



# Foundation Perpetuity Trust

ABN 23 002 494 198

Financial Statements  
for the period 1 July 2017 to 30 June 2018

**FOUNDATION PERPETUITY TRUST**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Continuing operations</b>			
Total revenues from Interest	2	277,145	58,102
Total revenues from Investment Income	2	1,086,753	739,206
		<hr/>	<hr/>
Total revenues from Continuing Operations	2	1,363,898	797,308
Net increase in investments	3	724,112	890,365
		<hr/>	<hr/>
Surplus from continuing operations before income tax expense and trust distributions		2,088,010	1,687,673
Income tax expense relating to continuing operations		-	-
Trust distributions		-	-
		<hr/>	<hr/>
Net surplus from continuing operations after income tax expense and trust distributions		2,088,010	1,687,673
Other comprehensive income		-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the period</b>		<u><u>2,088,010</u></u>	<u><u>1,687,673</u></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 2018**

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		41,230	40,453
Other Financial Assets	4	18,011,556	17,185,117
<b>TOTAL CURRENT ASSETS</b>		18,052,786	17,225,570
<b>NON-CURRENT ASSETS</b>			
Loan to Surf Life Saving Australia	5	3,310,042	2,049,248
<b>TOTAL NON-CURRENT ASSETS</b>		3,310,042	2,049,248
<b>TOTAL ASSETS</b>		21,362,828	19,274,818
<b>CURRENT LIABILITIES</b>			
<b>TOTAL CURRENT LIABILITIES</b>		-	-
<b>TOTAL LIABILITIES</b>		-	-
<b>NET ASSETS</b>		21,362,828	19,274,818
<b>TRUST FUNDS</b>			
Settlement Capital		10	10
Accumulated Funds		21,362,818	19,274,808
<b>TOTAL TRUST FUNDS</b>		21,362,828	19,274,818

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 2018**

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest Receipts		16,351	8,854
Franking Credits refunded by ATO		118,915	86,258
Net cash inflow from operating activities	6(a)	135,266	95,112
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Redemption of Investment		1,000,000	2,000,000
Trust Distribution		-	-
Amounts placed on investment		(134,489)	(653,262)
Loan to SLSA		(1,000,000)	(2,000,000)
Net cash (outflow) from investing activities		(134,489)	(653,262)
Net increase in cash and cash equivalents held		777	(558,150)
Cash and cash equivalents at the beginning of the financial year		40,453	598,603
Cash and cash equivalents at the end of the financial year		41,230	40,453

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 2018**

	Note	2018 \$	2017 \$
TRUST FUNDS			
Balance at beginning of year		19,274,818	17,587,145
Surplus		2,088,010	1,687,673
Balance at end of year		<u><u>21,362,828</u></u>	<u><u>19,274,818</u></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 2018**

**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 2018 reporting periods. The Trustees has assessed these standards and interpretations and decided not to early adopt them for the 30 June 2018 reporting period. The potential impact of these standards is currently being assessed for future reporting periods.

**FOUNDATION PERPETUITY TRUST  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

**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 financial assets 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, 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 2018**

**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 Statement of Financial Position.

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

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 2018**

**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 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: REVENUE</b>		
Operating activities		
- Interest	277,145	58,102
- Distribution Income	967,838	652,948
- Franking Credits refunded by ATO	118,915	86,258
Total Revenue	<u>1,363,898</u>	<u>797,308</u>

**NOTE 3: SURPLUS FROM CONTINUING OPERATIONS**

Surplus from continuing operations has been determined after:

Management Fees	(52,016)	(55,461)
Net increase in investments	776,128	945,826
	<u>724,112</u>	<u>890,365</u>

**NOTE 4: OTHER FINANCIAL ASSETS**

Financial assets at fair value	<u>18,011,556</u>	<u>17,185,117</u>
	<u>18,011,556</u>	<u>17,185,117</u>

**NOTE 5: NON-CURRENT ASSETS**

Loan to Surf Life Saving Australia	<u>3,310,042</u>	<u>2,049,248</u>
	<u>3,310,342</u>	<u>2,049,248</u>

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 2018, SLSA had borrowed a principal sum of \$3,000,000 and accrued interest of \$310,042. 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 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>

**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	2,088,010	1,687,673
Decrease in:		
- Non cash investment income and expenses	1,952,744	1,592,561
Net cash provided by operating activities	135,266	95,112

(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 2018**

**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:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
The following amounts were advanced during the year and included in Non-current assets (being \$1,000,000 advanced and \$260,794 in capitalised interest):		
Surf Life Saving Australia Limited	3,310,042	2,049,248

**NOTE 9: CONTINGENT LIABILITIES**

There are no contingent liabilities that require disclosure (2017: Nil).

**NOTE 10: FORWARD COMMITMENTS**

There are no forward commitments that require disclosure (2017: 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 2018 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: 28 September 2018

## 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 2018, 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 2018 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards to the extend 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 Trust 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

### **BDO East Coast Partnership**



**Martin Coyle**  
Partner

Sydney, 28 September 2018