

NATIONAL TRUST OF SOUTH AUSTRALIA
ABN 45 432 652 725

INCOME & EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
	Note	
REVENUE		
Income from Properties	723,314	784,065
Membership	1.13 98,187	147,765
Grant Revenue - State Office	1.2 166,586	78,287
Grant Revenue - Branches	1.2 125,642	140,025
Government Grants - Stimulus Grants	-	238,807
Donations and Fundraising	330,093	238,124
Investment Income	1.4 170,917	205,846
Sales	354,788	401,801
Unrealised Gain on Investments	-	13,809
Gain on Sale	-	63,596
Other Income - State Office	18,928	22,223
Other Income - Branches	34,314	6,505
	<u>2,022,769</u>	<u>2,340,853</u>
EXPENSES		
Repairs and Maintenance	1.3 248,553	287,536
Depreciation - State Office	1.6 47,413	52,673
Depreciation - Branches	1.6 84,246	79,551
Advertising	30,322	36,095
Audit Fees	33,455	64,683
Cleaning	31,565	23,723
Computer Expenses	18,763	9,625
Consultants/Contractors - State Office	23,947	19,777
Consultants/Contractors - Branches	18,968	59,949
Cost of Sales - State Office	3,006	1,546
Cost of Sales - Branches	208,908	222,673
Finance Costs	-	2,466
Fundraising	30,408	18,777
Grant Expenditure - State Office	1.2 94,355	30,410
Grant Expenditure - Branches	1.2 125,642	114,112
Grant Expenditure - Stimulus Package	-	242,753
Insurance	100,638	107,162
Light & Power	54,249	51,174
Legal Fees	5,352	2,593
Magazine Production	8,215	44,774
Printing, Postage & Stationery	55,575	74,718
Water Rates & Taxes	50,665	41,319
Rent	25,582	17,798
Salaries & Employee Costs - State Office	532,558	454,685
Salaries & Employee Costs - Branches	159,466	116,928
Special Events - State Office	6,015	6,287
Special Events - Branches	17,196	31,831
Telephone	34,615	28,244
Tours Branches	2,298	10,012
Loss on Investments	26,325	5,448
Other Expenses - State Office	116,833	119,316
Other Expenses - Branches	125,664	89,321
	<u>2,320,797</u>	<u>2,467,959</u>
PROFIT/(LOSS)	<u>(298,028)</u>	<u>(127,106)</u>

The accompanying notes form part of these financial statements

NATIONAL TRUST OF SOUTH AUSTRALIA
ABN 45 432 652 725

BALANCE SHEET AS AT 30 JUNE 2012

	2012	2011
	\$	\$
Current Assets		
Cash	8(b) 1,178,988	1,531,109
Receivables	23,597	88,182
Financial Assets	2.1 1,873,579	2,314,179
Inventories	1.5 143,962	154,211
Other	77,896	72,954
Total Current Assets	<u>3,298,022</u>	<u>4,160,635</u>
Non-Current Assets		
Property, Plant and Equipment	3 7,516,420	7,606,214
Financial Assets	2.2 523,013	501,046
Total Non-Current Assets	<u>8,039,433</u>	<u>8,107,260</u>
Total Assets	<u>11,337,455</u>	<u>12,267,895</u>
Current Liabilities		
Creditors and Borrowings	4 706,998	1,267,209
Provisions	5 36,449	25,263
Other Liabilities	6 -	66,493
Total Current Liabilities	<u>743,447</u>	<u>1,358,963</u>
Non-Current Liabilities		
Branch External Loans	16,039	16,039
Total Non-Current Liabilities	<u>16,039</u>	<u>16,039</u>
Total Liabilities	<u>759,486</u>	<u>1,375,002</u>
Net Assets	<u>10,577,969</u>	<u>10,892,893</u>
Accumulated Funds		
Endowments	7 1,136,140	1,164,124
Reserves	8 3,153,269	3,168,508
Retained Earnings	6,288,558	6,560,261
Total Accumulated Funds	<u>10,577,969</u>	<u>10,892,893</u>

The accompanying notes form part of these financial statements

NATIONAL TRUST OF SOUTH AUSTRALIA
ABN 45 432 652 725

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Endowments	Retained Earnings	Reserves
	\$	\$	\$
Balance at 30 June 2010	1,107,643	6,745,986	3,160,150
Transfers to/from Accumulated Funds			
Transfers (to)/from Endowments	61,348	(61,348)	-
Transfers (to)/from Reserves	-	11,090	8,358
New Endowments	18,832	-	-
Capital Expended and Applied	(23,699)	(8,361)	-
Profit / (Loss) from Ordinary Activities	-	(127,106)	-
Sub-total	<u>56,481</u>	<u>(185,725)</u>	<u>8,358</u>
Balance at 30 June 2011	<u>1,164,124</u>	<u>6,560,261</u>	<u>3,168,508</u>
Transfers to/from Accumulated Funds			
Transfers (to)/from Endowments	-	-	-
Transfers (to)/from Reserves	-	-	(15,240)
New Endowments	3,918	-	-
Capital Expended and Applied	(31,902)	26,324	-
Profit / (Loss) from Ordinary Activities	-	(298,028)	-
Sub-total	<u>(27,983)</u>	<u>(271,704)</u>	<u>(15,240)</u>
Balance at 30 June 2012	<u>1,136,140</u>	<u>6,288,558</u>	<u>3,153,269</u>

CASHFLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers, tenants and supporters	1,617,448	1,645,414
Payments to suppliers and employees	(2,655,989)	(2,263,364)
Government grants received	148,872	376,965
Net cash provided by (used in) operating activities	9(a) <u>(889,669)</u>	<u>(240,985)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	177,679	231,693
Payment for property, plant and equipment	(41,865)	(136,707)
New Endowments	3,918	18,832
Capital expended	(20,816)	(12,612)
Proceeds from investments	440,600	628,497
Payment for investments	(21,967)	(33,286)
Net cash provided by (used in) investing activities	<u>537,549</u>	<u>696,417</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(26,341)
Net cash provided by (used in) financing activities	<u>0</u>	<u>(26,341)</u>
Net increase in cash held	<u>(352,120)</u>	<u>429,091</u>
Cash at beginning of year	<u>1,531,109</u>	<u>1,102,018</u>
Cash at end of year	9(b) <u>1,178,991</u>	<u>1,531,109</u>

NATIONAL TRUST OF SOUTH AUSTRALIA
ABN 45 432 652 725

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

The financial report is a special purpose financial report prepared to satisfy the rules of The National Trust of South Australia. The council of The National Trust of South Australia have determined that the Trust is not a reporting entity. The National Trust of South Australia is a body corporate constituted by the National Trust of South Australia Act 1955 and domiciled in South Australia. The financial report is presented in Australian currency.

Basis of Preparation

The report has been prepared in accordance with the requirements of the Council of The National Trust of South Australia and the following Australian Accounting Standards :

AASB 110: Events after the Balance Sheet Date
AASB 1031: Materiality.

No other Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

1.2 Grants

Government Grants received on a regular basis are taken up as revenue in the year in which they are payable by the government department as they contribute to the general operations of the Trust .

Specific Grants for the Branches and Adelaide Office are received for special projects. When the funds have been received they have been included as Revenue. Project expenditure has been charged to Expenditure in the Financial Reports. Grants unexpended at the end of the year have been included in the Liabilities of the Trust for the current year. Surpluses, upon completion, are returned to the grantor if required. Any surplus which the Trust is entitled to retain is taken to the Income Statement.

1.3 Repairs and Maintenance/Capital Improvements

Expenditure on properties, collections and plant and equipment associated with normal wear and tear is treated as an expense in the appropriate section of the Income Statement.

Where the expenditure is of a capital nature over \$1,000.00 or relates to improving a property it is added to the cost of the asset in the Trust's Balance Sheet.

1.4 Financial Assets

Short-term investments are held for resale and all investments are stated at market value.

Current investments are held in interest-bearing products with financial institutions.

Non-current investments are held in listed Australian shares.

1.5 Inventories

Inventories are valued at the lower of cost and net realisable value.

1.6 Property, Plant and Equipment

Land, buildings and collections purchased by the Trust are recorded at cost. Items donated to The Trust prior to 1994 are held at nil value, except Collections at Ayers House, Colingrove and Beaumont House. Any significant donations from 1994 onwards are held at valuation, at the date of donation.

Historic buildings, investment properties and collections are not depreciated. Other buildings are depreciated at rates of 2.5% - 5% per annum over their estimated useful lives using the straight line method of depreciation from the date of acquisition.

Expenditure associated with normal wear and tear on properties is expensed to the Income Statement.

Where the expenditure relates to an improvement it is added to the cost of the asset in the Balance Sheet.

Significant capital works of a general nature are capitalised and depreciated over their estimated useful life using the straight line method of depreciation from the date the work is performed. Items of plant and equipment and furniture and fittings are depreciated at rates of 20% - 25% over their estimated useful lives. The straight line method of depreciation is used. Assets are depreciated from the date of acquisition.

NATIONAL TRUST OF SOUTH AUSTRALIA
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

1.7 Employee Entitlements

Provision is made for long service and annual leave estimated to be payable to employees on the basis of statutory and contractual requirements.

1.8 Taxation

The Trust is exempt from the payment of Income Tax under Section 50-10 of the Income Tax Assessment Act (1997).

1.9 Endowments

Endowments - specific reserves are established for individual endowments to The National Trust of South Australia and to acknowledge the support of the Trust by its benefactors.
Amounts applied for fund purposes are amounts used to assist the objectives for which the endowment was established. Realised and unrealised gains/losses in share investments are transferred to the Endowments.

1.10 Donations Revaluation Reserve

In July 2002, The Trust obtained an independent valuation of the collections at Ayers House, Collingrove and Beaumont House. The value of the donated collections has been recognised by creation of the Donations Revaluation Reserve.

1.11 Heritage Funds Reserve

Reserve used for Trust projects and operations. Prior to 2011-2012 realised and unrealised gains/losses were transferred to this reserve.

1.12 Remuneration of Auditors

Amounts paid or payable to Pitcher Partners for:

	2012	2011
	\$	\$
Auditing the annual accounts	22,000	20,000
Other Services (Audit of Stimulus Projects)	-	20,000
	<u>22,000</u>	<u>40,000</u>

1.13 Membership Income

Membership Fees are recognised as income in the year they are received and not pro-rated in the subsequent year.

1.14 Going Concern

The financial report has been prepared on a going concern basis, which contemplated continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The entity has been incurring operational losses over the last few years as a result of a reduction in funding previously received from the government. This has resulting in cash flow difficulties being faced by the entity. The entity was able to realise a number of its operationally non critical assets that have helped to ease the cash flow pressure of the entity over the prior and current financial periods.

While the entity does hold operationally non critical assets that is considered to be sufficient to see the entity continues as a going concern during the current to medium term, the entity will not be able to sustain this strategy over the medium to long term given the current level of operations and funding.

The Council are currently in the process of exploring avenues for increasing its operational funding and is restructuring its current operations to be able to curtail its expenditure.

The Councillors are confident, based on ongoing efforts to increase operational funding, that the entity will be able to generate sufficient operational funding to ensure its continued viability. Given this the Councillors consider the going concern basis of preparation of these financial statements is appropriate.

NATIONAL TRUST OF SOUTH AUSTRALIA
ABN 45 432 652 726

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
Note	\$	\$
2. FINANCIAL ASSETS		
2.1 Current		
Branch Investments	1,223,253	1,318,354
Bank SA	<u>650,323</u>	<u>995,825</u>
	<u>1,873,579</u>	<u>2,314,179</u>
2.2 Non-current		
Shares in listed companies	1.4 <u>523,013</u>	<u>501,048</u>
	<u>523,013</u>	<u>501,048</u>
TOTAL FINANCIAL ASSETS		
	<u>2,396,592</u>	<u>2,815,227</u>
2.3 Movements in Shares in listed companies		
Opening balance - at fair value	501,048	463,919
Purchases	53,720	31,333
Sales	(30,417)	(8,013)
Revaluation increment/(decrement)	<u>(1,339)</u>	<u>13,809</u>
Closing balance	<u>523,012</u>	<u>501,048</u>

	2012	2011
Note	\$	\$
3. PROPERTY, PLANT AND EQUIPMENT		
Freehold Land and Buildings - at Cost	1.6 4,222,714	4,222,711
Accumulated Depreciation	<u>(236,508)</u>	<u>(218,369)</u>
	<u>3,986,206</u>	<u>4,004,343</u>
Capital Works - at Cost	1.6 1,160,168	1,134,814
Accumulated Depreciation	<u>(407,207)</u>	<u>(369,038)</u>
	<u>752,961</u>	<u>765,776</u>
Plant & Equipment - at Cost	1.6 525,027	514,882
Accumulated Depreciation	<u>(338,501)</u>	<u>(289,069)</u>
	<u>186,526</u>	<u>225,813</u>
Furniture and Fittings - at Cost	1.6 891,552	891,552
Accumulated Depreciation	<u>(833,927)</u>	<u>(808,008)</u>
	<u>57,625</u>	<u>83,544</u>
Collections - at Valuation	1.10 <u>2,533,102</u>	<u>2,526,738</u>
	<u>2,533,102</u>	<u>2,526,738</u>
TOTAL	<u>7,516,420</u>	<u>7,606,214</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

4. CURRENT CREDITORS AND BORROWINGS

Trade Creditors	27,291	24,444
Sundry Creditors	(35,752)	(32,234)
Appeals-Cash held on behalf of third parties	537,801	973,310
Grants not fully expended - Adelaide	1.2 50,361	92,464
Grants not fully expended - Branches	1.2 66,240	101,000
Sponsorship not fully expended	22,079	69,711
Accruals	38,978	38,514
	<u>706,998</u>	<u>1,267,209</u>

5. PROVISIONS

Employee entitlements – Annual Leave	1.7 36,449	25,263
	<u>36,449</u>	<u>25,263</u>

6. OTHER LIABILITIES

Revenue received in advance - Beaumont House Future Funds	-	66,493
	<u>-</u>	<u>66,493</u>

7. ENDOWMENTS

7.1 Endowments comprise:

(a) Beaumont House	77,626	79,423
(b) Brinkworth Reserve	42,288	47,064
(c) Caudle	301,006	307,858
(d) Engelbrook	5,409	5,534
(e) Freebairn	139,991	143,234
(f) Ramco	43,575	44,585
(g) Roachdale	278,464	285,933
(h) Stangate	912	919
(i) Victor Harbor	10,359	10,600
(j) Watiparinga	80,786	81,139
(k) Dorothy Loffler	15,574	14,741
(l) Five Finches Futures Fund	10,565	10,505
(m) Glenda Loechel Bequest	77,389	79,182
(n) Kenneth Maguire Bequest	52,195	53,405
	<u>1,136,140</u>	<u>1,164,124</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
Note	\$	\$
7.2 Movement in endowments		
(a) Endowments - Beaumont House		
Balance at beginning of financial year	79,423	76,442
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(1,797)	4,272
New or transferred endowments	-	-
Capital expended	-	-
Applied for Fund Purposes	-	(1,291)
1.9	<u>77,626</u>	<u>79,423</u>
(b) Endowments - Brinkworth Reserve		
Balance at beginning of financial year	47,064	48,651
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(980)	2,719
New or transferred endowments	-	-
Capital expended	(3,796)	(3,485)
Applied for Fund Purposes	-	(822)
1.9	<u>42,288</u>	<u>47,064</u>
(c) Endowments - Caudle		
Balance at beginning of financial year	307,858	296,302
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(6,974)	16,560
New or transferred endowments	122	-
Capital expended	-	-
Applied for Fund Purposes	-	(5,005)
1.9	<u>301,006</u>	<u>307,858</u>
(d) Endowments - Engelbrook		
Balance at beginning of financial year	5,534	5,326
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(124)	298
New or transferred endowments	-	-
Capital expended	-	-
Applied for Fund Purposes	-	(90)
1.9	<u>5,409</u>	<u>5,534</u>
(e) Endowments - Freebairn		
Balance at beginning of financial year	143,234	137,858
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(3,244)	7,705
New or transferred endowments	-	-
Capital expended	-	-
Applied for Fund Purposes	-	(2,328)
1.9	<u>139,991</u>	<u>143,234</u>
(f) Endowments - Ramco		
Balance at beginning of financial year	44,585	42,911
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(1,010)	2,398
New or transferred endowments	-	-
Capital expended	-	-
Applied for Fund Purposes	-	(725)
1.9	<u>43,575</u>	<u>44,585</u>
(g) Endowments - Roachdale		
Balance at beginning of financial year	285,933	275,200
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(6,453)	15,381
New or transferred endowments	-	-
Capital expended	(1,016)	-
Applied for Fund Purposes	-	(4,648)
1.9	<u>278,464</u>	<u>285,933</u>

NATIONAL TRUST OF SOUTH AUSTRALIA
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
Note	\$	\$
(h) Endowments - Stangate		
Balance at beginning of financial year	919	869
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(22)	49
New or transferred endowments	15	16
Capital expended	-	-
Applied for Fund Purposes	-	(15)
1.9	<u>912</u>	<u>919</u>
(i) Endowments - Victor Harbor		
Balance at beginning of financial year	10,600	10,202
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(241)	570
New or transferred endowments	-	-
Capital expended	-	-
Applied for Fund Purposes	-	(172)
1.9	<u>10,359</u>	<u>10,600</u>
(j) Endowments - Watiparinga		
Balance at beginning of financial year	81,139	63,198
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(1,872)	3,532
New or transferred endowments	2,282	17,154
Capital expended	(764)	(1,678)
Applied for Fund Purposes	-	(1,067)
1.9	<u>80,786</u>	<u>81,139</u>
(k) Endowments - Dorothy Loffler		
Balance at beginning of financial year	14,741	13,089
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(361)	732
New or transferred endowments	1,194	1,141
Capital expended	-	-
Applied for Fund Purposes	-	(221)
1.9	<u>15,574</u>	<u>14,741</u>
(l) Endowments - Five Finches Fund		
Balance at beginning of financial year	10,505	9,985
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(245)	-
New or transferred endowments	305	520
Capital expended	-	-
Applied for Fund Purposes	-	-
1.9	<u>10,565</u>	<u>10,505</u>
(m) Endowments - Glenda Loechel Bequest		
Balance at beginning of financial year	79,182	76,210
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(1,793)	4,259
New or transferred endowments	-	-
Capital expended	-	-
Applied for Fund Purposes	-	(1,287)
1.9	<u>77,389</u>	<u>79,182</u>
(n) Endowments - Kenneth Maguire Bequest		
Balance at beginning of financial year	53,405	51,400
Transfer from (to) General Funds	-	-
(Decrease)/Increase in capital value	(1,209)	2,873
New or transferred endowments	-	-
Capital expended	-	-
Applied for Fund Purposes	-	(868)
1.9	<u>52,195</u>	<u>53,405</u>
TOTAL	<u><u>1,136,140</u></u>	<u><u>1,164,124</u></u>

NATIONAL TRUST OF SOUTH AUSTRALIA
ABN 45 432 652 725

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

8. RESERVES	Note	2,012	2011
8.1 Reserves comprise:		\$	\$
Heritage Fund Reserve	1.11	567,689	577,689
Asset Disposal Reserve - Baker Reserve		21,169	21,169
Asset Disposal Reserve - Melrose Hotel		25,555	25,555
Asset Disposal Reserve - Mundulla Hotel		50,223	50,223
Asset Disposal Reserve - Tumby Bay Church		0	5,240
Asset Disposal Reserve - East Moonta		11,988	11,988
Donations Revaluation Reserve	1.10	<u>2,476,645</u>	<u>2,476,645</u>
		<u>3,153,269</u>	<u>3,168,508</u>
8.2 Movement in Reserves			
Balance at Beginning of Financial Year		3,168,508	3,160,150
Transfers (to)/from Reserves		(15,240)	8,358
Capital Expended		-	-
Balance at End of Financial Year		<u>3,153,269</u>	<u>3,168,508</u>

NOTE 9: CASH FLOW INFORMATION

9(a): Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

Profit from ordinary activities after income tax		(298,028)	(127,106)
Non-cash flows in profit from ordinary activities			
Depreciation		131,659	132,224
Investment income received		(170,917)	(205,846)
Devaluation of investments		-	-
Loss on Investments		26,325	5,448
Revaluation of investments		-	(13,809)
Decrease/(Increase) in receivables		57,823	(23,378)
Decrease/(Increase) in inventories		10,249	(68,197)
Increase/(Decrease) in payables		(657,966)	57,627
Increase/(Decrease) in provisions		11,186	2,051
Cash Flows from Operations	9(a)	<u>(889,669)</u>	<u>(240,985)</u>
9(b): Cash Assets			
Cash on hand		200	200
Cash at bank		<u>1,178,791</u>	<u>1,530,909</u>
		<u>1,178,991</u>	<u>1,531,109</u>

Financial Statements

The accompanying financial statements of the National Trust of South Australia being the consolidated accounts are, in our opinion, properly drawn up so as to give a true and fair view of the state of affairs of the Trust as at 30 June 2012 and of its result for the year then ended.

Councillors

The governing body of The National Trust of South Australia as at the date of signing are: Mr David Beaumont (President), Mrs Carlsa Carter (Vice-President), Mr Marcus Beresford, Mr Norman Etherington, Mr Michael Loffler, Mr Brian McMillan, Ms Deborah Morgan, Mr Darryl Morley, Mr Neil Nicholson, Mr Chris Perriam, Mrs Sue Scheiffers, Mr John Stafford, Mr Richard Stewart, Mrs Marilyn Tucker, Mrs Robyn Wight.

Dated at Beaumont, this 23rd day of November, 2012

Signed on behalf of the Council



D Beaumont
President



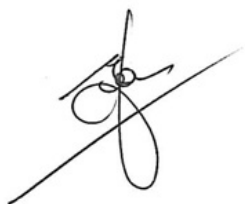
M Tucker
Chairman, Audit, Finance & Governance
Committee

The accompanying financial statement of the National Trust of South Australia, being the consolidation of Head Office and Branches, was compiled from information recorded at 631 Glynburn Road, Beaumont and submitted by Branches at the end of the financial year.

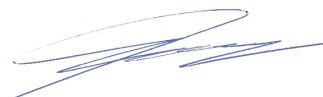
In our opinion this information was properly accounted for and accurately reported to give a true and fair view, and the financial records have been properly maintained.

Dated at Beaumont, this 23rd day of November, 2012.

Signed:



E Heapy
Chief Executive Officer



E Martin
Finance Manager



PITCHER PARTNERS

ACCOUNTANTS AUDITORS & ADVISORS

160 Greenhill Road
Parkside SA 5063
Australia

Postal Address:
PO Box 98
Unley SA 5061
Australia

Tel: 08 8179 2800
Fax: 08 8179 2885
www.pitcher.com.au
enquiries@pitcher-sa.com.au

PRINCIPALS

JEFFREY D ALLEN
THOMAS H VERCO
MICHAEL J LANE
RICHARD D BROOKS
MICHAEL O BASEDOW
BEN V BRAZIER
ANDREW P FAULKNER
ANDREW C BEITZ

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL TRUST OF SOUTH AUSTRALIA ABN 45 432 652 725

We have audited the accompanying financial report, being a special purpose financial report of National Trust of South Australia ('the Trust'), which comprises the balance sheet as at 30 June 2012, the income and expenditure statement, statement of changes in equity and cashflow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Council Members' Responsibility for the Financial Report

The council members of the Trust are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to satisfy the rules of the Trust.

The council members' responsibility also includes such internal control as the council members determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the council members, as well as evaluating the overall presentation of the financial report.

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



Independence

In conducting our audit, we have complied with APES 110 *Code of Ethics for Professional Accountants*.

Basis for Qualified Opinion

1. We were unable to obtain all information and explanations we require in order to form an opinion on the branches listed below for income, expenditure and assets to permit the application of necessary audit procedures due to the non receipt of audited financial statements, completed questionnaires from the respective branch auditor and due to the widespread location of these records. We have therefore been unable to obtain sufficient appropriate audit evidence with regard to the branches listed below;
 - a. Adelaide Inner Suburbs
 - b. Ceduna
 - c. Cleve
 - d. Clare
 - e. Jamestown
 - f. Kingscote KI
 - g. Mt. Gambier
 - h. Renmark
 - i. Pt. Adelaide
 - j. Pt. Elliot
 - k. Pt. Pirie
 - l. Robe
 - m. Berri
 - n. Tatiara

The total income, expenditure and assets of the above branches are \$351,342, 229,992 and 558,190 respectively for the financial year ended 30 June 2012.

2. We were unable to obtain all information and explanations we require in order to form an opinion on the Collections (Antiques) balance included within property, plant and equipment as inadequate records were maintained to permit the application of necessary audit procedures. Collections are carried at \$2,494,402 on the balance sheet as at 30 June 2012 (2011: \$2,494,402).
3. As is common for organisations of this type, it is not practicable for National Trust of South Australia to maintain an effective system of internal control over cash donations, subscriptions and other fundraising activities until their initial entry in the accounting records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether revenue recorded by National Trust of South Australia is complete.

Qualified Opinion

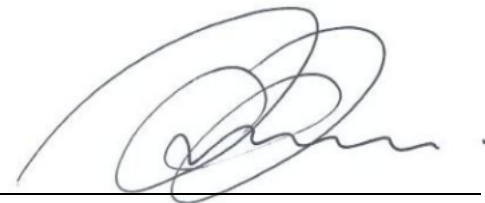
In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* paragraph, the financial report presents fairly, in all material respects, the financial position of National Trust of South Australia as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1.14 Going Concern in the financial report.

Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to satisfy the rules of the Trust. As a result, the financial report may not be suitable for another purpose.



A P FAULKNER

Principal



PITCHER PARTNERS

Adelaide

Dated this 23rd day of November, 2012