



Foundation Perpetuity Trust

ABN 23 002 494 198

Financial Statements
for the period 1 July 2014 to 30 June 2015

FOUNDATION PERPETUITY TRUST
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Continuing operations			
Total revenues from Contributions	2	8,000	516,756
Total revenues from Interest	2	21,713	11,474
Total revenues from Investment Income	2	1,484,663	600,830
		<hr/>	<hr/>
Total revenues from Continuing Operations	2	1,514,376	1,129,060
Net increase in investments	3	(152,432)	1,139,698
		<hr/>	<hr/>
Surplus from continuing operations before income tax expense and trust distributions		1,361,944	2,268,758
Income tax expense relating to continuing operations		-	-
Trust distributions		(850,000)	-
		<hr/>	<hr/>
Net surplus from continuing operations after income tax expense and trust distributions		511,944	2,268,758
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the period		<u>511,944</u>	<u>2,268,758</u>

The above Statement of Profit or Loss and Other Comprehensive income should be read in conjunction with the accompanying notes.

FOUNDATION PERPETUITY TRUST
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and Cash Equivalents		38,705	37,558
Other Financial Assets	4	16,684,179	16,173,382
TOTAL CURRENT ASSETS		16,722,884	16,210,940
TOTAL ASSETS		16,722,884	16,210,940
CURRENT LIABILITIES			
TOTAL CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		-	-
NET ASSETS		16,722,844	16,210,940
TRUST FUNDS			
Settlement Capital		10	10
Accumulated Funds	5	16,722,874	16,210,930
TOTAL TRUST FUNDS		16,722,884	16,210,940

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**FOUNDATION PERPETUITY TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Distributions		29,713	528,230
Franking Credits refunded by ATO		110,118	88,306
Net cash inflow from operating activities	6(a)	139,831	616,536
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption of Investment		850,000	-
Trust Distribution		(850,000)	-
Amounts placed on investment		(138,684)	(615,450)
Net cash (outflow)/inflow from investing activities		(138,684)	(615,450)
Net increase in cash and cash equivalents held		1,147	1,086
Cash and cash equivalents at the beginning of the financial year		37,558	36,472
Cash and cash equivalents at the end of the financial year		38,705	37,558

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**FOUNDATION PERPETUITY TRUST
STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
TRUST FUNDS			
Balance at beginning of year		16,210,940	13,942,182
Surplus		511,944	2,268,758
Balance at end of year		<u>16,722,884</u>	<u>16,210,940</u>

The above Statement of Changes in Trust funds should be read in conjunction with the accompanying notes.

**FOUNDATION PERPETUITY TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

GENERAL INFORMATION

The Foundation Perpetuity Trust (Trust) is a charitable trust which was established by deed of trust (Trust Deed). Prior to 4 December 2014, the Trust was known as the Surf Life Saving Rescue Fund Trust. The Surf Life Saving Foundation is the Trustee of the Trust which is maintained and applied solely for specific purposes outlined in the Trust Deed. Investments in the Trust may be made by eligible Surf Life Saving organisations. The Trust is registered under ABN 23 002 494 198 on the Australian Business Register and the Australian Charities and Not-for-Profits Commission Register. The Trustee has appointed Perpetual Private as an investment manager.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Special purpose financial report

In the opinion of the Trustee, the Trust is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the purpose of complying with Trust Deed requirements and to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act 2012).

The financial report has been prepared in accordance with the requirements of the ACNC Act 2012 and the following Australian Accounting Standards:

- AASB 101 Presentation of Financial Statements
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 107 Statement of Cash Flows
- AASB 110 Events After the End of the Reporting Period
- AASB 1048 Interpretation of Standards
- AASB 1054 Australian Additional Disclosures,

as appropriate for not-for-profit oriented entities.

(ii) New and amended standards and interpretations not yet adopted by the Trust

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The Trustees have assessed these standards and interpretations and decided not to early adopt them for the 30 June 2015 reporting period on the basis they are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

FOUNDATION PERPETUITY TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Historical cost conventions

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(iv) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying accounting policies. There are no material critical accounting estimates used in the preparation of the financial statements.

(b) Revenue

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Trust and specific criteria have been met for each of the Trust's activities as described below:

- Revenue from Contributions is recognised when the distribution is received or authorised.
- Interest revenue is recognised as interest is received.
- Investment income includes dividends, franking credits, property fund investment returns, and other income earned on investments. Revenue is recognized when the right to receive the payment is established. Investment income is normally re-invested unless otherwise directed.

(c) Taxation

The Trust is exempt from income tax.

(d) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Trust Distributions

Trust Distributions are recognised for amounts at the time that they are approved by the Trustees in accordance with the Trust Deed. Trust Distributions include all withdrawals made by beneficiaries.

**FOUNDATION PERPETUITY TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investment value

The value of the investment held by the Trustee for each beneficiary is calculated at the end of each month on a historical basis taking into account: i) the beneficiary's share of net investment income and capital movements for the month; and ii) any contributions or distributions recorded during the month. The beneficiary's share of net investment income and capital movements for each month is apportioned on the opening value of the investment for that month.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The gross amount of GST recoverable from, and payable to, the taxation authority is included as part of receivables and payables in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a net basis.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(h) Investments and other financial assets

(i) Classification

The Trust classifies its financial assets in the following categories:

- Financial assets at fair value
- Held-to-maturity investments with a maturity of greater than three months from the date of acquisition

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(ii) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the Trust commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Trust has transferred substantially all the risks and rewards of ownership.

FOUNDATION PERPETUITY TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Measurement

At initial recognition, the Trust measures a financial asset at fair value. Any transaction costs of financial assets at fair value are expensed in profit or loss.

Gains or losses arising from changes in the fair value of the financial assets at fair value are presented in the profit or loss within *Net increase in investments* in the period in which they arise. Distribution income from financial assets at fair value is recognized in the profit or loss as part of Investment Income when the Trust's right to receive payments is established.

Held-to-maturity investments are recognized at initial investment value.

(iv) Impairment

The Trust assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event or events has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

**FOUNDATION PERPETUITY TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
NOTE 2: REVENUE		
Operating activities		
- Contributions from The Surf Life Saving Foundation (SLSF)	8,000	39,150
- Contributions from other Surf Life Saving Entities	-	477,606
- Interest	21,713	11,474
- Investment Income	1,484,663	600,830
Total Revenue	<u>1,514,376</u>	<u>1,129,060</u>

NOTE 3: SURPLUS FROM CONTINUING OPERATIONS

Surplus from continuing operations has been determined after:

Management Fees	(51,518)	(47,690)
Net increase / (decrease) in investments	<u>(100,914)</u>	<u>1,187,388</u>
	<u>(152,432)</u>	<u>1,139,698</u>

NOTE 4: OTHER FINANCIAL ASSETS

Financial assets at fair value	16,155,698	15,664,248
Held-to-maturity investments	528,481	509,134
	<u>16,684,179</u>	<u>16,173,382</u>

**FOUNDATION PERPETUITY TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
NOTE 5: ACCUMULATED FUNDS		
The Trustee holds funds on trust for the following Surf Life Saving organisations:		
Surf Life Saving Australia	4,864,786	5,247,718
Surf Life Saving Queensland	8,837,609	8,146,423
Surf Life Saving New South Wales	353,466	326,097
Life Saving Victoria	2,496,516	2,333,399
Surf Life Saving Tasmania	124,803	115,138
Surf Life Saving Northern Territory	10,962	10,113
Surf Life Saving South Australia	17,992	16,598
Wye River Surf Life Saving Club	16,740	15,444
	<u>16,722,874</u>	<u>16,210,930</u>

Funds held in the Trust can only be withdrawn at the sole discretion of the Trustee, provided that such withdrawal meets certain criteria as noted in the Trust Deed.

NOTE 6: CASH FLOW INFORMATION

(a) Reconciliation of surplus from continuing operations to net cash provided by operating activities

Operating surplus from continuing operations before trust distributions	1,361,944	2,268,758
Decrease in:		
- Non cash investment income and expenses	1,222,113	1,652,222
Net cash provided by operating activities	<u>139,831</u>	<u>616,536</u>

(b) Unused Credit Facilities

The Trust has no unused credit stand-by or financing facilities in place.

(c) Non-cash Financing Transactions

There were no non-cash financing transactions during the year.

**FOUNDATION PERPETUITY TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 7: EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no material events occurring after the reporting period that require disclosure.

NOTE 8: RELATED PARTY DISCLOSURES

Transactions between the Trustee and the Trust:

	2015	2014
	\$	\$
Contribution from SLSF to the Trust	8,000	39,150

NOTE 9: CONTINGENT LIABILITIES

There are no contingent liabilities that require disclosure.

NOTE 10: FORWARD COMMITMENTS

There are no forward commitments that require disclosure.

NOTE 11: AUDITOR'S REMUNERATION

Fees for services rendered by the Trust's auditor are borne by SLSF.

**FOUNDATION PERPETUITY TRUST
STATEMENT BY THE BOARD OF DIRECTORS OF THE TRUSTEE**

The Directors' of the Trustee have determined that the Trust is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In the Directors' opinion:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in trust funds, and accompanying notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation 2013); and
 - (b) give a true and fair view of the Trust's financial position as at 30 June 2015 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. There are reasonable grounds to believe that the Trust will be able to pay all of its debts as and when they become due and payable.

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



Geoffrey Martin Walsh
Chairman/Director
The Surf Life Saving Foundation

Dated: 9 October 2015

INDEPENDENT AUDITOR'S REPORT

To the Directors of the Trustee of the Foundation Perpetuity Trust

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of the Foundation Perpetuity Trust ('the Trust'), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in trust funds and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the trustee's declaration.

Trustees' Responsibility for the Financial Report

The directors of the Trustee are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the Trust Deed. The Trustees' responsibility also includes such internal control as the directors of the Trustee determine is necessary to enable the preparation of a financial report that gives a true and fair view and 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 and fair presentation of the financial report 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 directors of the Trustee, 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.



Opinion

In our opinion, the financial report of the Foundation Perpetuity Trust has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Trust's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trust's financial reporting responsibilities under the *ACNC Act*. As a result, the financial report may not be suitable for another purpose.

BDO East Coast Partnership

A handwritten signature in black ink. The signature starts with 'BDO' in a stylized, cursive font, followed by a large, flowing signature that appears to be 'Paul Bull'.

Paul Bull
Partner

Sydney, 9 October 2015