

# **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 \$
<b>INCOME</b>			
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
		1,144,676	2,869,012
<b>LESS EXPENDITURE</b>			
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
		1,130,518	1,518,466
<b>NET OPERATING SURPLUS (DEFICIT)</b>		14,158	1,350,546
<b>Other comprehensive income:</b>			
Revaluation of properties	14	-	28,700
<b>TOTAL COMPREHENSIVE RESULT</b>		14,158	1,379,246

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 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
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
<b>TOTAL CURRENT ASSETS</b>		<u>1,233,398</u>	<u>1,448,187</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	10,427,257	10,148,401
<b>TOTAL NON-CURRENT ASSETS</b>		<u>10,427,257</u>	<u>10,148,401</u>
<b>TOTAL ASSETS</b>		<u><u>11,660,655</u></u>	<u><u>11,596,588</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	113,314	165,474
Borrowings	16	192,173	150,617
Provisions	17	555,927	477,168
<b>TOTAL CURRENT LIABILITIES</b>		<u>861,414</u>	<u>793,259</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	16	100,000	100,000
Provisions	17	-	18,246
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>100,000</u>	<u>118,246</u>
<b>TOTAL LIABILITIES</b>		<u>961,414</u>	<u>911,505</u>
<b>NET ASSETS</b>		<u><u>10,699,241</u></u>	<u><u>10,685,083</u></u>
<b>EQUITY</b>			
Reserves	18	3,000,217	3,189,730
Retained earnings		7,699,024	7,495,353
<b>TOTAL EQUITY</b>		<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 \$
<b>Balance at 1 July 2015</b>		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	-
<b>Balance at 30 June 2016</b>		<u>7,495,353</u>	<u>2,166,938</u>	<u>1,022,792</u>	<u>10,685,083</u>
<b>Balance at 1 July 2016</b>		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)	-
<b>Balance at 30 June 2017</b>		<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 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
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)
<b>Net cash from/(used in) operating activities</b>	<b>24</b>	<b>(148,126)</b>	<b>902,188</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
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		-	-
<b>Net cash from/(used in) investing activities</b>		<b>(154,430)</b>	<b>(5,088)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Inflows:			
Borrowings received		-	-
Outflows:			
Repayment of borrowings		-	-
<b>Net cash from/(used in) financing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash held		(302,555)	897,100
Cash at the beginning of the financial year		813,693	(83,407)
<b>Cash at the end of the financial year</b>	<b>24</b>	<b>511,138</b>	<b>813,693</b>

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)**  
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**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.

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

**(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:

**NATIONAL TRUST OF AUSTRALIA (TASMANIA)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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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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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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

**(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.

**NATIONAL TRUST OF AUSTRALIA (TASMANIA)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
<b>2. Commonwealth Government:</b>		
NTPP other projects	50,000	45,000
NTPP heritage festival	20,000	22,000
	<u>70,000</u>	<u>67,000</u>
<b>3. Other revenue:</b>		
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>
<b>4. Grants received:</b>		
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>
<b>5. Grants expended:</b>		
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>
<b>6. Auditors' remuneration:</b>		
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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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
<b>7. Commonwealth Government Grants Expensed:</b>		
NTPP other projects	45,943	42,318
NTPP heritage festival	9,968	16,217
	<u>55,911</u>	<u>58,535</u>
<b>8. Employees expenses:</b>		
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>
<b>9. Other expenses:</b>		
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>



**NATIONAL TRUST OF AUSTRALIA (TASMANIA)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
<b>10. CASH AND CASH EQUIVALENTS</b>		
Cash at bank	<u>703,310</u>	<u>964,310</u>
<b>11. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade receivables	<u>30,486</u>	<u>31,036</u>
<b>12. INVENTORIES</b>		
<b>CURRENT</b>		
<b>At cost:</b>		
Stock on hand	<u>51,118</u>	<u>57,450</u>
<b>13. OTHER ASSETS</b>		
<b>CURRENT</b>		
Restoration account	<u>448,484</u>	<u>395,391</u>
<b>14. PROPERTY, PLANT AND EQUIPMENT</b>		
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>
<b>Total property, plant and equipment</b>	<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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**FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
<b>15. TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
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>
<b>16. BORROWINGS</b>		
<b>CURRENT</b>		
Bank overdraft - secured	<u>192,173</u>	<u>150,617</u>
<b>NON-CURRENT</b>		
Loan - Tasmanian Trustees Limited	<u>100,000</u>	<u>100,000</u>
<b>Total borrowings</b>	<u>292,173</u>	<u>250,617</u>
<p>(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.</p> <p>(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.</p>		
<b>17. PROVISIONS</b>		
<b>CURRENT</b>		
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>
<b>NON-CURRENT</b>		
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 \$
<b>18. RESERVES</b>		
<b>Analysis of Each Class of Reserve:</b>		
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 <sup>4</sup>	Total
	Salary <sup>1</sup> \$	Vehicles <sup>2</sup> \$	Super-annuation <sup>3</sup> \$	Non-monetary Benefits \$	
	100,000	4,757	9,500	5,673	119,930
<b>Total</b>	<b>100,000</b>	<b>4,757</b>	<b>9,500</b>	<b>5,673</b>	<b>119,930</b>

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
<u>703,310</u>	<u>964,310</u>

**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 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.

**(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.)**

*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

Fair Values	30-Jun-17		30-Jun-16	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
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
	<b>1,182,363</b>	<b>1,182,363</b>	<b>1,390,737</b>	<b>1,390,737</b>
<b>Financial liabilities</b>				
Payables	113,314	113,314	165,474	165,474
Interest bearing liabilities	292,173	292,173	250,617	250,617
	<b>405,487</b>	<b>405,487</b>	<b>416,091</b>	<b>416,091</b>
<b>Net financial assets / (liabilities)</b>	<b>776,876</b>	<b>776,876</b>	<b>974,646</b>	<b>974,646</b>

**Carrying amounts classified as:**

	30-Jun 2017	30-Jun 2016
<b>Financial assets</b>		
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
	<b>1,182,363</b>	<b>1,390,737</b>
<b>Financial liabilities</b>		
At cost	405,487	416,091
	<b>405,487</b>	<b>416,091</b>
<b>Net financial assets / (liabilities)</b>	<b>776,876</b>	<b>974,646</b>

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*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
<b>30 June 2017</b>						
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>
<b>30 June 2016</b>						
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"> <li>- Auction prices of similar items</li> <li>- Formal &amp; Informal appraisals performed by antique dealers</li> </ul>	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"> <li>- Auction prices of similar items</li> <li>- Formal &amp; Informal appraisals performed by antique dealers</li> </ul>	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.

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**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:

<b>Reconciliation of cash</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash assets	703,310	964,310
Bank overdraft	(192,173)	(150,617)
	<b>511,137</b>	<b>813,693</b>
 <b>Reconciliation of net cash from operating activities</b>		
Surplus / (deficit) for the period	14,158	1,350,546
<b>Add/ (less) non-cash items:</b>		
Depreciation	74,121	71,453
(Profit)/loss on disposal of fixed assets	10,453	-
Net property transfers	(209,000)	(519,126)
<b>Changes in assets and liabilities:</b>		
(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)
	<b>(148,126)</b>	<b>902,188</b>

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	2017 \$	2016 \$
<b>25. MOVEMENTS IN CARRYING AMOUNTS</b>		
<b>Land &amp; buildings:</b>		
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		
<b>Plant and equipment:</b>		
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>
<b>Heritage collections:</b>		
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>

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	2017	2016
	\$	\$
<b>26. GROSS PROFIT FROM TRADING</b>		
<b>SALES</b>		
Sales	154,933	160,429
<b>LESS COST OF GOODS SOLD</b>		
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
<b>GROSS PROFIT</b>	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.