

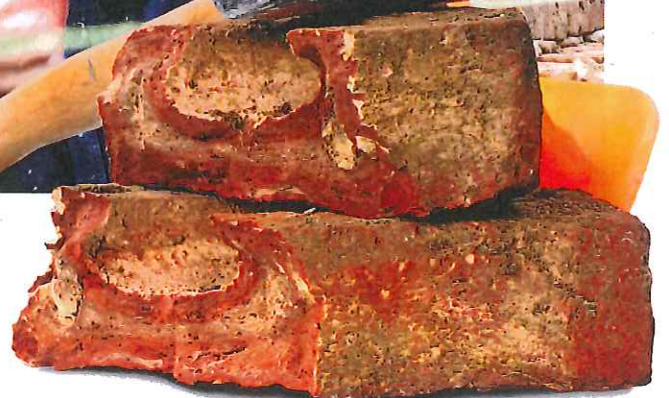
ANNUAL REPORT



NATIONAL
TRUST
Tasmania



2016 / 17





COLLECTION OF TRADITIONS, STORIES & PASSION

THE FUTURE OF
HERITAGE IS IN YOUR
HANDS & OURS.



Chairperson's Report

As Board Chairperson of the National Trust of Australia (Tasmania), I am pleased to present this Report for 2016-2017 to the Annual General Meeting.

Overall, it has been a productive and positive year for the Trust with many significant achievements and objectives realised. These positive outcomes have very much been due to the excellent and combined efforts of the Board, Managing Director, staff and volunteers, as well as the ongoing support provided by our loyal members.

This report will highlight some of the key activities and outcomes of the past year.

Strategic directions, initiatives and achievements

The Board has been working throughout the year to pursue the main purposes of the Trust by achieving positive outcomes in the main areas of strategic direction: leadership, sustainability, partnership and governance. In this context, various initiatives were undertaken to enhance in particular the reputation, community engagement and financial position of the Trust.

A key event which enhances the Trust's heritage reputation is the annual Tasmanian Heritage Festival. The Festival is a major community heritage event for the state with a large number of contributions from a wide range of community heritage-related organisations held across the whole state during the month of May. The National Trust has coordinated the Festival for more than 20 years and continued to do so again this year. This year's Festival, as always, was an excellent celebration of Tasmania's rich and unique heritage. The Festival was launched by the (then) Minister for Heritage, the Hon Matthew Groom, who spoke most positively about the quality and value of the festival to Tasmania's heritage and the Trust's role in managing this event.

An extension to this year's Tasmanian Heritage Festival which further enhanced the Festival's heritage prominence was the clear linkage made to Australian Heritage Festival, the national celebration of the nation's heritage. This was made possible through the combined efforts of the Tasmanian Trust and the national body (ACNT) through a federally funded program. The advantage of this strategic initiative was that it showcased the Tasmanian Heritage Festival program nationally which led to a wider acknowledgement of the excellent number and quality of the Tasmanian contributions – a very positive outcome for the Tasmanian Trust.

Within the Trust movement nationally, this year has also seen an increasing level of recognition of Tasmania's particularly rich heritage, and also of the capacity of the Tasmanian Trust to take national roles. This has been very positive as it acknowledges what we have been seeking to promote for some time – that the Tasmanian Trust has much to contribute nationally as well as locally. The Tasmanian Trust has now been endorsed, for example, as the key pilot state for trialling major ACNT projects in cultural heritage tourism and retail; and, most recently, it was selected as the lead trust to manage the large federal ACNT grant (~\$1mill), known as the National Trust Partnership Program (NTPP), which is a very significant achievement. As Deputy Chair of the Australian Council of National Trusts (ACNT), I am particularly pleased about this new development.

Another positive joint initiative has been the introduction of the national magazine, which is a high quality publication with a wide distribution. It has been very pleasing to see that our key properties have been featured in the first three editions and the feedback has been excellent.

Another positive strategic development this year has been the development of partnerships and collaborations between the National Trust and other key state organisations. We are currently



working with the University of Tasmania, for example, on a (very exciting) large 'regional regeneration' project which will enhance our heritage objectives by being combined with a broader statewide jobs and skills initiative.

The Trust has also been a keen contributor to the forums that have taken place in response to the Legislative Council report on built heritage tourism. National Trust staff and members made significant contributions to the Longford Forum in August and we are involved closely in addressing the issues (through my involvement on the Interim Working Group) through a community-based response to the Report which will be presented to government.

We have been working in collaboration with other heritage organisations to promote our common interests, especially in the tourism area. There is now a very positive collaboration in development between the Trust and other significant Northern Tasmanian heritage properties to provide a richer, more varied and coordinated visitor experience of Clarendon, Franklin House, Woolmers and Brickendon.

One of the highlights of the year was the relocation of the Trust's State Office to the Launceston CBD. While we have been very grateful to Franklin House for accommodating the Office for more than 20 years, it has long been identified that we needed to have more visible and accessible premises for our main office. So it was a great moment when we finally found ourselves this year in excellent new accommodation in an ideal central location. Our particular thanks for this achievement go to Mr Ray Foley, former Trust President and Chairperson, who took on this long term project. We are also grateful to the Premier for his facilitation of the move and for officially opening the new office in August.

Conservation projects and activities

The Trust undertook a number of conservation projects this year, but the most urgent was the wall at Franklin House. We were grateful for funding for this project from a joint state government and Launceston City Council grant.

The Trust continues to monitor local conservation issues under the leadership at board level of Mr Warwick Oakman. We have been involved in advocacy on various issues including the proposed road widening at St Peters Pass (Oatlands) and Lauderdale Cottage (New Town).

Board

Following the 2016 AGM, the 2016-2017 board directors were Dr Marion Myhill (Chairperson), Mr Warwick Oakman (Deputy Chairperson), Ms Amanda Roberts (Chair, ARC), Mr James Reynolds, Ms Zoe Smith, Mr Stuart Wiggins and Mr Matthew Smithies (MD). For personal reasons, four board directors resigned before the end of their terms. We were pleased to welcome Ms Beth Mathison, Mr Philip Mussared (Chair, ARC) and Ms Louise Wilson as new directors (ministerial appointees); they will be joined by the new member-elected directors who are being selected through the current independent election process.

The board met 8 times during the year in the north and the south of the state.



Recognition and appreciation

The Annual General Meeting provides an appropriate opportunity to record our deep appreciation to the many people who support the Trust: our patron, our minister, our loyal members, and our devoted volunteers (including our board members), our hardworking staff, and our generous donors and community supporters. We also acknowledge with gratitude the contributions of the specialist consultants, heritage specialists, tradespeople, and suppliers who have contributed to the Trust over the past year.

We thank our patron, the Governor of Tasmania, Her Excellency Professor the Hon Kate Warner AC for her support of the Trust and particularly for hosting the Volunteers' Afternoon Tea at Government House to recognise the excellent contribution of our volunteers in Volunteer Week.

Grateful thanks are also due to the Premier, the Hon Will Hodgman, as the Minister for Heritage, for his keen support of the Trust. We are grateful for the government's triennial funding, as well as for the special support this year which enabled the Trust to move the State Office to the excellent new premises in Cameron Street, Launceston. The Premier's launch of the new offices in August was a very special event.

We should also like to thank the former Minister for Heritage, the Hon Matthew Groom, who was our minister for several years and was an enthusiastic and invaluable supporter of the Trust over his period as minister. His last appointment as Minister for Heritage was in fact the launch of the Tasmanian Heritage Festival with the Trust.

We are also very grateful for the support of the Tasmanian Heritage Council and its Chair Ms Brett Torossi; and also of Heritage Tasmania especially through Pete Smith, Director Natural and Cultural Heritage Division.

Within the Trust, warm appreciation and thanks are due to our Managing Director Mr Matthew Smithies and the State Office staff for their very extensive and positive contributions to the administration of the Trust over the year. Of particular note is the way that they managed to provide a very smooth transition to the new office premises in July, whilst still undertaking their usual high workloads.

Thanks are also due to our Senior Property Manager-South and the other Property Managers, for their diligent stewardship and presentation of our properties and collections; and to property staff, committee chairs and members - and to all our volunteers who have all worked tirelessly, expertly and enthusiastically to support the Trust. They are all crucial to the Trust.

The Trust is also privileged to have its loyal members, many of who have been members for more than 20 years – and some of course who have been with us from the very foundations of the Tasmanian Trust in 1960. These members are especially vital to the success of the National Trust.

It is my great pleasure therefore at this year's Annual General Meeting to be able to recognise in particular this long term and valued commitment of our Trust members.

Concluding remarks

As this is my last AGM as Board Chairperson, as my term on the board has now been completed, I should like to take this opportunity to make some comments and record my thanks.

As a former National Trust President (2000-2003) and a member of the Ministerial Committee which re-drafted the National Trust Act (*National Trust Act 2006*) following a period of administration, I



would like to record how very rewarding it is to see how positively the Trust has developed over the last decade. The Trust now has a much stronger governance structure, financial basis and strategic direction. Taken together, these provide an optimistic future which builds on the Trust's proud heritage leadership record whilst also incorporating the new directions we are taking to give the Trust a more contemporary and creative approach to heritage.

The National Trust's success has been the result of a combined effort based on the loyal support of our members, the exemplary work of our staff and the commitment of our volunteers, within the strategic direction provided by the board. The Trust is fortunate to have such a positive combination of board, members, volunteers and staff working together – usually with extremely limited financial resources – to ensure that the Trust prospers.

We have also been supported at the national level at the Australian Council of National Trusts (ACNT) and recognised as an important heritage state. For this I wish to thank the ACNT board and Chair (Mr Scott McAlister) and especially the CEO Mr Tom Perrigo.

I should also like to take this opportunity to thank most sincerely and warmly the Tasmanian Trust board directors who have served with me over the last two years. I acknowledge the contribution of all the directors for their very high level of commitment to the objectives of the Trust, their willing contribution of expertise, and their active engagement and support to the Board and the Trust over this time. My particular thanks go to Mr Warwick Oakman as the board Deputy Chairperson and Ms Amanda Roberts who undertook several key roles.

I should also like to thank most warmly and gratefully the Managing Director Mr Matthew Smithies for his very important contribution to the board, and specifically in support to me as Chairperson, and to acknowledge the special contribution of our Executive Assistant Ms Christine Parker in administrative support to the board.

And finally, I wish the National Trust – and all of you who support it – the very best for the future.

Dr Marion Myhill FRSA MAICD
Board Chairperson



National Trust of Australia (Tasmania) Board

Dr Marion Myhill | Board Chair

Mr Warwick Oakman | Board Deputy Chair

Ms Beth Mathison

Mr Philip Mussared

Ms Louise Wilson

Mr Matthew Smithies | Managing Director



Managing Director's Report

This year has been focused on planning and initiating a strategic framework that will guide the Trust in its future direction, bringing with it the expectations of the Government, community and members while fulfilling our requirements under the legislation. Our continued drive to achieve operational effectiveness, continued improvement and the implementation of efficient systems has resulted in a high level of financial transparency, accountability and enhanced our ability to respond to opportunities and challenges.

With the period of operational reform and transition coming to an end, we are already seeing direct results of this initiative which places priority on good governance, product development and excellence in visitor, member and volunteer services. Many of the projects Marion has highlighted in the Chair's Report are a reflection and result of this direction and provide the Trust with an optimistic future. A future where we are an organisation clearly identified as having relevance, positive impact and a contributor to the fabric and identity of Tasmanian communities and the State as a whole.

A major piece of work embarked on and completed has been the development and implementation of programs around core management activities including Asset Management, Interpretation, Business Models, Conservation, Heritage Tourism and Marketing. These programs are currently being applied to all National Trust Tasmania sites with specific plans being developed for each place. This important piece of work provides the platform for a greater emphasis to be placed on future direction and a focus on exploring opportunities leading to sustainability and achieving national standards in all that we do.

In the coming year a major collection project will commence entering the National Trust Tasmania's collection of in excess of 42,000 objects onto a centralised management system, Vernon. This important work will provide a clear understanding as to the extent and significance of the Trust's collection, as well as providing the opportunity to develop temporary and touring exhibitions.

Over the past year we have specifically looked beyond our state borders, drawing on national and international expertise to provide professional heritage advice. This has included Professor Hamish Maxwell-Stewart, Dr Louise Zarmati, Dr Darren Peacock, Dr Linda Young, Frank Vagnone, Mark Wallis, Martin Green, Tom Perrigo and the team from National Trust Canada.

Rather than operating in isolation, the National Trust Tasmania now places an emphasis on forming collaborative partnerships to achieve outcomes that highlight the importance of heritage attributes and deliver programs that impact in a positive way on the community. This year we have established partnerships with the Tasmanian Design Centre, Centre for Heritage Oatlands, University of Tasmania, Conservation Volunteers Australia and Conservation Tasmania. In the coming year we will be focusing on developing similar partnership arrangements within the tourism, agricultural, local government and health sectors.

The National Trust Tasmania plays an important role in the promotion of conservation activities through its 'Conservation Appeal Program'. This highly successful program has seen several new appeals being established in the past year, including The Tasmania Club and the North West Railway. In the coming year we will be celebrating the success of this ongoing program, which has very much



been a 'behind the scenes' activity. This is a community-based program and one in which all Tasmanians can be very proud.

A wide range of initiatives will be rolled out in the forthcoming year, including a 'National Trust Tasmania Walking Tour Program', the 'Tasmanian Heritage Tourism Network' and 'This Place Matters'.

Having relocated State Office into Launceston CBD it will be logistically easier to implement these programs. The move to the new State Office was the culmination of the initiative and a lot of hard work carried out by Mr Ray Foley, former Chair of the National Trust Tasmania Board. Ray's continued support provided to the National Trust team is very much appreciated.

The achievements of the past year and the optimism in which we face the future could only be achieved with the support, dedication and passion of the National Trust Volunteers.

We simply would not exist without our volunteers!

This vital contribution in conserving and presenting Tasmania's heritage is highly regarded and respected not only from within the Trust movement, but from the Tasmanian community and visitors to our state. In the coming year the Trust will be striving to enhance the volunteer experience. A program under development for the past several months with consultant, Matt Wheatley, named 'Life Learning' will provide a better understanding of volunteer capabilities, experience, expectations, and the opportunity for a range of training options on a flexible basis. This will be strongly supported by a national initiative which will provide training for the identification, recruitment, development and recognition of volunteers.

Members and supporters of the National Trust Tasmania are our life blood.

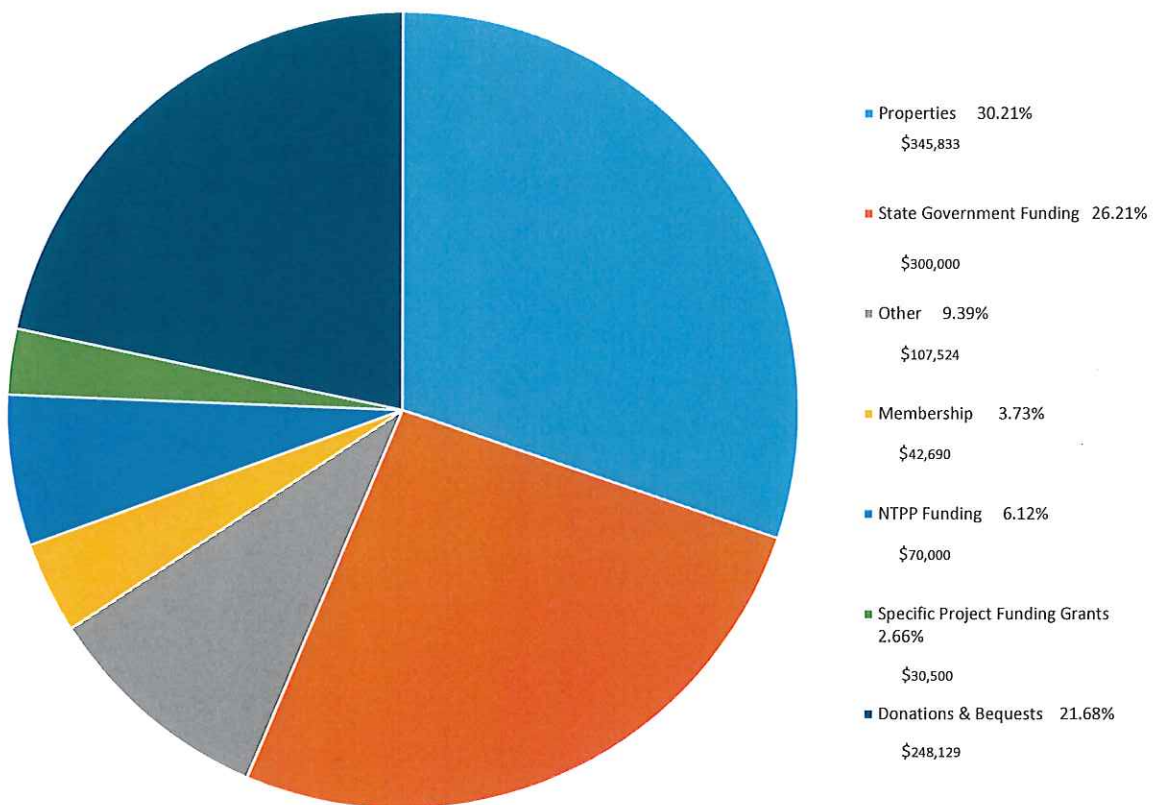
Your continued membership and donations are very much needed to enable us to continue our work in ensuring Tasmania's heritage is accessible to future generations and visitors to this marvellous state. Please contact me directly should you wish to discuss in confidence providing a tax deductible donation or including the National Trust Tasmania in your will.

It is with sadness that I advise of the passing of the following National Trust volunteers, Pat Ahearn, Terry Talbot, Libby Donnelly and Bev Rigby.

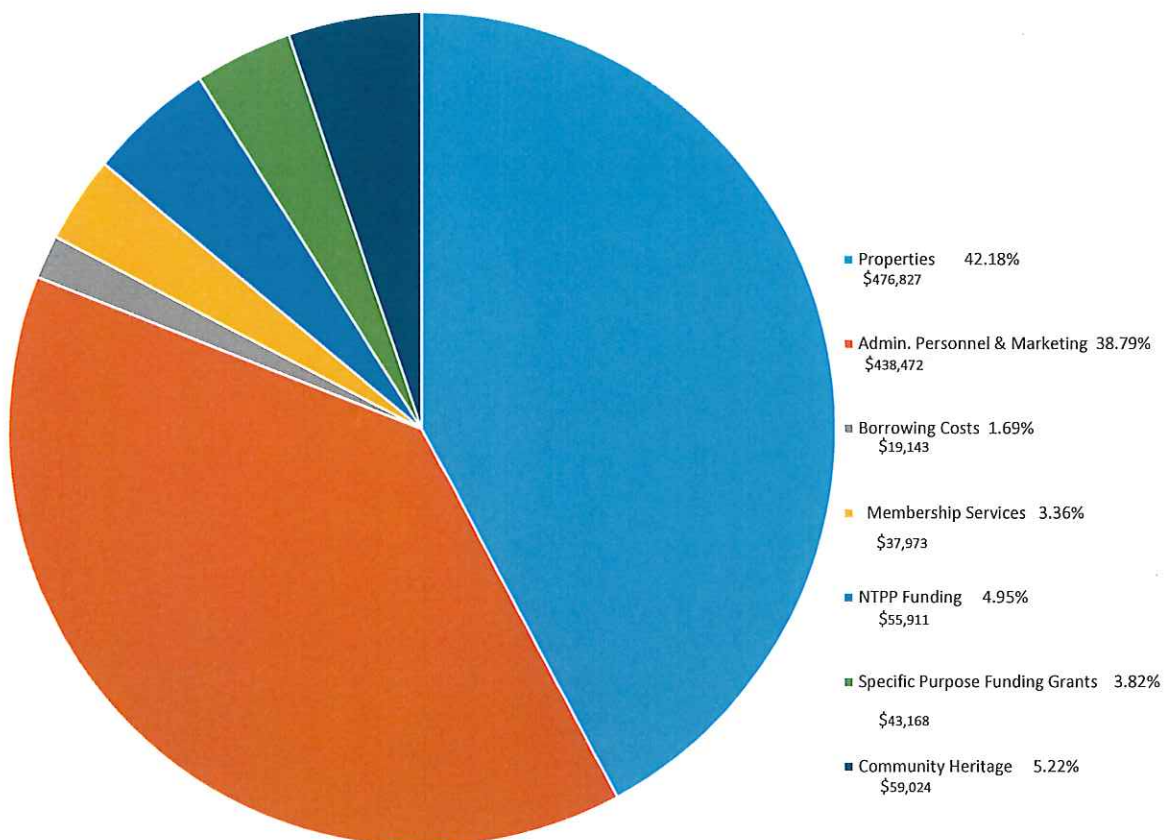
Pat, Terry, Libby and Bev had all been long serving volunteers and advocates of the National Trust Tasmania. Their contributions are highly regarded and their place remains firmly in the heart of the National Trust Tasmania.

Matthew Smithies
Managing Director

OPERATING REVENUE 2016-2017



OPERATING EXPENDITURE 2016-2017



NATIONAL TRUST OF AUSTRALIA (TASMANIA)
ABN 98 258 180 740

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
ABN 98 258 180 740

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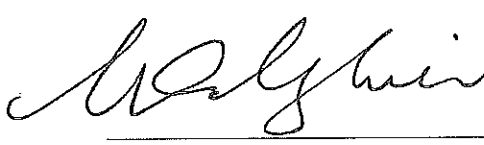
NATIONAL TRUST OF AUSTRALIA (TASMANIA)
ABN 98 258 180 740

STATEMENT BY BOARD

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

- (a) The accompanying financial statements of the Trust on pages 3 to 27 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 2017 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 28th day of September 2017

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
ABN 98 258 180 740

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
INCOME			
State Government - Administration grant		300,000	300,000
Commonwealth Government grant	2	70,000	67,000
Other revenue	3	675,814	1,828,170
Grants received	4	30,500	597,276
Gross profit from trading	26	68,362	76,566
		<u>1,144,676</u>	<u>2,869,012</u>
LESS EXPENDITURE			
Auditors' remuneration	6	16,400	17,040
Commonwealth Government grant expenses	7	55,911	58,535
Depreciation	14	74,121	71,453
Employees provisions		6,953	(14,240)
Employees expenses	8	500,063	478,886
Grants expended	5	34,155	526,015
Interest paid		19,143	19,520
Other expenses	9	423,772	361,257
		<u>1,130,518</u>	<u>1,518,466</u>
NET OPERATING SURPLUS (DEFICIT)		<u>14,158</u>	<u>1,350,546</u>
Other comprehensive income:			
Revaluation of properties	14	-	28,700
TOTAL COMPREHENSIVE RESULT		<u><u>14,158</u></u>	<u><u>1,379,246</u></u>

The accompanying notes form part of these financial statements.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
ABN 98 258 180 740

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	703,310	964,310
Trade and other receivables	11	30,486	31,036
Inventories	12	51,118	57,450
Other assets	13	448,484	395,391
TOTAL CURRENT ASSETS		<u>1,233,398</u>	<u>1,448,187</u>
NON-CURRENT ASSETS			
Property, plant and equipment	14	10,427,257	10,148,401
TOTAL NON-CURRENT ASSETS		<u>10,427,257</u>	<u>10,148,401</u>
TOTAL ASSETS		<u><u>11,660,655</u></u>	<u><u>11,596,588</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	113,314	165,474
Borrowings	16	192,173	150,617
Provisions	17	555,927	477,168
TOTAL CURRENT LIABILITIES		<u>861,414</u>	<u>793,259</u>
NON-CURRENT LIABILITIES			
Borrowings	16	100,000	100,000
Provisions	17	-	18,246
TOTAL NON-CURRENT LIABILITIES		<u>100,000</u>	<u>118,246</u>
TOTAL LIABILITIES		<u><u>961,414</u></u>	<u><u>911,505</u></u>
NET ASSETS		<u><u>10,699,241</u></u>	<u><u>10,685,083</u></u>
EQUITY			
Reserves	18	3,000,217	3,189,730
Retained earnings		7,699,024	7,495,353
TOTAL EQUITY		<u><u>10,699,241</u></u>	<u><u>10,685,083</u></u>

The accompanying notes form part of these financial statements.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
ABN 98 258 180 740

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

		Retained Earnings	Asset Revaluation Reserve	Specific Purpose Reserve	Total Equity
		\$	\$	\$	\$
Balance at 1 July 2015		6,981,279	2,138,238	186,320	9,305,837
Surplus (deficit) for the year		1,350,546	-	-	1,350,546
Asset revaluations	14	-	28,700	-	28,700
Transfer (from)/to retained earnings	18	(836,472)	-	836,472	-
Balance at 30 June 2016		<u>7,495,353</u>	<u>2,166,938</u>	<u>1,022,792</u>	<u>10,685,083</u>
Balance at 1 July 2016		7,495,353	2,166,938	1,022,792	10,685,083
Surplus (deficit) for the year		14,158	-	-	14,158
Transfer (from)/to retained earnings	18	189,513	-	(189,513)	-
Balance at 30 June 2017		<u>7,699,024</u>	<u>2,166,938</u>	<u>833,279</u>	<u>10,699,241</u>

The accompanying notes form part of these financial statements.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
ABN 98 258 180 740

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Receipts from customers		636,134	1,575,113
Interest received		12,768	8,291
Government funding:			
State Government recurrent grants		330,000	300,000
Commonwealth government recurrent		77,000	-
Specific funded projects		30,500	597,276
State government non-recurrent grant		-	-
Outflows:			
Payments to suppliers and employees		(1,125,319)	(974,422)
Interest paid		(19,143)	(19,520)
Commonwealth government recurrent		(55,911)	(58,535)
Payments for specific funded projects		(34,155)	(526,015)
Net cash from/(used in) operating activities	24	(148,126)	902,188
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Proceeds from disposal of property, plant & equipment		824	909
Proceeds from sale of investments		-	-
Outflows:			
Payments for property, plant & equipment		(155,254)	(5,997)
Payments for new investments		-	-
Net cash from/(used in) investing activities		(154,430)	(5,088)
CASH FLOWS FROM FINANCING ACTIVITIES			
Inflows:			
Borrowings received		-	-
Outflows:			
Repayment of borrowings		-	-
Net cash from/(used in) financing activities		-	-
Net increase/(decrease) in cash held		(302,555)	897,100
Cash at the beginning of the financial year		813,693	(83,407)
Cash at the end of the financial year	24	511,138	813,693

The accompanying notes form part of these financial statements.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
ABN 98 258 180 740

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

The financial statements cover National Trust Of Australia (Tasmania) as an individual entity. National Trust Of Australia (Tasmania) is a company (body corporate) with perpetual succession created under the National Trust Act 2006.

The financial statements were authorised for issue by the directors of the Trust.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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. Judgements that have significant effects on the financial report are disclosed in the relevant notes as follows:

(a) Income Tax

The Trust is exempt from income tax.

(b) Inventories

Stocks of brochures, catalogues and trading stock are valued at the lower of cost or net realisable value. Where inventories are acquired at no cost, or for nominal consideration, the cost shall be current replacement cost as at date of acquisition.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
ABN 98 258 180 740

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Property

The Trust's freehold land and buildings are disclosed in the financial statements at fair value based on Valuer General valuations.

Depreciation is charged to the Statement of Comprehensive Income using the diminishing value method over the estimated useful life of the assets, which has been estimated as 100 years.

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.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated 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%.

Heritage Collections

Heritage collections 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.

(d) Impairment of assets

The carrying amounts of the Trust's assets, other than inventories (see accounting policy 1(b)) 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 Statement of Comprehensive Income, 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.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)

ABN 98 258 180 740

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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

(e) Trade and Other Receivables

Trade and other receivables are stated at their amortised cost less impairment losses. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions liability.

Other long-term employee benefits

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.

(g) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

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.

(h) 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.

(i) Revenue and Other Income

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

(j) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period at amortised cost. The balance is recognised as a current liability.

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(k) Goods and Services Tax (GST)

Revenues, expenses and fixed assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) 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, cash and cash equivalents, other financial assets 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.

(m) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(n) Adoption of new and amended accounting standards

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Trust.

AASB 2015-6

Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not for Profit Public Sector Entities (effective from 1 July 2016)

The Trust has applied AASB 124 Related Party Disclosures. As a result the Trust has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 20.

(o) New Accounting Standards for Application in Future Periods

The Trust has decided not to early adopt any of the new and amended pronouncements. The Trust's assessment of the new and amended pronouncements that are relevant to the Trust but applicable in future reporting periods is set out below:

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- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Trust on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

The board anticipate that the adoption of AASB 9 will have no financial impact.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2019, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards - Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The Trust has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report include:

- Grants received to construct non-financial assets controlled by the Trust will be recognised as a liability, and subsequently recognised progressively as revenue as the Trust satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Under the new standards, other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. The Trust will evaluate all grant agreements in place at that time to determine whether revenue from those grants could be deferred under the new requirements.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. These grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.
- Volunteer services and transactions where the consideration is significantly less than the fair value of that asset acquired, or no consideration is provided (for example below market leases) will be required to be recognised when certain recognition criteria are met. The Trust has not yet fully determined the impact of these requirements on its financial statements.
- Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred to a later reporting period to the extent the Trust has received cash, but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). The Trust is yet to full complete its analysis of existing arrangements for sale of its goods and services and the impact on revenue recognition has not yet been fully determined.

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- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the board anticipates that the adoption of AASB 16 may impact the Trust's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

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(p) Interest bearing liabilities

Interest bearing liabilities are recorded at amortised cost.

(q) 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.

(r) Finance Costs

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

(s) 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.

(t) Going Concern

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

The Directors have reviewed the appropriateness of continuing to prepare the financial statements on the basis that the National Trust of Australia (Tasmania) is a going concern.

The Board resolved that it is appropriate to prepare the financial statements on the basis that the National Trust of Australia (Tasmania) is a going concern, recognising that its future sustainability is critically dependent on the on-going financial support from the Tasmanian Government, currently secured through a triennial funding agreement.

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	2017 \$	2016 \$
2. Commonwealth Government:		
NTPP other projects	50,000	45,000
NTPP heritage festival	20,000	22,000
	<u>70,000</u>	<u>67,000</u>
3. Other revenue:		
Admissions	177,177	171,960
Donations, bequests and sponsorship	248,129	943,049
Interest	12,767	8,292
Net proceeds from fundraising activities	47,890	30,194
Recognised heritage assets at fair value	-	519,500
Rentals	52,404	50,096
Subscriptions	42,690	50,577
Sundry	94,605	54,502
Profit on sale of non-current assets	152	-
	<u>675,814</u>	<u>1,828,170</u>
4. Grants received:		
Clarendon Roof	-	261,000
Clarendon - Guerrier	-	7,238
Clarendon - NRM	-	5,000
Franklin Village	-	3,300
Home Hill - Devonport City Council	28,000	28,000
PCHS - Pandemonium	-	285,120
Strathroy Bridge	-	1,818
Grant - Latrobe Council	2,500	2,500
NTPP - Operational Funding	-	3,300
	<u>30,500</u>	<u>597,276</u>
5. Grants expended:		
Clarendon roof	-	261,000
Franklin Village	-	1,345
Home from war	-	917
Home hill collection	-	4,448
PCHS - Life behind bars	5,140	-
PCHS - Pandemonium	29,015	256,105
Strathroy Bridge	-	2,200
	<u>34,155</u>	<u>526,015</u>
6. Auditors' remuneration:		
Auditing or reviewing the financial statements	16,400	16,560
Other services	-	480
	<u>16,400</u>	<u>17,040</u>

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	2017 \$	2016 \$
7. Commonwealth Government Grants Expensed:		
NTPP other projects	45,943	42,318
NTPP heritage festival	9,968	16,217
	<u>55,911</u>	<u>58,535</u>
8. Employees expenses:		
Wages and salaries	452,396	433,429
Workers compensation	5,353	6,048
Superannuation	42,314	39,409
	<u>500,063</u>	<u>478,886</u>
9. Other expenses:		
Accounting	19,501	20,365
Advertising	37,944	30,515
Bad debt impairment	-	11,885
Bank expenses	5,594	5,218
Cleaning	7,924	5,956
Computer costs	15,304	12,804
Conservation expenses	114	301
Consultancy	20,563	-
Consultancy funded from Specific Purpose Reserve	9,013	1,554
Exhibition expenses	1,013	-
FBT expense	2,551	5,388
Insurance	52,212	47,608
Legal costs	1,350	4,500
Levies - Australian Council of National Trusts	4,830	4,391
Licencing costs	1,805	1,069
Light, water and power	39,471	40,613
Loss on sale of non-current assets	10,605	-
Maintenance of grounds	13,639	8,361
Newsletter	2,692	7,169
Postage	3,131	3,131
Printing and stationery	8,113	7,278
Rates and land taxes	18,830	16,873
Rent	6,686	5,923
Repairs	38,817	40,236
Security	19,198	10,790
Seminar and meeting expenses	15,213	7,260
Staff training	746	1,314
Sundry	14,758	11,145
Telephone, fax and internet	11,288	13,424
Travelling and motor vehicle expenses	25,551	20,957
Volunteer expenses	15,316	15,229
	<u>423,772</u>	<u>361,257</u>

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	2017 \$	2016 \$
10. CASH AND CASH EQUIVALENTS		
Cash at bank	<u>703,310</u>	<u>964,310</u>
11. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	<u>30,486</u>	<u>31,036</u>
12. INVENTORIES		
CURRENT		
At cost:		
Stock on hand	<u>51,118</u>	<u>57,450</u>
13. OTHER ASSETS		
CURRENT		
Restoration account	<u>448,484</u>	<u>395,391</u>
14. PROPERTY, PLANT AND EQUIPMENT		
Leasehold premises at cost	<u>16,314</u>	<u>16,314</u>
Freehold premises at fair value	8,217,700	8,008,700
Less accumulated depreciation	<u>(419,478)</u>	<u>(364,671)</u>
	<u>7,798,222</u>	<u>7,644,029</u>
Total land and buildings	<u>7,814,536</u>	<u>7,660,343</u>
Plant and equipment	697,382	579,552
Less accumulated depreciation	<u>(475,867)</u>	<u>(482,700)</u>
	<u>221,515</u>	<u>96,852</u>
Heritage collections - at fair value	<u>2,391,206</u>	<u>2,391,206</u>
Total plant and equipment	<u>2,612,721</u>	<u>2,488,058</u>
Total property, plant and equipment	<u>10,427,257</u>	<u>10,148,401</u>

(a) Movements in carrying amounts

For disclosure on movement in carrying amounts please refer to note 25 at the end of this financial report.

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	2017 \$	2016 \$
15. TRADE AND OTHER PAYABLES		
CURRENT		
Goods and services tax	3,563	10,525
Trade creditors	84,758	126,441
Other creditors	2,339	3,370
Withholding taxes payable	6,336	5,074
Superannuation payable	3,418	8,217
FBT payable	-	1,347
Accrued expenses	12,900	10,500
	<u>113,314</u>	<u>165,474</u>
16. BORROWINGS		
CURRENT		
Bank overdraft - secured	<u>192,173</u>	<u>150,617</u>
NON-CURRENT		
Loan - Tasmanian Trustees Limited	<u>100,000</u>	<u>100,000</u>
Total borrowings	<u>292,173</u>	<u>250,617</u>
 (a) 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.		
 (b) 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.		
17. PROVISIONS		
CURRENT		
Provision for holiday pay	95,058	116,687
Provision for long service leave	29,861	25,658
Restoration fund	431,008	334,823
	<u>555,927</u>	<u>477,168</u>
NON-CURRENT		
Restoration fund	<u>-</u>	<u>18,246</u>
 Number of employees on a FTE basis at year-end	 7.62	 6.45

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	2017 \$	2016 \$
18. RESERVES		
Analysis of Each Class of Reserve:		
Asset revaluation reserve	2,166,938	2,166,938
Specific purpose reserve	833,279	1,022,792
	<u>3,000,217</u>	<u>3,189,730</u>

The capital profits reserve records non-taxable profits on sale of investments.

Asset revaluation reserve:

Movements during the year:

Opening Balance	2,166,938	2,138,238
Revaluation of properties	-	28,700
	<u>2,166,938</u>	<u>2,166,938</u>

The asset revaluation reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

Specific purpose reserve:

Movements during the year:

Opening Balance	1,022,792	1,022,792
Movement in reserve	(189,513)	-
	<u>833,279</u>	<u>1,022,792</u>

The specific purpose reserves set aside funds for specific purposes and general funds available to fund Trust activities.

19. EVENTS AFTER THE REPORTING PERIOD

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

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20. RELATED PARTY TRANSACTIONS

Key Management Personnel Remuneration

Key management personnel has been determined to include all Directors. Non-executive directors do not receive remuneration, however receive reimbursement of expenses where incurred on Trust business.

The Managing Director's remuneration is:

	Short term employee benefits		Post employment benefits	Other Long-term Benefits ⁴	Total \$
	Salary ¹ \$	Vehicles ² \$	Super-annuation ³ \$	Non-monetary Benefits \$	
	100,000	4,757	9,500	5,673	
Total	100,000	4,757	9,500	5,673	119,930

1. Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

2. Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

3. Superannuation means the contribution to the superannuation fund of the individual.

4. Other non-monetary benefits include annual and long service leave movements and non-monetary benefits

Throughout the 2016-2017 financial year there were no related party transactions.

21. ECONOMIC DEPENDENCE

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.

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	2017	2016
	\$	\$

22. FINANCIAL RISK MANAGEMENT

The Trust's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and loans from subsidiaries, bills and leases, preference shares and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 139 Financial Instruments Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents

Total Financial Assets

703,310	964,310
703,310	964,310

Specific Financial Risk Exposures and Management

The main risks the Trust is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Trust is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit Risk

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 or 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.

(b) 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.

(c) Market risk

Interest rate 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 optimising the return to the National Trust of Australia (Tasmania).

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			2017	2016
			\$	\$
22. FINANCIAL RISK MANAGEMENT (Cont.)				
<i>Net Fair Values and Categories of Financial Assets and Liabilities</i>				
The fair values of financial assets and liabilities, together with the carrying amounts shown in				
Fair Values	30-Jun-17		30-Jun-16	
<i>Financial assets</i>	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	703,393	703,393	964,310	964,310
Receivables	30,486	30,486	31,036	31,036
Other financial assets	448,484	448,484	395,391	395,391
	1,182,363	1,182,363	1,390,737	1,390,737
<i>Financial liabilities</i>				
Payables	113,314	113,314	165,474	165,474
Interest bearing liabilities	292,173	292,173	250,617	250,617
	405,487	405,487	416,091	416,091
Net financial assets / (liabilities)	776,876	776,876	974,646	974,646
 Carrying amounts classified as:				
			30-Jun 2017	30-Jun 2016
<i>Financial assets</i>				
Cash and cash equivalents - restoration accounts			448,484	395,391
Loans and receivables			30,486	31,036
Cash and cash equivalents			703,393	964,310
			1,182,363	1,390,737
<i>Financial liabilities</i>				
At cost			405,487	416,091
			405,487	416,091
Net financial assets / (liabilities)			776,876	974,646

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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 2017						
Payables	113,314	-	-	-	113,314	113,314
Interest bearing liabilities	192,173	-	100,000	-	292,173	292,173
	<u>305,487</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>405,487</u>	<u>405,487</u>
30 June 2016						
Payables	165,474	-	-	-	165,474	165,474
Interest bearing liabilities	150,617	-	100,000	-	250,617	250,617
	<u>316,091</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>416,091</u>	<u>416,091</u>

Sensitivity Analysis

The following table illustrates sensitivities to the company's exposure to changes in interest rates, exchange rates and commodity and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

	Profit/ (loss)		Equity	
	2017	2016	2017	2016
+ 1% (100 basis points)	(2,922)	(2,506)	(2,922)	(2,506)
- 1% (100 basis points)	2,922	2,506	2,922	2,506

Ageing of Debtors

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

	Gross 2017	Impairment 2017	Gross 2016	Impairment 2016
Not past due	3,565	-	19,043	-
Past due 0 - 30 days	26,422	-	10,964	-
Past due 31 - 60 days	100	-	749	-
Past due 60 days	399	-	280	-
	<u>30,486</u>	<u>-</u>	<u>31,036</u>	<u>-</u>

23. FAIR VALUE MEASUREMENTS

The company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

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(a) Fair Value Hierarchy

Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

As at 30 June 2017

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
Land		-	2,737,000	-	2,737,000
Buildings		-	5,480,700	-	5,480,700
Heritage collections		-	807,768	1,583,438	2,391,206
		-	9,025,468	1,583,438	10,608,906
Non-recurring fair value measurements					
Assets held for sale		-	-	-	-
		-	-	-	-

As at 30 June 2016

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
Land		-	2,528,000	-	2,528,000
Buildings		-	5,480,700	-	5,480,700
Heritage collections		-	807,768	1,583,438	2,391,206
		-	8,816,468	1,583,438	10,399,906
Non-recurring fair value measurements					
Assets held for sale		-	-	-	-
		-	-	-	-

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Unobservable inputs and sensitivities

As at 30 June 2017

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	<ul style="list-style-type: none"> - 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.

As at 30 June 2016

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	<ul style="list-style-type: none"> - 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.

NATIONAL TRUST OF AUSTRALIA (TASMANIA)

ABN 98 258 180 740

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2017****Valuation techniques**

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

24. CASH FLOW INFORMATION

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:

Reconciliation of cash	2017	2016
	\$	\$
Cash assets	703,310	964,310
Bank overdraft	(192,173)	(150,617)
	511,137	813,693
Reconciliation of net cash from operating activities		
Surplus / (deficit) for the period	14,158	1,350,546
<i>Add/ (less) non-cash items:</i>		
Depreciation	74,121	71,453
(Profit)/loss on disposal of fixed assets	10,453	-
Net property transfers	(209,000)	(519,126)
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables & other assets	550	(8,077)
(Increase)/decrease in inventories	6,332	3,349
Increase/(decrease) in payables & other liabilities	(27,314)	24,699
Increase/(decrease) in employee provisions	(17,426)	(20,656)
	(148,126)	902,188

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
ABN 98 258 180 740

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
25. MOVEMENTS IN CARRYING AMOUNTS		
Land & buildings:		
Carrying amount at beginning of the year	7,660,343	7,686,450
Less depreciation	(54,807)	(54,807)
Revaluations	-	28,700
Property transfers	209,000	-
Carrying amount at the end of the year	<u>7,814,536</u>	<u>7,660,343</u>
Freehold properties were reviewed on 30 June 2017 to ensure carrying values were consistent with the Valuer-General's valuations		
Plant and equipment:		
Carrying amount at beginning of year	96,852	108,785
Additions	155,188	5,997
Disposals	(11,210)	(1,285)
Depreciation	(19,315)	(16,645)
Carrying amount at end of the year	<u>221,515</u>	<u>96,852</u>
Heritage collections:		
Carrying amount at beginning of year	2,391,206	1,871,706
Additions	-	519,500
Carrying amount at end of the year	<u>2,391,206</u>	<u>2,391,206</u>

NATIONAL TRUST OF AUSTRALIA (TASMANIA)
ABN 98 258 180 740

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
26. GROSS PROFIT FROM TRADING		
SALES		
Sales	154,933	160,429
LESS COST OF GOODS SOLD		
Opening stock	57,450	56,943
Purchases	80,239	84,370
	137,689	141,313
Closing stock	51,118	57,450
	86,571	83,863
GROSS PROFIT	68,362	76,566

27. COMMITMENTS

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 totalled \$431,008 (2016: \$353,069) as per note 17. 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 \$448,484 (2016: \$395,391), as per Note 13. These funds are held on behalf of external parties and do not represent funds controlled by the Trust.



Tasmanian Audit Office

Independent Auditor's Report

To the Members of Parliament

National Trust of Australia (Tasmania)

Report on the Audit of the Financial Report

Qualified Opinion

I have audited the financial report of the National Trust of Australia (Tasmania) (the Trust), which comprises the statement of financial position as at 30 June 2017 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of compliance by the directors.

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

- (a) presents fairly, in all material respects, the financial position of the Trust as at 30 June 2017 and of its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *National Trust Act 2006* and Australian Accounting Standards.

Basis for Qualified Opinion

The Trust possesses certain heritage collections referred to in Note 1(l) 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*.

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

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised.

...1 of 3

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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

Responsibilities of Management and Directors for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *National Trust Act 2006* and for such internal control as they 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, management is 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 Trust is to be dissolved by an Act of Parliament, or management intend to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 management.

...2 of 3

- Conclude on the appropriateness of 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my 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.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ric De Santi
Deputy Auditor-General
Delegate of the Auditor-General

Tasmanian Audit Office

28 September 2017
Hobart

2016 - 2017 Financial Overview

Throughout the 2016 – 17 financial year the Trust has continued to manage its finances using the accounting software program Xero. This has continued to provide transparency to the Trust Board members and assist with real time reporting. Regular reporting to the Board around performance against budget is key to maintaining the Trusts focus on financial management of Trust assets, grants, donations and other revenue streams of the Trust.

Key financial highlights this year

A donation of land at Lenah Valley was received in the 2017 financial year and has been brought to account at a market value of \$209,000. This property is situated just outside the Hobart CBD.

Funds held in trust for external appeals (restoration funds) were reviewed during the 2017 financial year. External parties were contacted regarding their balances and were either returned to them or extinguished. This resulted in 7 accounts being closed during the year. The Trust holds cash in a separate bank account to cover these external appeals. At the 30 June 2017 these funds were greater than known Trust obligations.

Throughout the year the Trust has been actively managing and reducing the annual leave provisions. This has been achieved by ensuring that staff members take leave during the year and in some circumstances having portions of their leave paid out. As a result, the provision for annual leave has been reduced by approximately \$20,000 over the course of the year.

The provision for long service leave has risen slightly due to further employees reaching 7 years of employment and therefore being recognised as potentially eligible for long service leave.

Reserves have been applied during the year to help fund the operations and various projects of the Trust.

Ruddicks Chartered Accountants have provided ongoing support throughout the 2017 financial year. As a result of the successful implementation of the financial system, Xero, the Trust has seen a significant increase in independence from external providers for bookkeeping and monthly reporting.

Janine Healey
Ruddicks Chartered Accountants



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CONVICT PENITENTIARY
| FRANKLIN HOUSE |
HOME HILL | OAK LODGE
| THE OLD UMBRELLA
SHOP | PENGHANA | MT
LYELL MINE MANAGERS
OFFICE | LATROBE
COURT HOUSE MUSEUM
| THE AUSTRALIAN FLY
FISHING MUSEUM | THE
TASMANIAN HERITAGE
FESTIVAL | HERITAGE
ADVOCACY | HERITAGE
TOURISM | HERITAGE
CONSERVATION
APPEALS PROGRAM |
EDUCATION PROGRAMS
| VENUE HIRE | MEMBER
PROGRAMS | HERITAGE
VOLUNTEERING**