

Independent Auditor's Report

To Members of the Parliament of Tasmania

National Trust of Australia (Tasmania)

Financial Report for the Year Ended 30 June 2012

I have audited the accompanying financial report of the National Trust of Australia (Tasmania) (the Trust), which comprises the balance sheet as at 30 June 2012, 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 by the directors of the Trust.

Bases for Qualified Opinion

The Trust possesses certain heritage collections referred to in Note 1(j) of the financial statements, but these assets have not been fully 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 Standards AASB 116 *Property, Plant and Equipment*.

Auditor's Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Bases for Qualified Opinion paragraph, the financial report of the Trust:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2012, and its financial performance, cash flows and changes in equity for the year then ended
- (b) are in accordance with the *National Trust Act 2006* and Australian Accounting Standards (including Australian Accounting Interpretations).

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.

...1 of 2

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 the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers 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.

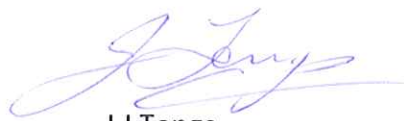
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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



JJ Tongs

**Director Technical and Quality
Delegate of the Auditor-General**

HOBART

24 October 2012

...2 of 2

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

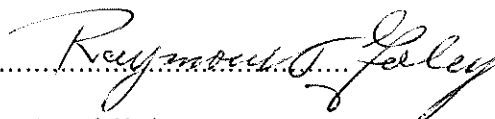
NATIONAL TRUST OF AUSTRALIA (TASMANIA)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 3 to 21 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 2012 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.

.....

Board Chair

Dated this 16 day of October 2012

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Revenue			
Revenue from sale of goods		151,067	161,280
<i>Recurrent grants</i>			
State government			
Administration grant		300,000	300,000
Commonwealth government		81,950	68,250
Other revenue	2d	328,727	436,548
Net profit/ (loss) from sale of property, plant and equipment	2a	-	7,891
Total revenue		<u>861,744</u>	<u>973,969</u>
Expenditure			
Cost of goods sold		84,279	93,040
Finance Costs		20,637	22,972
Employee Expenses	2c	432,267	390,510
Other Expenses	2b	453,158	551,801
		<u>990,341</u>	<u>1,058,323</u>
Non cash expenses			
Depreciation		69,399	56,600
Employee provisions		11,120	8,973
		<u>80,519</u>	<u>65,573</u>
Total expenses		<u>1,070,860</u>	<u>1,123,896</u>
Surplus / (deficit) before:		<u>(209,116)</u>	<u>(149,927)</u>
Specific purpose grants			
Revenue from Other Funding Programs	2e	311,609	431,457
Expenses from Other Funding Programs	2e	<u>(219,707)</u>	<u>(483,527)</u>
		91,902	(52,070)
Property transfers	6	200,000	2,708,733
Recognition of heritage assets	6	-	1,227,300
Write back loan interest waived in settlement of debt	8	-	57,120
Surplus / (deficit) before:		<u>82,786</u>	<u>3,791,156</u>
Other comprehensive income:			
Revaluations of properties	6	-	386,000

Comprehensive result	<u>82,786</u>	<u>4,177,156</u>
----------------------	---------------	------------------

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

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
BALANCE SHEET AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	11a	163,805	214,872
Trade and other receivables	3	105,026	17,998
Inventories	4	67,875	68,567
Other financial assets	5	342,066	273,683
Prepayments		-	-
Total current assets		<u>678,772</u>	<u>575,120</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	9,551,265	9,420,202
Total non-current assets		<u>9,551,265</u>	<u>9,420,202</u>
TOTAL ASSETS		<u>10,230,037</u>	<u>9,995,322</u>
CURRENT LIABILITIES			
Trade and other payables	7	126,566	126,642
Interest bearing liabilities	8	244,665	177,000
Employee benefits	9	103,014	91,893
Restoration fund provision	10	321,406	369,855
Total current liabilities		<u>795,651</u>	<u>765,390</u>
NON-CURRENT LIABILITIES			
Restoration fund provision	10	138,913	17,245
Total non-current liabilities		<u>138,913</u>	<u>17,245</u>
TOTAL LIABILITIES		<u>934,564</u>	<u>782,635</u>
NET ASSETS		<u>9,295,473</u>	<u>9,212,687</u>
EQUITY			
Retained earnings		7,187,235	7,104,449
Reserves		2,108,238	2,108,238
TOTAL EQUITY		<u>9,295,473</u>	<u>9,212,687</u>

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

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Receipts from customers		535,272	738,776
Interest Received		5,494	11,800
Government Funding			
State Government recurrent grants		300,000	300,000
Commonwealth government recurrent		81,950	68,250
Specific funded projects		253,609	431,457
Outflows:			
Payments to suppliers and employees		(1,059,087)	(1,069,312)
Interest Paid		(20,637)	(53,572)
Payments for specific funded projects		(219,707)	(838,746)
Net cash from (used in) operating activities	11(b)	<u>(123,106)</u>	<u>(411,347)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Proceeds from disposal of property, plant & equipment			195,000
Proceeds from / (payments for) investments		4,836	(1,974)
Outflows:			
Payments for property, plant & equipment		(462)	(22,873)
Net cash from (used in) investing activities		<u>4,374</u>	<u>170,153</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(117,000)	-
Net cash from (used in) financing activities		<u>(117,000)</u>	<u>-</u>
Net increase (decrease) in cash held		(235,732)	(241,194)
Cash at beginning of financial year		214,872	456,066
Cash at end of financial year	11(a)	<u>(20,860)</u>	<u>214,872</u>

The above cash flow statement 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 2012

	Retained Earnings \$	Asset Revaluation Reserve \$	Total Equity \$
As at 1 July 2010	3,313,293	1,722,238	5,035,531
Profit / (loss) for the period	3,791,156	-	3,791,156
Asset Revaluations	-	386,000	386,000
As at 30 June 2011	<u>7,104,449</u>	<u>2,108,238</u>	<u>9,212,687</u>
As at 1 July 2011	7,104,449	2,108,238	9,212,687
Surplus / (deficit) for the period	82,786	-	82,786
As at 30 June 2012	<u>7,187,235</u>	<u>2,108,238</u>	<u>9,295,473</u>

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

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
2a. Net profit from sale of property , plant and equipment		
Net Proceeds from sale of assets	-	195,000
Written down value of assets sold	-	(187,109)
	<u>-</u>	<u>7,891</u>
2b. Other expenses		
Advertising	46,331	51,637
Auditors' remuneration	15,000	13,750
Accounting	3,250	5,750
Bad debt impairment	-	7,716
Bank expenses	4,810	4,980
Cleaning	10,908	10,937
Computer costs	14,381	14,281
Conservation expenses	2,477	5,674
Consulting services	3,225	12,866
Donations	1,717	3,700
Exhibition expenses	1,502	11,119
FBT tax	8,057	-
Heritage week	23,160	22,972
Insurance	62,530	54,831
Legal expenses	1,400	1,655
Levies - Australian Council of National Trusts	3,960	4,373
Light, water and power	58,886	58,814
Maintenance of grounds	17,243	20,822
Newsletter	22,683	19,628
Postage	5,098	5,206
Printing and stationery	12,193	15,410
Rates and land taxes	15,699	13,795
Rent	2,555	3,379
Repairs	31,230	91,468
Security	20,043	21,718
Seminar and meeting expenses	4,350	3,783
Staff amenities	-	56
Staff training	272	193
Sundry	18,510	11,844
Telephone, fax and internet	12,587	15,703
Travelling and motor vehicle expenses	26,212	39,498
Volunteer expenses	2,889	4,243
	<u>453,158</u>	<u>551,801</u>
2c. Employee expenses		
Wages and salaries	392,176	353,907
Workers compensation	5,727	4,309
Superannuation	34,364	32,294
	<u>432,267</u>	<u>390,510</u>

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
2d. Other revenue		
Subscriptions	50,720	41,626
Admissions	122,999	124,058
Net proceeds from fundraising activities	46,133	31,340
Donations, bequests & sponsorships	20,849	30,943
Interest	5,494	11,800
Rentals	33,613	54,512
Sundry	48,919	142,269
	<u>328,727</u>	<u>436,548</u>
2e. Specific purpose grants		
Grants received		
Arts Tas Heritage Photo	8,589	-
Arts Tas Paper Conservation	8,100	-
Clarendon Rediscovered	-	29,000
Copland	-	6,575
Convict Connections	10,000	-
Clarendon - Threshing Barn	-	7,685
Franklin House Vol Grant	-	2,117
Franklin House Award	-	4,000
Franklin House Contemporary Arts Grant	-	3,500
Franklin House LCC Booklet	1,293	-
Franklin House Magic Carpet	3,698	-
Gordon Darling	12,000	-
Home Hill - Devonport City Council	-	995
Home from War	25,000	-
Latrobe Group	2,000	-
Plant City High School - Chapel Stairs	-	3,326
Miners of Queenstown	24,909	-
Moorilla Organ Restoration	-	16,709
Mt Lyell Mine Heritage Centre	78,670	-
Norfolk Plains - Small Equipment Grant	-	1,242
National Trust photo collection and Franklin House textile exhibition	-	-
Penghana Gardens	60,000	-
Runnymede - Hobart City Council Community Grant	5,000	-
Runnymede Ships Portrait	9,350	-
R Spence	-	9,000
Seeing Trout	25,000	-
Strathroy Bridge - Launceston City Council	8,000	-
Digit North	-	8,400
QVMag Paintings	-	8,600
Heritage Festivals	-	2,500
St Davids Heritage Stimulus Grant	-	327,808
Tas Whaling Heritage	30,000	-
	<u>311,609</u>	<u>431,457</u>

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
2e. Specific purpose grants (cont)		
Grants expensed		
Arts Tas Heritage Photo	3,136	-
Arts Tas Paper Conservation	7,368	-
Clarendon Colonial Agricultural Heritage Grant	-	7,888
Clarendon Rediscovered	29,777	-
Clarendon Interp - C'land	-	1,363
Clarendon - Threshing Barn	7,879	-
Copland	4,500	3,000
Tour De Clarendon	-	4,500
Digit North	-	8,461
Franklin House - Contemporary Arts Grant	596	2,906
Franklin House - LCC Booklet	500	-
Franklin House - Small Equipment Grant	-	-
Franklin House - Vol Grant	-	1,944
Franklin House Kitchen Garden	-	200
Gordon Darling	526	-
Home Hill - Devonport City Council	28,527	995
Home Hill Conservation	-	82,746
Moorilla Organ Restoration	-	17,601
Mt Lyell Mine Heritage Centre	55,567	-
Norfolk Plains - Small Equipment	-	1,070
Penghana Gardens	68,662	-
Plant City High School - Chapel Stairs	-	2,727
Quilt Restoration	-	6,548
QV Mag Paintings	-	6,320
R Spence	2,618	6,382
Runnymede - Ships Portrait Project	9,399	-
Runnymede Stimulus Heritage Grant	-	282
Heritage Development - Northern Tasmania Cultural Heritage	-	8,764
Tasmanian Community Fund - Trust Archive Pilot	652	518
Launceston Synagogue Conservation Grant	-	5,488
St Davids Heritage Stimulus Grant	-	313,824
	<u>219,707</u>	<u>483,527</u>
Net grant revenue/expenditure	<u>91,902</u>	<u>(52,070)</u>
3. Trade and other receivables		
Trade debtors	105,026	17,998
	<u>105,026</u>	<u>17,998</u>
4. Inventories		
At cost	<u>67,875</u>	<u>68,567</u>

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

		2012 \$	2011 \$
5. Other financial assets			
Restoration account		<u>342,066</u>	<u>273,683</u>
6. Property, plant and equipment			
Land & Buildings			
Freehold premises - at valuation		7,850,000	7,650,000
Less accumulated depreciation		(147,435)	(95,187)
Leasehold premises (cost)	1(i)	168,814	168,814
Total land and buildings		<u><u>7,871,379</u></u>	<u><u>7,723,627</u></u>
Plant and equipment			
At cost		518,724	518,724
less accumulated depreciation		(421,776)	(404,625)
		<u>96,948</u>	<u>114,099</u>
Heritage collections - at fair value	1(j)	<u>1,582,938</u>	<u>1,582,476</u>
Total Property, Plant & Equipment		<u><u>9,551,265</u></u>	<u><u>9,420,202</u></u>
<i>Reconciliations:</i>			
Land and buildings			
Carrying amount at beginning of the year		7,723,627	4,852,403
Less depreciation		(52,248)	(36,400)
Revaluations		-	386,000
Property transfers		200,000	2,708,733
Disposals		-	(187,109)
Carrying amount and end of the year		<u><u>7,871,379</u></u>	<u><u>7,723,627</u></u>

Freehold properties were revalued on 1 July 2009 and 30 June 2011 based on the Valuer-General's valuations. In 2011 two properties were transferred from the State Government and were recorded based on current Valuer-General valuations. In 2012, a block of land forming part of a new subdivision was transferred to the Trust. The valuation of the land was based on comparable values for land in the area.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
Property, plant and equipment (continued)		
Plant and equipment		
Carrying amount at beginning of year	114,099	134,299
Depreciation	(17,151)	(20,200)
Carrying amount at end of the year	<u>96,948</u>	<u>114,099</u>
Heritage collections		
Carrying amount and beginning of year	1,582,476	332,303
Items first recognised in 2011	-	1,227,300
Additions	462	22,873
Carrying amount at end of the year	<u>1,582,938</u>	<u>1,582,476</u>

Heritage collection assets recognised in 2010-11 have been valued at fair value as at 31 March 2011.

7. Trade and other payables

Trade creditors and accruals	107,424	106,678
GST creditor	11,449	19,964
PAYG Withholding	6,414	-
FBT Instalments	1,279	-
	<u>126,566</u>	<u>126,642</u>

8. Interest bearing liabilities

Current		
Bank overdraft - Secured	11(a) 184,665	-
Loan - Tasmanian Trustees Limited	60,000	75,000
Loan - Tasmanian Heritage Council	-	102,000
	<u>244,665</u>	<u>177,000</u>

The bank overdraft is secured by a first registered mortgage over Oak Lodge, Richmond. The bank overdraft is payable on demand and is subject to annual review.

The loan from the Tasmanian Heritage Council was an interest only loan secured by a first registered mortgage over Franklin House, Launceston. The Trust negotiated the repayment of the loan debt in July 2011. As part of the agreement, loan interest that had accrued on the debt was waived.

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.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
9. Employee benefits		
Current		
Annual Leave	70,289	62,562
Long Service Leave	32,725	29,331
	<u>103,014</u>	<u>91,893</u>
Total Employee Benefits	<u>103,014</u>	<u>91,893</u>
Number of employees on a FTE basis at year-end	7	7
 10. Provisions		
Restoration Fund		
Current	<u>321,406</u>	<u>369,855</u>
Non-Current	<u>138,913</u>	<u>17,245</u>
	<u>460,319</u>	<u>387,100</u>
 Restoration Fund		
Balance at 1 July	387,100	587,236
Restoration Appeal Funds Received	269,067	289,285
Restoration Appeal Funds Expended	(195,848)	(431,162)
Transfer of funds to general account	-	(58,259)
	<u>460,319</u>	<u>387,100</u>

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

		2012 \$	2011 \$
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		163,805	214,872
Bank overdraft	8	(184,665)	-
		<u>(20,860)</u>	<u>214,872</u>
(b) Reconciliation of net cash from operating activities			
Surplus / (deficit) for the period		82,786	3,791,156
<i>Add/ (less) non-cash items</i>			
(Profit)/ Loss on sale of property, plant		-	(7,891)
Property transfers		(200,000)	(2,708,733)
Recognition of heritage assets		-	(1,227,300)
Write back loan interest waived in settlement of debt		-	(57,120)
Depreciation		69,399	56,600
<i>Changes in assets and liabilities</i>			
(Increase)/ Decrease in inventories		692	(5,848)
(Increase)/ Decrease in receivables		(87,028)	52,748
Increase/ (Decrease) in employee provisions		11,121	8,972
Increase/ (Decrease) in payables		(76)	(313,931)
		<u>(123,106)</u>	<u>(411,347)</u>

12. Related party transactions

There were no related party transactions for the year ended 30 June 2012.

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)
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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 \$460,319 (2011: \$387,100) 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 \$342,066 (2011: \$273,683), 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 2012, the Trust has an outstanding commitment relating to insurance payments totalling \$40,397 (2011: \$38,919).

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

1. Financial Risk Management and Risk Exposures

a) Risk management policies and processes

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.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

16. Financial Instruments (cont.)

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.

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 Trust.

2. 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 June 2012		30 June 2011	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<i>Financial assets</i>				
Cash and cash equivalents	163,805	163,805	214,872	214,872
Receivables	105,026	105,026	17,998	17,998
Other financial assets	342,066	342,066	273,683	273,683
	610,897	610,897	506,553	506,553
<i>Financial liabilities</i>				
Payables	126,566	126,566	126,642	126,642
Interest bearing liabilities	244,665	244,665	177,000	177,000
	371,231	371,231	303,642	303,642
Net financial assets / (liabilities)	239,666	239,666	202,911	202,911
Carrying amounts classified as:			30 June 2012	30 June 2011
<i>Financial assets</i>				
Cash and cash equivalents - restoration accounts			342,066	273,683
Loans and receivables			105,026	17,998
Cash and cash equivalents			163,805	214,872
			610,897	506,553
<i>Financial liabilities</i>				
Financial liabilities measured at amortised cost			371,231	303,642
			371,231	303,642
Net financial assets / (liabilities)			239,666	202,911

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

3. 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 2012						
Payables	126,566	-	-	-	126,566	126,566
Interest bearing liabilities	244,665	-	-	-	244,665	244,665
	<u>371,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>371,231</u>	<u>371,231</u>
30 June 2011						
Payables	126,642	-	-	-	126,642	126,642
Interest bearing liabilities	177,000	-	-	-	177,000	177,000
	<u>303,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,642</u>	<u>303,642</u>

4. 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 2011.

At 30 June 2012, if interest rates had moved, as illustrated in the table below, profit and equity would have been affected as follows:

	Profit/ (loss)		Equity	
	2012	2011	2012	2011
+1% (100 basis points)	2,612	3,116	2,612	3,116
-1% (100 basis points)	(2,612)	(3,116)	(2,612)	(3,116)

5. Ageing of Debtors

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

	Gross 2012	Impairment 2012	Gross 2011	Impairment 2011
Not past due	46,676	-	2,432	-
Past due 0 - 30 days	12,535	-	6,751	-
Past due 31 - 60 days	1,085	-	13	-
Past due 60 days	44,730	-	8,802	-
	<u>105,026</u>	<u>-</u>	<u>17,998</u>	<u>-</u>

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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.

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:

Standard/ Interpretation	Summary	Operative date *	Impact
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2013	Detail of impact is still being assessed.
AASB 13: Fair Value Measurement	This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.	1 Jan 2013	No financial impact.
AASB 119: Employee Benefits	This Standard supersedes AASB 119 Employee Benefits, introducing a number of changes to accounting treatments. This Standard was issued in September 2011.	1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	1 Jan 2013	Detail of impact is still being assessed.
AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and int 2, 5, 10, 12, 19 & 127]	This Standard makes consequential amendments to other Australian Accounting Standards and interpretations as a result of issuing AASB 9 in December 2010.	1 Jan 2013	Detail of impact is still being assessed.
AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and int 2, 4, 12, 13, 14, 17, 19, 131, 132]	This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.	1 Jan 2013	No financial impact.
AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).	1 Jan 2013	Detail of impact is still being assessed.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Standard/ Interpretation	Summary	Operative date *	Impact
AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and int 14]	The Standard makes amendments to other Australian Accounting Standards and interpretations as a result of issuing AASB 119 Employee Benefits in September 2011.	1 Jan 2013	Detail of impact is still being assessed.
AASB 1053 Application of Tiers of Australian Accounting Standards	Establishes a differential reporting framework, which consists of two tiers of reporting requirements.	1 Jul 2013	Detail of impact is still being assessed.

* Annual reporting periods beginning on or after

(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.

**NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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.

(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.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

(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.

(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 straight line 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 TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

(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 15 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 an 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.