



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

ABN 41 217 401 179

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

This Financial Report was authorised for issue by the Trustee, National Trust of Australia (NSW) Heritage Foundation Limited, on 26 October 2022.

The Trustee has the power to amend and re-issue the Financial Report.



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION ANCILLARY FUND

TRUSTEES' REPORT 30 JUNE 2022

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

The Trustee and the Heritage Foundation Ancillary Fund are controlled entities of The National Trust of Australia (New South Wales) ("the Trust").

Directors

The Directors of the Trustee, 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 Heritage Foundation Ancillary Fund 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 ANCILLARY FUND

TRUSTEES' REPORT (continued) 30 JUNE 2022

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 Heritage Foundation Ancillary Fund and Trust are independent charitable organisations. 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 Heritage Foundation Ancillary Fund, Heritage Foundation Trust and the Trustee became controlled entities of the Trust from 19 March 2013.

The Heritage Foundation Trust and the Heritage Foundation Ancillary Fund are referred to herein as "controlled trusts".

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 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 fluctuations in FY22, related to the declining global markets in late FY22.

The Heritage Foundation Ancillary Fund maintains net assets of \$3,173,105 (2021 \$3,606,880).



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION ANCILLARY FUND

TRUSTEES' REPORT (continued) 30 JUNE 2022

Subsequent Events

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

There has not been any other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the Trustee and Heritage Foundation Ancillary Fund.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration given to the Directors by HLB Mann Judd is included on page 5.

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

Mr. Robert Elliott
Director, Chair

26 October 2022

Ms. Deborah Mills
Director



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION ANCILLARY FUND

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 ANCILLARY FUND

Name	Qualifications	Experience	Special responsibilities
David Pratt	BEC (Syd), MEC (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 ANCILLARY FUND**

DECLARATION BY DIRECTORS OF TRUSTEE COMPANY

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 National Trust of Australia (NSW) Heritage Foundation Ancillary Fund 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 9 to 16 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.

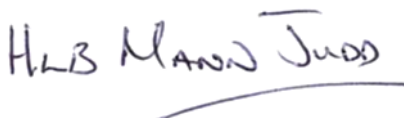
Robert Elliott
Director – National Trust of Australia (NSW)
Heritage Foundation Limited

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

Sydney, NSW
26 October 2022

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 National Trust of Australia (NSW) Heritage Foundation Ancillary Fund for the year ended 30 June 2022.



Sydney, NSW
26 October 2022

HLB Mann Judd
Chartered Accountants

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

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of National Trust of Australia (NSW) Heritage Foundation Ancillary Fund ("the Ancillary Fund"), 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 Trustees' Declaration.

In our opinion,

- (a) the financial report of the Ancillary Fund 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 Ancillary Fund's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards – Simplified Disclosures 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 Ancillary Fund has kept financials records sufficient to enable a financial report to be prepared and audited; and
- (d) the Ancillary Fund 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 Ancillary Fund 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.

Responsibilities of the 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 – Simplified Disclosures and the ACNC Act, 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 Ancillary Fund'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 Ancillary Fund or to cease operations, or have no realistic alternative but to do so.

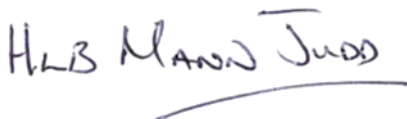
Auditor's Responsibilities for the Audit of the Financial Report

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 Ancillary Fund'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 Ancillary Fund'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 Ancillary Fund 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 ANCILLARY FUND**

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

	Notes	2022 \$	2021 \$
Investment income	3	255,760	159,551
Total revenue		255,760	159,551
(Loss) / gain on revaluation of investments		(480,924)	472,146
Total other (loss) / income		(480,924)	472,146
Investment management fees		20,014	17,496
Total expenses		20,014	17,496
(Deficit) / surplus for the year before distribution		(245,178)	614,201
Other comprehensive income		-	-
Total comprehensive (loss) / income		(245,178)	614,201

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



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION ANCILLARY FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents		1,650	81,114
Receivables	4	57,930	17,620
Total current assets		59,580	98,734
NON-CURRENT ASSETS			
Other financial assets	5	3,185,610	3,552,275
Total non-current assets		3,185,610	3,552,275
Total assets		3,245,190	3,651,009
CURRENT LIABILITIES			
Distributions payable	6	72,085	44,129
Total current liabilities		72,085	44,129
Total liabilities		72,085	44,129
Net assets		3,173,105	3,606,880
Retained surplus		3,173,105	3,606,880
Total accumulated funds		3,173,105	3,606,880

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



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

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2022**

	Retained Surplus \$
	<hr/>
Total accumulated funds at 1 July 2020	3,117,374
	<hr/>
Total comprehensive income for the year ended 30 June 2021	614,201
Distribution to National Trust of Australia (New South Wales)	(124,695)
	<hr/>
Total accumulated funds at 30 June 2021	3,606,880
	<hr/>
Total comprehensive loss for the year ended 30 June 2022	(245,178)
Distribution to National Trust of Australia (New South Wales)	(188,597)
	<hr/>
Total accumulated funds at 30 June 2022	3,173,105
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This statement should be read in conjunction with the accompanying notes.



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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

Notes	2022 \$	2021 \$
Cash flows from operating activities		
Investment income received	215,445	165,984
Interest received	5	119
Cash payments to suppliers	(20,134)	(17,496)
Distributions paid	(160,640)	(183,275)
Net cash inflows / (outflows) from operating activities	34,676	(34,668)
Cash flows from investing activities		
Acquisition of investments	(193,308)	(123,266)
Proceeds from investments	79,168	117,639
Net cash outflows from investing activities	(114,140)	(5,627)
Net decrease in cash and cash equivalents	(79,464)	(40,295)
Cash and cash equivalents at the beginning of the financial year	81,114	121,409
Cash and cash equivalents at the end of the financial year	1,650	81,114

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



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION ANCILLARY FUND

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

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 – Simplified Disclosures 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 Ancillary Fund (“the Ancillary Fund”) is a subsidiary of National Trust of Australia (New South Wales).

The Ancillary Fund 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, except for financial assets which are measured at fair value.

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

The Ancillary Fund 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 Ancillary Fund. The following Accounting Standards and Interpretations are most relevant to the Ancillary Fund:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Ancillary Fund 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 Ancillary Fund's financial statements.

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

The Ancillary Fund 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) **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 Ancillary Fund has been granted exemption from income tax. The Ancillary Fund has Deductible Gift Recipient status.



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION ANCILLARY FUND

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(e) Payables

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

NOTE 2: PURPOSE OF THE TRUST

The Ancillary Fund has been established as a Trust that will accommodate significant tax-deductible donations where the donors wish is that the capital be maintained and only the earnings from the Ancillary Fund be used to support the work of National Trust of Australia (New South Wales).

	2022 \$	2021 \$
	<hr/>	<hr/>
NOTE 3: INCOME		
Dividend Income	144,788	63,882
Interest Income	5	119
Distribution Income	<hr/> 110,967	<hr/> 95,550
	<hr/> 255,760 <hr/>	<hr/> 159,551 <hr/>

NOTE 4: RECEIVABLES

Current

Other debtors – franking tax credits	57,301	16,984
Other debtors – GST	<hr/> 629	<hr/> 636
	<hr/> 57,930 <hr/>	<hr/> 17,620 <hr/>



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

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

	2022	2021
	\$	\$
<hr/>		
NOTE 5: OTHER FINANCIAL ASSETS		
Other financial assets designated as at fair value through profit or loss		
Funds under management	<u>3,185,610</u>	<u>3,552,275</u>

Investments have been valued based on their quoted market prices in active markets.

During financial year 2021 the Ancillary Fund 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.

	2022	2021
	\$	\$
<hr/>		
NOTE 6: DISTRIBUTIONS PAYABLE		
Total Distribution to National Trust of Australia (New South Wales)	188,597	124,695
Add: Distributions payable from prior year	44,129	102,709
Less: Distributions paid to National Trust of Australia (New South Wales)	<u>(160,641)</u>	<u>(183,275)</u>
Distributions payable	<u>72,085</u>	<u>44,129</u>

NOTE 7: RELATED PARTIES

(a) Trustee

The Trustee of the Ancillary Fund is National Trust of Australia (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.



NATIONAL TRUST OF AUSTRALIA (NSW) HERITAGE FOUNDATION ANCILLARY FUND

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

NOTE 7: RELATED PARTIES (continued)

(b) Distributions to related Trust

Distributions are paid to 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.

NOTE 8: DISTRIBUTIONS

In accordance with the terms of the Trust Deed, the Trustee each year:

- (a) shall distribute up to 80% of the Income received in that Financial 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 or part of the Retained Income if the Capital Base has been so augmented.

In addition, in accordance with the Trust Deed the Trustee may also distribute up to 5% of the Capital Base of the Trust Fund in any one year if approved by at least 75% in number of all the directors of the Trustee and 75% in number of all of the directors of National Trust of Australia (New South Wales).

The minimum annual distribution amount of both income and capital is also subject to the distribution requirements set out in the Public Ancillary Fund Guidelines 2011. In both the 2021 and 2022 Financial Years the minimum annual distribution requirement is the greater of 4 per cent of the market value of the Ancillary Fund's net assets (as at the end of the previous financial year) OR the amount distributed as income in accordance with clauses (a) and (b) above plus any of the Capital Base distributed.

In the 2021 financial year, 4% of the opening Fund's net assets were distributed (as this exceeded the 80% of income). In the 2022 financial year, the Ancillary Fund distributed 80% of the income.

NOTE 9: REMUNERATION OF AUDITORS

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

NOTE 10: SUBSEQUENT EVENTS

There have not been any matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the Ancillary Fund.