



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

ABN 44 162 905 106

**ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

This Financial Report was authorised for issue by the Board of Directors on 26 October 2022
Directors have the power to amend and re-issue the Financial Report.



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION LIMITED

DIRECTORS' REPORT

The Directors present their report together with the financial statements for National Trust of Australia (NSW) Heritage Foundation Limited ("the Company" or "Trustee") for the year ended 30 June 2022, and the auditor's report thereon.

The Company acts as Trustee for National Trust of Australia (NSW) Heritage Foundation Trust ("Heritage Foundation Trust") and National Trust of Australia (NSW) Heritage Foundation Ancillary Fund ("Heritage Foundation Ancillary Fund"). The Heritage Foundation Trust and the Heritage Foundation Ancillary Fund are referred to herein as "controlled trusts".

The Company and controlled trusts are controlled entities of The National Trust of Australia (New South Wales) ("the Trust").

Directors

The Directors noted below held office during the whole of the financial year and to the date of this report, unless indicated below. The Board met on 4 occasions during the year and the number of meetings attended by each of the Directors during the financial year was as follows:

	Meetings Held while in Office	Meetings attended
Robert Elliot - Chair	4	3
Bill d'Apice	4	3
Debbie Mills – National Trust of Australia (NSW) Director	4	4
David Pratt - National Trust of Australia (NSW) Director	4	4
Neil Wykes OAM - National Trust of Australia (NSW) Director	4	4

The qualifications, experience and special responsibilities of Directors are set out on page 4.

Vision, Mission, and Values

The Company as Trustee operates solely to financially support the Trust to achieve its Vision and Mission.

The Vision of the Trust is to bring the heritage of New South Wales to life for future generations.

The Mission of the Trust is to:

- Advocate for the conservation of our built, cultural and natural heritage by engaging with the community and government;
- Identify, conserve and protect our built, cultural and natural heritage by example, advice and support; and
- Educate and engage the community by telling our stories in ways that awaken a sense of place and belonging.

The Values of the Trust are to be:

- Independent – operate without fear or favour.
- Trustworthy – uphold the highest standards of ethics, professionalism and governance.
- Inclusive – embrace diversity.
- Inspirational – awaken awareness and galvanise support for our causes.



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION LIMITED

DIRECTORS' REPORT (continued)

Principal Activities

The Trust is a community based statutory body and a charity which works to protect Australia's heritage through advocacy, conservation and education within New South Wales. The Company is an independent charitable organisation. As part of the long-term funding strategy of the Trust, a structure was set up consisting of a trustee company and two trusts. The objective is to preserve capital contributions received from third parties and to preserve part of the proceeds from the sale of Trust properties.

The Company, Heritage Foundation Trust and Heritage Foundation Ancillary Fund became controlled entities of the Trust from 19 March 2013.

The Trustee is responsible for governing the day to day activities of the two subsidiary trusts, with a Board of up to 7 members, a majority of whom must be directors of the Trust. The Chairman of the Trustee is to be independent of the Board of the Trust. The directors of the Trustee are appointed by the Board of the Trust.

The objects of the controlled trusts are to pursue charitable purposes only and to apply the income and property of the controlled trusts however derived:

- (a) Solely to the Trust; or
- (b) Otherwise for the benefit or advancement of the objects of the Trust, if approved by a special resolution of the Trustee.

The individual trust deeds of the Heritage Foundation Trust and the Heritage Foundation Ancillary Fund set out the day to day activities, including the investment activities of the controlled trusts as well as the amount of income and capital the controlled trusts can distribute.

The amount of income that can be distributed each year is as follows:

- (i) The trusts can automatically distribute up to 80% of income to the Trust to be used in day to day activities; and
- (ii) The trusts can distribute the remaining 20% only if the capital base has been augmented by an amount equal to the 20%.

Results

The Company does not receive revenue. The Heritage Foundation Trust reported a loss for accounting purposes of \$257,297 (2021: surplus of \$3,848,716) and the Heritage Foundation Ancillary Fund reported a loss for accounting purposes of \$245,178 (2021: surplus of \$614,201). These results in 2022 include significant unrealised losses on the revaluation of investments (2021: significant unrealised gains). These resulted from significant market

The Heritage Foundation Trust maintains net assets of \$20,133,244 (2021: \$21,598,138) and the Heritage Foundation Ancillary Fund has net assets of \$3,173,105 (2021: \$3,606,880).



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

DIRECTORS' REPORT (continued)

Subsequent Events

In accordance with AASB 110 *Events after the Reporting Date*, the Directors' of the Company have considered whether events since the end of the financial year confirmed conditions existing before the reporting date. The Directors of the Company did not identify any subsequent events, which would require adjustment to the amounts or disclosures in the financial statements.

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

Signed on behalf of the Board by resolution of the Directors.

Mr. Robert Elliott
Director, Chair

Ms. Deborah Mills
Director

26 October 2022



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

**DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL
RESPONSIBILITIES**

30 JUNE 2022

Name	Qualifications	Experience	Special responsibilities
Robert Elliott	FCA, MAICD	Former Chairman of Pavilion Health Australia Pty Ltd., Consultant to Australian and New Zealand corporates in business profitability improvement.	Independent Chair. Member of National Trust Investment subcommittee.
William d'Apice AM	LLB (Sydney University)	Consultant at Sydney law firm Makinson d'Apice Lawyers. Chair Little Company of Mary Advisory Council, Member Finance Council Catholic Archdiocese of Sydney. Former Chairman: Catholic Church Insurances Ltd, Calvary Ministries Ltd and Trustees of Catholic Aged Care Sydney.	Independent Director.
Neil Wykes OAM	B Com, FCA, AGIA, ACIS	Directorship of the Australian Council of National Trusts. Director / Former Chair Macular Disease Foundation Australia. Former Treasurer, Variety - the Children's Charity Australia (2012 – 2022). Former Director and Worldwide Treasurer, Variety -the Children's Charity International (2011 – 2021). Treasurer Esse Quam Videri Foundation (Dubbo High School). Retired partner of international accounting firm Ernst & Young. Former member of Australian Charities and Not-for-profit Commission User Group (2014 – 2021).	National Trust of Australia (NSW) President. Member of the following National Trust committees: <ul style="list-style-type: none"> • Finance Audit and Risk Committee. • Conservation Task Force. • Property Committee. • Butler Bequest Committee. • Chair of Trust Awards Committee. Ex officio member of all other Committees.
Deborah Mills	B Com, CA	Former CEO, Foundation and Friends of the Botanic Gardens. Former National Manager at Caltex Australia responsible for Risk Management and major Climate Change Project. Former Director, PricewaterhouseCoopers. Former Board member, Sydney Dogs and Cats Home.	National Trust of Australia (NSW) Executive Director. Member of the following National Trust committees: <ul style="list-style-type: none"> • Finance Audit and Risk Committee. • Investment subcommittee. • Collection Committee. Ex officio Member on all Trust Committees.



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

**DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL
RESPONSIBILITIES**

30 JUNE 2022

Name	Qualifications	Experience	Special responsibilities
David Pratt	BEC (Syd), MEd (Macq), FCA	Current Board member and Treasurer of Australasian Pioneers' Club. Retired partner of international accounting firm PricewaterhouseCoopers. Former Board member and Treasurer of Arthritis Foundation of NSW (now Arthritis NSW).	National Trust of Australia (NSW) Treasurer. Chair of National Trust Finance, Audit and Risk Management Committee and Investment subcommittee.



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

**DECLARATION BY THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2022**

In the opinion of the directors of National Trust of Australia (NSW) Heritage Foundation Limited (“the Company”):

- (a) the financial statements and notes set out on pages 8 to 13 present fairly the financial position of the Company as at 30 June 2022 and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards – Simplified Disclosures; and
- (b) there are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable.

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

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

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

**Sydney, NSW
26 October 2022**

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

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of National Trust of Australia (NSW) Heritage Foundation Limited ("the Company"), which comprises the statement of financial position as at 30 June 2022, 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 Directors' Declaration.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Company as at 30 June 2022, and its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards – Simplified Disclosures.

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

Information Other than the Financial Report and Auditor's Report Thereon

Directors are responsible for the other information. The other information comprises the information included in the Directors' Qualifications, Experience and Special Responsibilities for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

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6

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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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 Company'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 Company 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.



**HLB Mann Judd
Chartered Accountants**

**Sydney, NSW
26 October 2022**



**S P James
Partner**



NATIONAL TRUST OF AUSTRALIA (NSW)
HERITAGE FOUNDATION LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
Contribution income	-	-
Total revenue		-
Total expenses	-	-
Surplus / (deficit) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-

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



**NATIONAL TRUST OF AUSTRALIA (NSW)
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**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Notes	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	2	200	200
Total current assets		200	200
Total assets		200	200
Total liabilities		-	-
Net assets		200	200
Retained surplus		200	200
Total accumulated funds		200	200

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



**NATIONAL TRUST OF AUSTRALIA (NSW)
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**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2022**

	Retained Surplus \$
Total accumulated funds at 1 July 2020	200
Comprehensive income for the year ended 30 June 2021	-
Total accumulated funds at 30 June 2021	200
Comprehensive income for the year ended 30 June 2022	-
Total accumulated funds at 30 June 2022	200

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



**NATIONAL TRUST OF AUSTRALIA (NSW)
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
Cash and cash equivalents at the beginning of the financial year	200	200
Net increase /(decrease) in cash and cash equivalents	<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	<u>200</u>	<u>200</u>

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



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and other pronouncements of the Australian Accounting Standards Board (“AASB”).

The Company is a subsidiary of National Trust of Australia (New South Wales).

The Company 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 The National Trust Centre, Upper Fort Street, Milers Point, Sydney, NSW 2000.

(i) *Historical Cost Convention*

These financial statements have been prepared under the historical cost convention.

(ii) *New or amended Accounting Standards and Interpretations adopted*

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company. The following Accounting Standards and Interpretations are most relevant to the Company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements.

Comparative information is reclassified where necessary to ensure comparability.

(a) **Taxation**

The Company has been granted exemption from income tax.

(b) **Trust Liabilities and Right of Indemnity**

The Company acts as Trustee for National Trust of Australia (NSW) Heritage Foundation Trust and National Trust of Australia (NSW) Heritage Foundation Ancillary Fund.

Liabilities have been incurred on behalf of these Trusts in the Company's capacity as Trustee.

Liabilities incurred on behalf of the Trusts are not recognised in the financial statements of the Company when it is not probable that the Company will have to meet any of the Trusts liabilities from its own resources. When it is probable that the Company will have to meet the Trusts liabilities, a liability for Deficiency in Trust Right of Indemnity is brought to account.



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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)**

	<u>2022</u> \$	<u>2021</u> \$
NOTE 2: CASH AND CASH EQUIVALENTS		
Held on settlement of the trusts:		
National Trust Australia (NSW) Heritage Foundation Trust	100	100
National Trust Australia (NSW) Heritage Foundation Ancillary Fund	<u>100</u>	<u>100</u>
	<u>200</u>	<u>200</u>

NOTE 3: RELATED PARTIES

(a) Trustee

The Company acts as Trustee for National Trust of Australia (NSW) Heritage Foundation Trust and National Trust of Australia (NSW) Heritage Foundation Ancillary Fund.

(b) Directors

The names of those who served as Directors of the Company during the 2022 financial year 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 Company.

(c) Related Party Transactions

No related party transactions were noted during the year.

NOTE 4: REMUNERATION OF AUDITORS

The audit fees for the Company are borne by National Trust of Australia (New South Wales) and there is \$Nil audit fee payable by the Company.