trust has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, the Trust has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities. As a result this financial report does not comply with International Financial Reporting Standards.

New and revised accounting standards

AASB 13 Fair Value Measurement

The Trust has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Trust has not made any new disclosures required by AASB 13 for the 2013 comparative period, except for financial instruments, of which the fair value disclosures are required under AASB 7: *Financial Instruments, Disclosures*.

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

AASB 119 Employee benefits

In the current year, the Trust has applied AASB 119 *Employee Benefits* (as revised) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously calculated/measured by the Trust as short-term benefits no longer meet this definition and are now classified as long-term benefits. This change in classification has not materially altered the Trust's measurement of the annual leave provision.

The following standards and amendments applicable to the Trust were available for early adoption but have not been applied by the Trust in the financial report:

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies (cont.)

(a) Statement of compliance (cont.)

Standard/ Interpretation	Summary	Operative date *	Impact
AASB 9 Financial Instruments and the relevant amending standards	AASB 9 is one of a series of amendments that are expected to replace AASB 139 Financial Instruments: Recognition and Measurement. The main impact of the standard is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four categories of financial assets in AASB 139 will be replaced with two measurement categories: fair value and amortised cost.	1 January 2017	No financial impact.
AASB 1031 Materiality	The objective of this standard is to make cross-references to other standards and the Framework for the Preparation and Presentation of Financial Statements (as identified in AASB 1048 Interpretation of Standards) that contain guidance on materiality.	1 January 2014	No financial impact.
AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	This standard amends the disclosure requirements of AASB 136. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	No financial impact.
AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments	Part A of this standard updates references to the Framework for the Preparation and Presentation of Financial Statements in other standards as a consequence of the issue of AASB CF 2013-1 in December 2013. Part B of this standard deletes references to AASB 1031 Materiality in various other standards. Once all references to AASB 1031 have been deleted from all Australian Accounting Standards, AASB 1031 will be withdrawn. Part C of this standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge Accounting and makes consequential amendments to AASB 9 and numerous other standards. Part C also amends the effective date of AASB 9 to annual reporting periods beginning on or after 1 January 2017, instead of 1 January 2015.	Part A - Conceptual Framework effective from 20 December 2013 Part B - Materiality effective from 1 January 2014 Part C - Financial Instruments effective from 1 January 2015	No financial impact.

* Annual reporting periods beginning on or after

**NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS**

1. Statement of Significant Accounting Policies (cont.)

(b) Basis of preparation

The financial report is presented in Australian dollars.

The financial report has been prepared on the historical cost basis, unless where stated.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the applications of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Trust has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period, except the decision not to depreciate leasehold improvements (refer Note 1 (j)). Judgements that have significant effects on the financial report are disclosed in the relevant notes as follows:

Employee Entitlements

Assumptions are utilised in the determination of the employee entitlement provisions. These assumptions are discussed in note 1(m).

Fair Value of Property, Plant and Equipment

Assumptions and judgements are utilised in determining the fair value of property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in note 1(j) and note 6.

Going Concern

The financial report has been prepared on a going concern basis.

Economic Dependency

The Trust is aware that its future operations are dependent upon continued financial support from the State Government and the receipt of future grant funding.

Capital Management

The Trust manages its capital to ensure that it will be able to continue as a going concern. The Trust seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The capital structure of the Trust consists of debt, which includes interest bearing liabilities (Note 8), cash and cash equivalents (Note 11a), other financial assets (Note 5) and equity comprising accumulated surplus and reserves.

Operating cash flows are used to maintain and expand the Trust's property, plant and equipment and antique assets, as well as to make routine outflows such as the repayment of maturing debt.

There were no significant changes in the Trust's approach to capital management during the year.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies (cont.)

(c) Revenue Recognition

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer

All grant monies are recorded as revenue by the Trust in the period in which the Trust obtains control of the contribution or the right to receive the contribution.

Where the Trust becomes obligated to repay a capital grant, a liability and expense are recognised in the period in which the present obligation to repay the grant, or part of a grant, arises.

(d) Finance Costs

Finance costs include interest and ancillary costs incurred in connection with interest-bearing liabilities. Finance costs are expensed as incurred.

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Trust's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement. Refer Note 11 (a).

(g) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

(h) Inventories

Stocks of brochures, catalogues and trading stock are valued at the lower of cost or net replacement cost.

(i) Other Financial Assets

The balance of Other Financial Assets is comprised of the Restoration Fund bank accounts. These investments are recorded at fair value with interest recognised as it accrues.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies (cont.)

(j) Property, plant and equipment

Freehold properties

The Trust's freehold land and buildings are disclosed in the financial statements at fair value.

Depreciation is charged to the income statement using the demising value method over the estimated useful life of the assets, which has been estimated as 100 years.

Leasehold properties

Leasehold properties are disclosed at cost of improvements and represent properties leased at a nominal or no rental charge from the Department of Primary Industries and Water and Local Government Councils. The Trust presently intends to renew all other leases at their expiration date and to hold the properties in perpetuity, therefore it is difficult to calculate an appropriate time period over which to amortise the recorded cost of improvements. The resulting treatment is that these improvements are not amortised. In addition, during any given year restoration and repair work may be undertaken on these properties at a direct cost to the owner. Therefore the Trust will obtain future benefits from the work undertaken on the properties but will not capitalise the additional cost of these improvements.

Heritage collections

The items disclosed as antiques are recognised at fair value less accumulated impairment losses. Fair value is determined as either the purchase price, or for properties gifted to the Trust, based on independent valuations obtained from qualified antique dealers (based on market values).

In addition, the Trust has in its possession household furniture and effects, pictures, plates, plated articles, china, glass, books and other articles bequeathed to the Trust and held in Trust houses. Because of their age and nature, these items have not been valued and therefore not included in these financial statements.

Plant and equipment

All other items of plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement using the diminishing value method over the estimated useful life of the asset at a rate of 15%.

(k) Trade and other payables

Trade and other payables are stated at amortised cost.

(l) Interest bearing liabilities

Interest bearing liabilities are recorded at amortised cost.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies (cont.)

(m) Provisions for employee entitlements

Wages, salaries, and annual leave

Liabilities for the employee benefits for wages, salaries, annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Trust expects to pay as at reporting date including superannuation.

Long service leave

The employees of the Trust are entitled to long service leave after 10 years of service. The Trust provides for long service leave in respect of those employees having more than seven years service calculated at nominal amounts based on current wage and salary rates, including superannuation.

This provision provides an estimate of the long service leave liability not materially different from using expected future increases in wage and salary rates, including related on-costs, and discounting using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Trust's obligations.

Superannuation

Accumulated contributions funds operate for employees. Employees contribute to the funds on a fixed percentage of salary and a similar fixed percentage of salary is contributed by the employer. Employer contributions are recognised as an expense in the income statement as incurred. The Trust is under no legal obligation to make up any shortfall in the funds' assets to meet payments due to employees.

(n) Impairment

The carrying amounts of the Trust's assets, other than inventories (see accounting policy h) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

(o) Income tax

The Trust is exempt from income tax.

(p) Contingent assets, contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and inclusive of the GST payable.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

	2014 \$	2013 \$
2a. Net profit from sale of property , plant and equipment		
Net proceeds from sale of assets	-	2,064
Written down value of assets sold	-	-
	<u>-</u>	<u>2,064</u>
2b. Other expenses		
Advertising	30,428	17,063
Auditors' remuneration	18,698	9,250
Accounting	2,850	2,750
Bad debt impairment	50,000	-
Bank expenses	5,150	5,213
Cleaning	10,653	10,921
Computer costs	16,414	7,588
Conservation expenses	3,227	169
Consulting services	3,800	1,460
Donations	-	3,954
Exhibition expenses	1,994	1,045
FBT tax	5,129	5,116
Heritage week	26,637	21,601
Heritage functions	13,439	-
Insurance	56,753	65,135
Legal expenses	150	-
Levies - Australian Council of National Trusts	3,440	3,414
Licencing costs	1,825	
Light, water and power	55,386	52,531
Maintenance of grounds	22,201	15,139
National Trust Program expenses	56,461	8,909
Newsletter	3,835	16,953
Postage	2,852	3,845
Printing and stationery	11,858	13,621
Rates and land taxes	16,265	16,505
Rent	5,926	5,662
Repairs	33,081	28,639
Security	18,275	14,611
Seminar and meeting expenses	3,595	6,777
Staff training	906	18
Sundry	5,491	5,698
Telephone, fax and internet	11,703	10,431
Travelling and motor vehicle expenses	18,358	26,247
Volunteer expenses	10,042	5,155
	<u>526,822</u>	<u>385,420</u>
2c. Employee expenses		
Wages and salaries	392,440	430,837
Workers compensation	5,500	7,749
Superannuation	34,124	38,008
	<u>432,064</u>	<u>476,594</u>

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

	2014 \$	2013 \$
2d. Other revenue		
Subscriptions	49,476	46,926
Admissions	164,299	154,722
Heritage festival functions	14,744	-
Net proceeds from fundraising activities	47,758	52,777
Donations, bequests & sponsorships	18,696	14,737
Interest	2,323	4,633
Rentals	35,755	36,612
State government support grant	-	-
Sundry	37,722	54,679
	<u>370,773</u>	<u>365,086</u>
2e. Specific purpose grants		
Grants received		
Arts Tas Heritage Photo	-	-
Arts Tas Old Umbrella Shop Collection Conservation	-	9,157
Arts Tas Paper Conservation	-	900
Arts Tas Plomley	-	-
Arts Tas Sculpture Exhibition (Curator)	-	-
Australian Fly Fishing Museum Target 300 Campaign	-	15,000
Convict Connections	-	-
Copland Foundation - Anglo-chinese Couches	-	-
Franklin House - Contemporary Arts Grant	-	1
Franklin House - LCC Booklet	316	787
Franklin House - Magic Carpet	-	-
Gordon Darling	-	-
Home from War	-	-
Home Hill - Devonport City Council	9,200	-
Home Hill - Sewpac Film	20,500	-
Lyons - eBook	32,000	-
Miners of Queenstown	-	-
Mt Lyell Copper Mines Tasmania	-	31,000
Mt Lyell Mine Heritage Centre	-	-
National Trust Spread Sheet Collections	-	9,544
Norfolk Plains - Heritage Grant	-	1,660
PCHS - Roofing Grant	-	30,265
Penghana Gardens	-	40,000
RAF - FH Curator #1	700	-
Seeing Trout	-	-
Strathroy Bridge - LCC Flood Lighting	-	-
Tasmanian Aborigines and James Cox	-	6,500
Tasmanian Whaling Heritage	-	-
	<u>62,716</u>	<u>144,813</u>

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

	2014 \$	2013 \$
2c. Specific purpose grants (cont)		
Grants expensed		
Arts Tas Heritage Photo	-	6,407
Arts Tas Old Umbrella Shop Collection Conservation	5,076	5,034
Arts Tas Paper Conservation	-	1,642
Arts Tas Plomley	5,915	-
Arts Tas Sculpture Exhibition (Curator)	650	-
Australian Fly Fishing Museum Target 300 Campaign	5,581	8,614
Convict Connections	-	9,753
Clarendon - Threshing Barn	-	-
Copland Foundation - Anglo-chinese Couches	2,946	-
Franklin House - Contemporary Arts Grant	-	-
Franklin House - LCC Booklet	-	-
Franklin House - Magic Carpet	-	3,348
Gordon Darling	-	8,074
Home From War	60	245
Home Hill - Devonport City Council	-	-
Home Hill - Sewpac Film	18,168	-
Lyons - eBook	-	-
Miners of Queenstown	-	19,970
Mt Lyell Copper Mines Tasmania	365	11,726
Mt Lyell Mine Heritage Centre	-	23,101
National Trust Spread Sheet Collections	(1,082)	9,465
Norfolk Plains - Heritage Grant	-	1,456
PCHS - Roofing Grant	770	29,495
Penghana Gardens	-	19,290
RAF - FH Curator #1	-	-
Seeing Trout	-	24,686
Strathroy Bridge - LCC Flood Lighting	8,000	-
Tasmanian Aborigines and James Cox	-	-
Tasmanian Whaling Heritage	1,636	25,899
	<u>48,085</u>	<u>208,205</u>
Net grant revenue/expenditure	<u>14,631</u>	<u>(63,392)</u>
 3. Trade and other receivables		
Trade debtors	<u>34,627</u>	<u>91,811</u>
 4. Inventories		
At cost	<u>63,840</u>	<u>65,339</u>
 5. Other financial assets		
Restoration account	<u>403,033</u>	<u>420,713</u>

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

		2014 \$	2013 \$
6. Property, plant and equipment			
Land & buildings			
Freehold premises - at valuation		8,215,000	8,215,000
Less accumulated depreciation		(255,344)	(201,661)
Leasehold premises (cost)	1(j)	<u>16,314</u>	<u>16,314</u>
Total land and buildings		<u>7,975,970</u>	<u>8,029,653</u>
Plant & equipment			
At cost		543,457	518,724
less accumulated depreciation		(449,055)	(436,342)
		<u>94,402</u>	<u>82,382</u>
Heritage collections - at fair value	1(j)	<u>1,583,438</u>	<u>1,582,938</u>
Total Property, Plant & Equipment		<u><u>9,653,810</u></u>	<u><u>9,694,973</u></u>
Land & buildings:			
Carrying amount at beginning of the year		8,029,653	7,871,379
Less depreciation		(53,683)	(54,226)
Revaluations		-	65,000
Property transfers		<u>-</u>	<u>147,500</u>
Carrying amount and end of the year		<u>7,975,970</u>	<u>8,029,653</u>

Freehold properties were reviewed on 30 June 2014 to ensure carrying values were consistent with the Valuer-General's valuations.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

	2014 \$	2013 \$
6. Property, plant and equipment (continued)		
Plant and equipment:		
Carrying amount at beginning of year	82,382	96,948
Additions	24,734	-
Depreciation	<u>(12,713)</u>	<u>(145,656)</u>
Carrying amount at end of the year	<u>94,403</u>	<u>82,382</u>
Heritage collections:		
Carrying amount at beginning of year	1,582,938	1,582,938
Additions	<u>500</u>	<u>-</u>
Carrying amount at end of the year	<u>1,583,438</u>	<u>1,582,938</u>

The Trust received a donation of Heritage Assets referred to as the 'Ros Palmer Collection' during the 2013/14 year. The Trust is seeking independent valuations for each of these Heritage collection pieces, however at the time of this report these valuations had not been completed. Therefore, as the Trust cannot reliably measure the fair value of this donation, it has deferred recognising the donation until the independent valuations have been received.

7. Trade and other payables		
Trade creditors and accruals	131,429	134,498
GST creditor	284	1,623
PAYG Withholding	7,180	-
Superannuation Payable	7,058	9,052
FBT Instalments	1,292	-
Accrued expenses	<u>7,350</u>	<u>-</u>
	<u>154,593</u>	<u>145,173</u>

8. Interest bearing liabilities		
Current		
Bank overdraft - Secured	11(a) <u>86,547</u>	<u>186,283</u>
	<u>86,547</u>	<u>186,283</u>
Non-current		
Loan - Tasmanian Trustees Limited	<u>100,000</u>	<u>100,000</u>
	<u>100,000</u>	<u>100,000</u>

The bank overdraft is secured by a first registered mortgage over Franklin House, Launceston. The bank overdraft is payable on demand and is subject to annual review.

The loan from Tasmanian Trustees Limited is an interest only loan and is secured by first mortgage over 'The Old Umbrella Shop', Launceston. The loan does not have any fixed term and the Trust intends to repay when funds allow. The loan bears interest at the variable market rate which is payable quarterly in arrears.

9. Employee benefits		
Current		
Annual Leave	103,754	87,683
Long Service Leave	<u>48,039</u>	<u>42,332</u>
	<u>151,793</u>	<u>130,015</u>
Number of employees on a FTE basis at year-end	5.578	7.000

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

	2014 \$	2013 \$
10. Provisions		
Restoration Fund		
Current	279,119	319,155
Non-current	<u>214,884</u>	<u>196,914</u>
	<u>494,003</u>	<u>516,069</u>
Restoration Fund		
Balance at 1 July	516,069	460,319
Restoration appeal funds received	189,399	468,485
Restoration appeal funds expended	<u>(211,465)</u>	<u>(412,735)</u>
	<u>494,003</u>	<u>516,069</u>

11. Notes to the statement of cash flows

(a) Reconciliation of cash

For the purpose of the statement of cash flows, cash includes cash on hand and at bank net of outstanding bank overdrafts. Cash as at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash assets		76,922	74,350
Bank overdraft	8	<u>(86,547)</u>	<u>(186,283)</u>
		<u>(9,625)</u>	<u>(111,933)</u>

(b) Reconciliation of net cash from operating activities

Surplus / (deficit) for the period	(24,784)	(90,393)
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Add/ (less) non-cash items:

(Profit)/ loss on sale of property, plant & equipment	-	(2,064)
Property transfers	-	(147,500)
Depreciation	66,396	68,791

Changes in assets and liabilities:

(Increase)/decrease in receivables & other assets	57,184	12,781
(Increase)/decrease in inventories	1,499	2,536
Increase/(decrease) in payables & other liabilities	5,467	44,809
Increase/(decrease) in employee provisions	21,779	27,002
	<u>127,541</u>	<u>(84,038)</u>

12. Related party transactions

There were no related party transactions for the year ended 30 June 2014.

13. Subsequent events

There were no events occurring after the reporting date that would materially effect any of the amounts or disclosures in these accounts.

**NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS**

14. Commitments

(a) Restoration appeal trust funds

The Trust administers appeal monies on behalf of individual restoration appeals. The Trust must approve expenditure before any appeal monies are paid. The level of appeal monies held as at balance date for which the Trust has a commitment to undertake specific works totalled \$494,003 (2013: \$516,069) as per note 10. The timing of expenditure of these funds is generally expected to be greater than one year.

The total cash held at balance date to meet these commitments was \$403,033 (2013: \$420,713), as per Note 5.

(b) Insurance Premiums

The Trust has entered into an agreement to pay its insurance premiums in ten monthly instalments. At 30 June 2014, the Trust has an outstanding commitment relating to insurance payments totalling \$34,177 (2013: \$43,651).

15. Segments

The Trust operates predominantly in one business segment being heritage preservation and tourism and one geographic segment being Tasmania. The primary services provided by the Trust are the protection, maintenance and promotion of heritage place and objects.

16. Financial Instruments

(a) Financial Risk Management and Risk Exposures

The Trust has exposure to the following risks from its use of financial instruments:

Credit risk;
Liquidity risk; and
Market risk.

The Managing Director has overall responsibility for the establishment and oversight of the Trust's risk management framework. Risk management policies are established to identify and analyse risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

i) Credit risk

Exposures

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables and cash and investments.

The carrying amount of financial assets recorded in the financial statements represents the Trust's maximum exposure to credit risk without taking account of any collateral of other security.

The Trust's policy in relation to receivables is summarised below.

Debtors of the Trust are required to settle their accounts within 30 days. Debtors may apply to the Trust to pay accounts by instalments, subject to approved terms and conditions. Should amounts remain unpaid outside of approved payment options, the Trust will instigate collection proceedings.

ii) Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

16. Financial Instruments (cont.)

iii) Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices. The objective of market risk management is to manage and control market risk within acceptable parameters, while optimizing the return to the

(b) Net Fair Values and Categories of Financial Assets and Liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Balance Sheet, are as follows:

Fair Values	30-Jun-14		30-Jun-13	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets				
Cash and cash equivalents	76,922	76,922	74,350	74,350
Receivables	34,627	34,627	91,811	91,811
Other financial assets	403,033	403,033	420,713	420,713
	514,582	514,582	586,874	586,874
Financial liabilities				
Payables	154,593	154,593	145,173	145,173
Interest bearing liabilities	186,547	186,547	286,283	286,283
	341,140	341,140	431,456	431,456
Net financial assets / (liabilities)	173,442	173,442	155,418	155,418
Carrying amounts classified as:			30 June 2014	30 June 2013
Financial assets				
Loans and receivables			34,627	91,811
Available for sale			479,955	495,063
			514,582	586,874
Financial liabilities				
Amortised cost			341,140	431,456
			341,140	431,456
Net financial assets / (liabilities)			173,442	155,418

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

16. Financial Instruments (cont.)

(c) Maturity of Financial Liabilities

The following tables detail the undiscounted cash flows payable by the Trust (excluding interest) by remaining contractual maturity for its financial liabilities.

	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total contractual cash flows	Carrying amount
30 June 2014						
Payables	154,593	-	-	-	154,593	154,593
Interest bearing liabilities	86,547	-	100,000	-	186,547	186,547
	<u>241,140</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>341,140</u>	<u>341,140</u>
30 June 2013						
Payables	145,173	-	-	-	145,173	145,173
Interest bearing liabilities	186,283	-	100,000	-	286,283	286,283
	<u>331,456</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>431,456</u>	<u>431,456</u>

(d) Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The analysis assumes all other variables remain constant and was performed on the same basis for 2013.

At 30 June 2014, if interest rates had moved, as illustrated in the table below, profit and equity would have been affected as follows:

	Profit/ (loss)		Equity	
	2014	2013	2014	2013
+1% (100 basis points)	2,934	2,088	2,934	2,088
-1% (100 basis points)	(2,934)	(2,088)	(2,934)	(2,088)

(e) Ageing of Debtors

The following table provides an ageing of the Trust's trade receivables at the reporting date:

	Gross 2014	Impairment 2014	Gross 2013	Impairment 2013
Not past due	26,113	-	24,349	-
Past due 0 - 30 days	148	-	4,286	-
Past due 31 - 60 days	179	-	874	-
Past due 60 days	<u>8,187</u>	<u>-</u>	<u>62,302</u>	<u>-</u>
	<u>34,627</u>	<u>-</u>	<u>91,811</u>	<u>-</u>

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

17. Fair Value Measurements

The Trust measures and recognises the following assets at fair value on a recurring basis:

Property, plant and equipment

- Land
- Buildings
- Heritage collections

The Trust does not measure any liabilities at fair value on a recurring basis.

(a) Fair value hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Trust. The table presents the Trust's assets and liabilities measured and recognised at fair value at 30 June 2014. Comparative information has not been provided as allowed by the transitional provisions of AASB 13.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3.

As at 30 June 2014

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
Land	6	-	2,645,000	-	2,645,000
Buildings	6	-	5,314,656	-	5,314,656
Heritage collections	6	-	-	1,583,438	1,583,438
		-	7,959,656	1,583,438	9,543,094
Non-recurring fair value measurements					
Assets held for sale		-	-	-	-
		-	-	-	-

Transfers between levels of the hierarchy

The trust's policy is to recognise transfers in and out of the fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. No relevant transfers occurred during the 2014 financial year.

(b) Highest and best use

All assets valued at fair value in this note are being used for their highest and best use.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES FOR THE FINANCIAL STATEMENTS

17. Fair Value Measurements (cont.)

(c) Valuation techniques and significant inputs used to derive fair values

The Trust adopted AASB 13 Fair Value Measurement for the first time this financial year and has reviewed each valuation to ensure compliance with the requirements of the new standard. There have been no changes in valuation techniques as a result of this review.

Heritage collections

The fair value of Heritage collections has been determined with reference to several sources, including informal appraisals performed by antique dealers, discussions with collectors and auctioneers, plus the industry knowledge of the Trust's staff. The Directors believe that the values used on the heritage assets are conservative. The Trust has looked into having the assets formally valued but found the option cost prohibitive.

(d) Unobservable inputs and sensitivities

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Description of how changes in inputs will affect the fair value
Heritage Collections	1,583,438	- Auction prices of similar items - Formal & Informal appraisals performed by antique dealers	Assets will be revalued as a result of receiving information that suggests prices are overstated.

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(e) Changes in recurring level 3 fair value measurements

There have been no transfers between level 1, 2 or 3 measurements during the year.

(f) Valuation processes

The Trust's valuation policies and procedures for land and buildings involve reviewing all assets' value at the reporting date and ensuring the values are consistent with other available information. The primary source of information comes from the Valuer-General's valuations disclosed on the relevant council rates notices.

The Trust also reviews asset holdings for other indicative evidence that may indicate a change in fair value. No evidence attained during the financial year suggested that the values used were inappropriate.

Heritage collections are not formally valued each reporting period. The value of each item is determined upon acquisition, then reviewed when information becomes available to determine if any changes are necessary.