



Foundation Perpetuity Trust

ABN 23 002 494 198

Financial Statements
for the period 1 July 2016 to 30 June 2017

FOUNDATION PERPETUITY TRUST
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Continuing operations			
Total revenues from Interest	2	58,102	31,880
Total revenues from Investment Income	2	739,206	1,353,087
		<hr/>	<hr/>
Total revenues from Continuing Operations	2	797,308	1,384,967
Net increase/(decrease) in investments	3	890,365	(370,706)
		<hr/>	<hr/>
Surplus from continuing operations before income tax expense and trust distributions		1,687,673	1,014,261
Income tax expense relating to continuing operations		-	-
Trust distributions		-	(150,000)
		<hr/>	<hr/>
Net surplus from continuing operations after income tax expense and trust distributions		1,687,673	864,261
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the period		<u>1,687,673</u>	<u>864,261</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 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents		40,453	598,603
Other Financial Assets	4	17,185,117	16,988,542
TOTAL CURRENT ASSETS		<u>17,225,570</u>	<u>17,587,145</u>
NON-CURRENT ASSETS			
Loan to Surf Life Saving Australia Limited	5	2,049,248	-
TOTAL NON-CURRENT ASSETS		<u>2,049,248</u>	<u>-</u>
TOTAL ASSETS		<u>19,274,818</u>	<u>17,587,145</u>
CURRENT LIABILITIES			
TOTAL CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>-</u>	<u>-</u>
NET ASSETS		<u>19,274,818</u>	<u>17,587,145</u>
TRUST FUNDS			
Settlement Capital		10	10
Accumulated Funds		19,274,808	17,587,135
TOTAL TRUST FUNDS		<u>19,274,818</u>	<u>17,587,145</u>

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 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest Receipts		8,854	31,880
Franking Credits refunded by ATO		86,258	99,232
Net cash inflow from operating activities	6(a)	95,112	131,112
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption of Investment		2,000,000	150,000
Trust Distribution		-	(150,000)
Amounts placed on investment		(653,262)	428,786
Loan to Surf Life Saving Australia Limited		(2,000,000)	-
Net cash (outflow)/inflow from investing activities		(653,262)	428,786
Net increase/(decrease) in cash and cash equivalents held		(558,150)	559,898
Cash and cash equivalents at the beginning of the financial year		598,603	38,705
Cash and cash equivalents at the end of the financial year		40,453	598,603

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 2017**

	Note	2017 \$	2016 \$
TRUST FUNDS			
Balance at beginning of year		17,587,145	16,722,884
Surplus		1,687,673	864,261
Balance at end of year		<u>19,274,818</u>	<u>17,587,145</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 2017**

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. Contributions to the Trust may be made by Surf Life Saving entities, corporations, institutions, organisations and the public generally. 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.

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).

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

- AASB 101 Presentation of Financial Statements
- AASB 107 Statement of Cash Flows
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- 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 2017 reporting periods. The Trustees have assessed these standards and interpretations and decided not to early adopt them for the 30 June 2017 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 2017**

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.

(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.

**FOUNDATION PERPETUITY TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) 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.

(g) 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
- Loans and receivables

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 2017

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 fair value.

(iv) Loans

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, loans and other receivables are recognised at amortised cost using the effective interest rate method.

(v) 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 2017**

	2017	2016
	\$	\$
NOTE 2: REVENUE		
Operating activities		
- Interest	58,102	31,880
- Distribution Income	652,948	1,253,855
- Franking Credits refunded by ATO	86,258	99,232
Total Revenue	<u>797,308</u>	<u>1,384,967</u>

NOTE 3: SURPLUS FROM CONTINUING OPERATIONS

Surplus from continuing operations has been determined after:

Management Fees	(55,461)	(50,205)
Net increase/(decrease) in investments	945,826	(320,501)
	<u>890,365</u>	<u>(370,706)</u>

NOTE 4: OTHER FINANCIAL ASSETS

Financial assets at fair value	<u>17,185,117</u>	<u>16,988,542</u>
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NOTE 5: NON-CURRENT ASSETS

Loan to Surf Life Saving Australia Limited	<u>2,049,248</u>	<u>-</u>
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The Trust has entered into a loan agreement with Surf Life Saving Australia Limited (SLSA). The loan agreement provides for SLSA to borrow up to \$4,800,000 for the purpose of funding The Surf Life Saving Foundation's "Invest to Grow" strategy. At 30 June 2017, SLSA had borrowed a principal sum of \$2,000,000 and accrued interest of \$49,248. The principal sum and interest is due to be repaid by 30 June 2020 unless otherwise agreed between the parties.

**FOUNDATION PERPETUITY TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
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	1,687,673	1,014,261
Decrease in:		
- Non cash investment income and expenses	1,592,561	883,149
Net cash provided by operating activities	95,112	131,112

(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 2017**

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

	2017	2016
	\$	\$
The following amounts were advanced during the year and included in Non-current assets (being \$2,000,000 advanced and \$49,248 in capitalised interest):		
Surf Life Saving Australia Limited	2,049,248	-

NOTE 9: CONTINGENT LIABILITIES

There are no contingent liabilities that require disclosure (2016: Nil).

NOTE 10: FORWARD COMMITMENTS

There are no forward commitments that require disclosure (2016: Nil).

NOTE 11: AUDITOR'S REMUNERATION

Fees for services rendered by the Trust's auditor are borne by The Surf Life Saving Foundation.

**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 2017 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: 13 October 2017

INDEPENDENT AUDITOR'S REPORT

To the Directors of the Trustee of the Foundation Perpetuity Trust

Report on the Audit of the Financial Report

Opinion

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 2017, 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.

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

- (i) Giving a true and fair view of the Trust's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- (ii) 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 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 Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical 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.

Emphasis of matter - Basis of accounting

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. Our opinion is not modified in respect of this matter.

Trustees' Responsibility for the Financial Report

The directors of the Trustee are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The directors' responsibility also includes such internal control as the directors 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.

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 relating 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.

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 the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'Martin Coyle', written over the printed name below.

Martin Coyle
Partner

Sydney, 13 October 2017