



**NATIONAL TRUST OF AUSTRALIA (NSW)  
HERITAGE FOUNDATION TRUST**

ABN 31 297 247 781

**ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

This Financial Report was authorised for issue by the Trustee, National Trust of Australia (NSW) Heritage Foundation Limited, on 11 October 2021.

Directors have the power to amend and re-issue the Financial Report.



## NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION TRUST

### DECLARATION BY DIRECTORS OF TRUSTEE

The directors of the trustee, National Trust of Australia (NSW) Heritage Foundation Limited, declare that, in our opinion:

- (a) there are reasonable grounds to believe that the National Trust of Australia (NSW) Heritage Foundation Trust is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes set out on pages 5 to 12 satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The declaration is made in accordance with a resolution of the directors of the trustee.

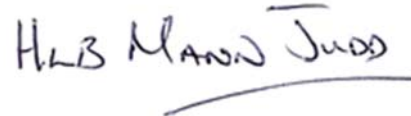
**Robert Elliott**  
Director – National Trust of Australia (NSW)  
Heritage Foundation Limited

**Deborah Mills**  
Director – National Trust of Australia (NSW)  
Heritage Foundation Limited

**Sydney, NSW**  
**11 October 2021**

### **Auditor's Independence Declaration**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, we declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to our audit of The National Trust of Australia (NSW) Heritage Foundation Trust for the year ended 30 June 2021.



**Sydney, NSW**  
**11 October 2021**

**HLB Mann Judd**  
**Chartered Accountants**

## **Independent Auditor's Report to the Members of National Trust of Australia (NSW) Heritage Foundation Trust:**

### **Opinion**

We have audited the financial report of National Trust of Australia (NSW) Heritage Foundation Trust ("the Trust"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Trustees' Declaration.

In our opinion,

- (a) the financial report of the Trust has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (the "ACNC Act")*, including:
  - (i) giving a true and fair view of the Trust's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.
- (b) we have been given all information, explanation and assistance necessary for the conduct of the audit;
- (c) the Trust has kept financial records sufficient to enable a financial report to be prepared and audited; and
- (d) the Trust has kept financial records as required by Part 3.2 of the ACNC Act.

### **Basis for Opinion**

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

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the members, would be in the same terms if given as at the time of this auditor's report.

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

### **Responsibilities of Trustee for the Financial Report**

The Directors of National Trust of Australia (NSW) Heritage Foundation Limited ("the Directors") are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the Trustee determines 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, the Directors are 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 Directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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

**h**lb.com.au****

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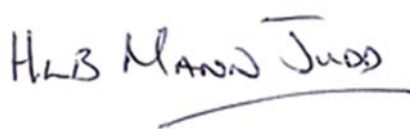
### **Auditor's Responsibilities for the Audit of the Financial Report**

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 the management.
- 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

**HLB Mann Judd  
Chartered Accountants**

**Sydney, NSW  
13 October 2021**

A handwritten signature in blue ink that reads 'S P James'.

**S P James  
Partner**



NATIONAL TRUST OF AUSTRALIA (NSW)  
HERITAGE FOUNDATION TRUST

STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
Investment income	3	1,002,028	1,342,731
Transfer from The National Trust of Australia (New South Wales) Bequest Fund	7(b)	-	8,000,000
<b>Total revenue</b>		<b>1,002,028</b>	<b>9,342,731</b>
Gain / (loss) on revaluation of investments	5	2,954,773	(2,501,078)
<b>Total other income</b>		<b>2,954,773</b>	<b>(2,501,078)</b>
Audit and accounting fees		6,960	6,000
Investment manager fees		101,125	79,777
<b>Total expenses</b>		<b>108,085</b>	<b>85,777</b>
Surplus for the year before distribution		3,848,716	6,755,876
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>3,848,716</b>	<b>6,755,876</b>

This statement should be read in conjunction with the accompanying notes.



**NATIONAL TRUST OF AUSTRALIA (NSW)  
HERITAGE FOUNDATION TRUST**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	Notes	<u>2021</u> \$	<u>2020</u> \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		138,155	13,989
Receivables	4	<u>105,839</u>	<u>117,133</u>
<b>Total current assets</b>		<u><b>243,994</b></u>	<u><b>131,122</b></u>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	5	<u>22,944,033</u>	<u>19,201,229</u>
<b>Total non-current assets</b>		<u><b>22,944,033</b></u>	<u><b>19,201,229</b></u>
<b>Total assets</b>		<u><b>23,188,027</b></u>	<u><b>19,332,351</b></u>
<b>CURRENT LIABILITIES</b>			
Distributions payable	6	1,576,929	861,775
Other payables		<u>12,960</u>	<u>6,000</u>
<b>Total current liabilities</b>		<u><b>1,589,889</b></u>	<u><b>867,775</b></u>
<b>Total liabilities</b>		<u><b>1,589,889</b></u>	<u><b>867,775</b></u>
<b>Net assets</b>		<u><b>21,598,138</b></u>	<u><b>18,464,576</b></u>
Retained surplus		<u>21,598,138</u>	<u>18,464,576</u>
<b>Total accumulated funds</b>		<u><b>21,598,138</b></u>	<u><b>18,464,576</b></u>

This statement should be read in conjunction with the accompanying notes.



**NATIONAL TRUST OF AUSTRALIA (NSW)  
HERITAGE FOUNDATION TRUST**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS  
FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Retained Surplus \$</b>
<b>Total accumulated funds at 30 June 2019</b>	<b>12,965,654</b>
Total comprehensive income for the year ended 30 June 2020	6,755,876
Distribution to The National Trust of Australia (New South Wales)	<u>(1,256,954)</u>
<b>Total accumulated funds at 30 June 2020</b>	<b><u>18,464,576</u></b>
Total comprehensive income for the year ended 30 June 2021	3,848,716
Distribution to The National Trust of Australia (New South Wales)	<u>(715,154)</u>
<b>Total accumulated funds at 30 June 2021</b>	<b><u>21,598,138</u></b>

This statement should be read in conjunction with the accompanying notes.





**NATIONAL TRUST OF AUSTRALIA (NSW)  
HERITAGE FOUNDATION TRUST**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Investment income received		1,012,066	1,331,123
Interest received		1,256	37
Cash payments to suppliers		(101,125)	(102,867)
Distributions paid		-	(729,369)
		<u>912,197</u>	<u>498,924</u>
<b>Cash flows from investing activities</b>			
Transfer from The National Trust of Australia (New South Wales) Bequest Fund	7(b)	-	8,000,000
Acquisition of investments		(788,031)	(9,145,893)
Proceeds from investments		-	654,368
		<u>(788,031)</u>	<u>(491,525)</u>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>			
Cash and cash equivalents at the beginning of the financial year		<u>13,989</u>	<u>6,590</u>
		<u>138,155</u>	<u>13,989</u>

This statement should be read in conjunction with the accompanying notes.



# NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION TRUST

## NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021

### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (“RDR”), and other pronouncements of the Australian Accounting Standards Board (“AASB”) and the *Australian Charities and Non-for-profits Commission Act 2012*.

National Trust of Australia (NSW) Heritage Fund Trust (“the Trust”) is a subsidiary of The National Trust of Australia (New South Wales).

The Trust is a not-for-profit entity for the purpose of preparing the financial statements, and is registered with the Australian Charities and Not-for-profits Commission.

The registered office and principal place of business is at Watson Road, Observatory Hill, Sydney, NSW 2000.

#### *(i) Historical Cost Convention*

These financial statements have been prepared under the historical cost convention, except for financial assets which are measured at fair value.

#### *(ii) Coronavirus (COVID-19) Impact*

The World Health Organisation declared a global pandemic in March 2020 as a result of the COVID-19. The impact of the crisis has had a significant economic impact. The critical accounting estimates and judgements of the Trust have required additional consideration and analysis due to the impact of COVID-19. Given the uncertainty of the extent of the impact of the pandemic, changes to the estimates and outcomes that have been applied in the measurement of the Trust’s assets and liabilities may arise in the future. Other than adjusting events that provide evidence of conditions that existed at the end of the financial year, the impacts of events that arise after the reporting period will be accounted for in future reporting periods.

Comparative information is reclassified where necessary to ensure comparability.

### **(a) Revenue Recognition**

#### *Revenue:*

Interest and distribution income are recognised as it accrues.

#### *Other Revenue:*

Revenue recognition policies for dividends are described in Accounting Policy in note (d).

### **(b) Taxation**

The Trust has been granted exemption from income tax. The Heritage Foundation does not have Deductible Gift Recipient status.

### **(c) Receivables**

Trade debtors and other receivables are carried at amounts due less any allowance for expected credit losses.

### **(d) Financial Assets at Fair Value through Profit or Loss**

Financial assets at fair value through profit or loss are initially recorded at cost, and subsequently carried at market value, with changes in value recorded in profit or loss.

Dividends and distributions are recognised as revenue when the right to receive dividends and distributions is established.



# NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION TRUST

## NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021 (CONTINUED)

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within the payment terms.

### NOTE 2: PURPOSE OF THE TRUST

National Trust of Australia (New South Wales) Heritage Foundation Trust has been established as a Trust that will accumulate funds arising from significant non tax-deductible donations where the donors wish is that the capital be maintained or from the sale of The National Trust of Australia (New South Wales) properties where the Board of The National Trust of Australia (New South Wales) decides that part or all of the proceeds of sale should go into the Trust so that the capital is maintained.

	2021 \$	2020 \$
<b>NOTE 3: INCOME</b>		
Dividend Income	384,235	410,632
Interest Income	1,256	37
Distribution Income	616,537	932,062
	<b>1,002,028</b>	<b>1,342,731</b>

### NOTE 4: RECEIVABLES

#### Current

Other debtors – franking tax credits	102,653	112,819
Other debtors – GST	3,186	4,314
	<b>105,839</b>	<b>117,133</b>

### NOTE 5: OTHER FINANCIAL ASSETS

#### Other financial assets designated as at fair value through profit or loss

Funds under management	<b>22,944,033</b>	<b>19,201,229</b>
Movements:		
<b>Opening balance</b>	19,201,229	13,210,782
Additions to investments	-	8,000,000
Withdrawals from investments	-	(654,368)
Interest, dividend and distribution income reinvested	788,031	1,145,893
Revaluation of investments to market value	2,954,773	(2,501,078)
<b>Closing balance</b>	<b>22,944,033</b>	<b>19,201,229</b>

During financial year 2021 the Trust has transitioned the portfolio of investments to integrate the inclusion of Environmental, Social and Governance (ESG) factors with traditional financial analysis, for investment decision making.



**NATIONAL TRUST OF AUSTRALIA (NSW)  
HERITAGE FOUNDATION TRUST**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2021 (CONTINUED)**

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>NOTE 6: DISTRIBUTIONS PAYABLE</b>		
Total Distribution to The National Trust of Australia (New South Wales)	715,154	1,256,954
Add: Distributions payable from prior year	861,775	334,190
Less: Distributions paid to The National Trust of Australia (New South Wales)	-	(729,369)
<b>Distributions payable</b>	<u><b>1,576,929</b></u>	<u><b>861,775</b></u>

**NOTE 7: RELATED PARTIES**

**(a) Trustee**

The Trustee of the Trust is National Trust (NSW) Heritage Foundation Limited. The directors of the Trustee are as follows:

**Independent Non-Executive Directors**

Robert Elliott, Chair  
William d'Apice

**Directors**

Neil Wykes OAM  
Deborah Mills  
David Pratt

No compensation was received by any Director from the Trust.

**(b) Transfer of funds from related Trusts**

During December 2019 the Trust received \$8,000,000 from a related trust, The National Trust of Australia (New South Wales).

**(c) Distributions to related Trust**

Distributions are paid to The National Trust of Australia (New South Wales) a related trust. For details of the distributions for the financial year refer to Note 6. For details of how distributions are determined refer to Note 8.



## NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION TRUST

### NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021 (CONTINUED)

#### NOTE 8: DISTRIBUTIONS

The Trust Deed provides that:

The Trustee in relation to each Year:

- (a) shall distribute up to 80% of the Income received in that Year (subject to clause (b)(ii)(below)); and
- (b) either:
  - (i) shall accumulate and retain the remainder of the Income (Retained Income) as an addition to the Capital Base if the Capital Base has not been augmented from other sources in that Year by an amount at least equal to the amount of the Retained Income; or
  - (ii) may but is not required to distribute all of part of the Retained Income if the Capital Base has been so augmented.

The Trustee may distribute up to 5% of the Capital Base of the Trust Fund in any Year only if approved by at least 75% in number of all of the directors of the Trustee and 75% in number of all of the directors of The National Trust of Australia (New South Wales).

In the 2020 financial year the Trust met the augmentation threshold and distributed 100% of income. In the 2021 financial year 80% of income was distributed.

#### NOTE 9: SUBSEQUENT EVENTS

There remains significant uncertainty regarding how the COVID-19 pandemic will evolve, including the duration of the pandemic, the severity of the downturn and the speed of economic recovery. In accordance with AASB 110 *Events after the Reporting Date*, the Trust considered whether events since the end of the financial year confirmed conditions existing before the reporting date. The Trust did not identify any subsequent events triggered by COVID-19 related developments, which would require adjustment to the amounts or disclosures in the financial statements. Additionally, no other material non-adjusting subsequent events relating to COVID-19 were identified requiring disclosure in the financial statements. The COVID-19 situation remains fluid and the Trust continues to closely monitor the financial effects.

There have not been any other matter or circumstance that have arisen since the end of the financial year that has significantly affected, or may significantly affect, the Trust.